



Review of Industry Associations including climate change policy

Origin is a member of a number of industry associations which often have a broad range of members and views. Origin advocates for sound energy and climate change policy outcomes directly with governments and through its industry association memberships. Origin uses its memberships to understand the views of other industry participants and present and advocate its views on relevant policy, particularly in relation to climate change and climate related policy.

While there may not be full alignment across industry representatives on some key policy areas, we may remain a member of an industry association with whom we don't have complete alignment on the basis that through our advocacy we can make our views known and ultimately influence the industry association and the members of the association.

Origin is a member of industry associations that represent our key markets and a number of smaller and emerging associations and industry groups. Membership of our six key associations costs just over \$1.2 million in FY2020. Membership of the 15 secondary industry associations and groups cost around \$150,000 over the year. We review our memberships annually including policy alignment and cost and benefit.

Benefits of industry association memberships include:

- access to industry insights, expertise or information that may improve commercial, technical, or operational performance. These include safety, environmental and technical standards;
- insight or access into new markets, including electric vehicles, transport fuels, hydrogen and international markets and developments;
- ability for Origin to advocate with government and the community for sound policy outcomes aligned with our commercial interests and the interests of our customers. Key areas include climate change, energy markets, gas development, tax and royalties, approvals and regulation.

Our annual review identified both areas of policy alignment and areas of difference. Where there are areas of difference, we seek to influence the relevant industry association and its members through constructive dialogue.

The commentary below summarises the publicly stated climate change policy positions of the key industry associations that Origin is a member of and compares their positions to ours. We also summarise the overall cost and benefit analysis and whether or not we propose to continue our membership.

Australian Energy Council (AEC)

The AEC has recently endorsed an economy-wide net zero emissions by 2050 target for Australia. This position was supported by Origin. The AEC has also advocated for well-designed, market-based, and stable national policy settings for the energy sector around which its members can invest.

The AEC is a member of the Australian Climate Roundtable (ACR), which was established to enable members to formulate a common approach to the climate policy debate. The principles of the ACR include:

- Recognising the major political parties' bipartisan goal of limiting global warming to less than 2 degrees celsius.
- Achieving this goal will require deep global emissions reductions, with most countries, including Australia eventually reducing net greenhouse emissions to zero or below.

- Policy should allow Australia to meet its short and long term emissions reduction goals at least cost.
- Policy should prevent the unnecessary loss of competitiveness by Australia's trade exposed industries.
- Policy should recognise the strategic importance of reducing emissions from the energy sector in achieving the overall goal.

The review identified a strong alignment with Origin's climate principles and goals.

There are significant benefits to Origin from our AEC membership, including government and public advocacy for our energy markets business, advocating for efficient and competitive retail and wholesale markets, and participating in technical working groups.

We will continue our AEC membership as a forum to build a common ground on climate policy in Australia and for other policy advocacy and industry benefits.

Australian Petroleum Production & Exploration Association (APPEA)

APPEA is the peak national body representing Australia's oil and gas exploration and production industry. APPEA supports a national climate change policy that delivers greenhouse gas emissions reductions at the least cost and facilitates broad-based investment decisions consistent with an international price on carbon.

APPEA's climate change policy principles are:

- International engagement is crucial.
- Climate change and energy policies must be integrated and harmonised.
- Climate change adaptation strategies are necessary.
- Climate policy must not compromise national or global economic development or energy security.

While the review identified a high level of broad alignment with Origin's climate principles, it also identified a lack of detail in APPEA's climate change policy. APPEA is currently reviewing its climate change policy principles and Origin is represented on the APPEA task force responsible for the review. We will continue to advocate to the association and its members to support national targets based on climate science that is aligned to the Paris Agreement goals and for more tangible action from the Australian gas industry on how to achieve targets.

Benefits from our APPEA membership include government and public advocacy on the ADGSM implementation and review, Queensland gas royalties and approvals and regulation, including in the Northern Territory.

We will continue our APPEA membership to advocate with government and publicly on behalf of the gas industry, including the positive contribution to climate change objectives in Australia and overseas.

