



The twin pillars to energy fix



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AUSTRALIA is moving from a post-industrialised paradigm to a digital age and a carbon-constrained future.

This is evident across all sectors, including the resources sector, where delivery on broader economic needs is failing expectations.

The energy crisis in South

Australia reflects both the failings of an industrialised framework responding in a digital age and an awkward response to a renewable target that reflects the thinking required for a decarbonised future.

Set to this backdrop is a gas market trading system that has resulted in limited local supply to offset the transition from fossil fuel to renewable sources.

The State Government's recent announcement of \$24 million in gas exploration grants is a step towards ironing out the wrinkles in this transition phase and the additional

funding as part of the \$550 million SA Energy Plan is also welcomed to help meet local domestic gas requirements.

With last year's closure of Northern power station in Port Augusta and last week's closure of Hazelwood in Victoria,

SA is reliant on gas – whether we like it or not.

Gas extraction, both conventional and unconventional, has been successfully undertaken in the Cooper Basin for 40 years with no proof of negative environmental impact.

Both forms of extraction can also occur throughout SA, including the South-East, if the state comes together to solve its energy issues.

Gas extraction is a requirement – not an option – to transition our electricity network to a low-carbon future.

Moratoriums grind us to a place of inaction, a luxury we no longer have.

We need to look out the front windscreen rather than the rear-view mirror and there is reason why one is larger. It is an opportunity for us to demonstrate adaptability, thought leadership and action on the world stage.

The option to reopen Northern is behind us – the future is renewables supported by gas: the front windscreen.

Transition and change is uncomfortable. But with all change should come innovation – a chance to find solutions to complex problems.

SA has the potential to provide transformational leadership, to rise above the “blame game”, and to navigate a future for our businesses and citizens.

Business SA has long been an active participant in the de-

bate, not only providing a collective voice for local

businesses, but driving specific outcomes including the establishment of the Finkel review and positive outcomes from Australian Energy Regulator consultation processes. The Chamber of Mines and Energy has led the way with a collective buying group for our state's largest power users.

We all have a role to play – to engage and find solutions, proactively and with vision.

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