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Focus on energy security welcome but investor confidence is key

The focus on energy security in the 2017 Federal Budget has been welcomed by the peak industry body representing Australia's energy networks.

Energy Networks Australia CEO John Bradley said the Federal Budget included positive measures to improve energy customer confidence in electricity retail markets, wholesale gas markets and the feasibility of new energy sources and pipeline infrastructure.

"The Federal Budget seeks to restore public confidence that our energy markets are sufficiently secure and competitive to deliver reliable, affordable energy for our customers," Mr Bradley said.

"Energy Networks welcome government support for increased market scrutiny and measures to progress new sources of unconventional gas, pumped hydro and concentrated solar thermal energy which can help to keep the lights on as we decarbonise.

"It is great to see the Federal Government's commitment of about \$60 million for scientific assessments and to accelerate development of onshore gas, along with \$7.6 million to assess gas infrastructure and trading opportunities.

"However, to solve our gas market challenges, we need a number of State Governments to remove blanket prohibitions on gas exploration and development to secure reliable supply for manufacturers, power stations and residential customers.

"While Budget measures are welcome government funding is not the biggest challenge facing the energy system.

"Widespread federal funding of new energy projects should not be necessary if State and Federal Governments can rapidly agree on a national energy transition plan.

"With stable, national energy and carbon policy, we can return to an environment where investors have the confidence to allocate private capital, avoiding the need for support from the public purse."

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Energy Networks Australia represents Australia's electricity transmission and distribution networks and gas distribution networks. Our members provide energy to virtually every household and business in Australia.