Business Council of Australia (BCA)

The BCA represents the chief executives of Australia's largest employers and is a member of the Australian Climate Roundtable. The BCA supports:

- Climate change science and the Paris Agreement.
- Australia's emissions reduction target of 26-28 per cent by 2030, noting that this is a sensible and achievable starting point, and achieving net zero emissions by 2050.
- A regular review of Australia's national emissions reduction target as required under the Paris Agreement.
- Transition to a low emissions economy that does not put our standards of living at risk.
- A carbon price signal.
- Investment in renewable and low emissions power and storage.
- De-carbonisation of the energy sector.

The review identified a strong alignment with Origin's climate principles and goals. However, we do not support the BCA's previous commentary on using carry-over credits for Australia to meet its current National Determined Contribution target and we have reinforced this position to the BCA. We note that the BCA has since softened its position on the use of carry-over units stating that if Australia can meet its targets without the use of such credits, it should.

The BCA is currently reviewing its position on climate change policy after consistent feedback from various corporate members, including Origin, that its policy needs to be more ambitious. We have engaged constructively in this process and are represented on three supporting technical working groups – Energy, Offsets and Transport. BCA's updated climate change policy is expected to be released by the end of 2020.

The benefits of BCA membership include collaboration and the opportunity to advocate for our views across industry, and a broad, economy wide perspective on issues including climate change, energy policy, environmental approvals, tax and industrial relations.

We will continue our BCA membership to advocate for sound policy, including on climate change across the entire Australian economy.

Clean Energy Council (CEC)

The Clean Energy Council is the peak body for the clean energy industry in Australia. The CEC is committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner. The CEC's position on energy and climate change policy is:

- The Federal Government should provide leadership and support the transition of the sector by proceeding with the National Energy Guarantee (or an equivalent policy) that will provide much needed investment certainty.
- This should include clear targets for emissions reduction that will ensure decarbonisation of the energy sector well before 2050.
- Accelerate reforms to support the deployment of energy storage, including streamlining of grid connection processes and requirements.
- Build strong leadership and cooperation with state and territory governments in accelerating regulatory reform to remove barriers and level the playing field for renewable energy and storage projects.
- In the absence of federal leadership, state governments should play a crucial role in providing leadership to underpin investment confidence and new investment.

The review identified a strong alignment between the CEC and Origin on climate principles and goals.

We will continue to our membership of the CEC as a forum to build a common ground on climate policy in Australia and support the deployment of renewable energy and storage.

Gas Energy Australia (GEA)

Gas Energy Australia is the national peak body that represents the domestic use of gaseous fuels including Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG). GEA focuses on policies that support greater use of gaseous fuels including for transport. GEA's position on energy policy is:

- Work with Australian governments to support cleaner air and improved health outcomes through greater use of gaseous fuels.
- Work with Australian governments to support policies to reduce greenhouse gas emissions given the inherent low carbon content of gaseous fuels.
- Advocate for government policy, procurement and other support to treat all cleaner energy sources equally.
- Build awareness of the benefits of cleaner, affordable gaseous fuels to the Australian community.
- Work with Australian governments to encourage greater use of gaseous fuels to power regional and remote Australian communities and fuel bus, ferry and train services.

The review identified broad alignment with Origin's climate principles and goals.

We will continue our GEA membership to promote the use of gaseous fuels as part of Australia's transition to a low carbon emissions energy system.

Queensland Resources Council (QRC)

The QRC represents the commercial developers of Queensland's mineral and energy resources. QRC states that it is committed with its members to achieve energy security while taking proactive steps towards a low emissions economy. The QRC's position on energy and climate change is:

- Queensland's resource industry supports global action on climate change.
- The global need to reduce emissions has clear implications for Queensland's energy policy.
- Achieving an orderly transition to a low emission economy needs policy stability to minimise costs.
- Climate adaptation requires a concerted focus to ensure Queensland communities remain resilient.

The review identified improved alignment with the QRC on climate change policy, with a stronger QRC position on lowering carbon emissions and less vocal support for new coal-fired power stations. Origin does not believe that any new coal fired power stations should be built in Australia. We would like to see QRC take a more public position on climate change action and integrated energy and climate change policy.

The benefits to Origin of QCA membership include strong advocacy in Queensland for the gas sector including economic benefits, safety, environmental management, royalties and regulation. We continue to believe that the benefits of membership of the QRC outweigh concerns about where our opinions may differ. Further, we will continue to advocate for stronger action on energy and climate change policy and the need to support national targets based on climate science that are aligned to the Paris Agreement goals.