

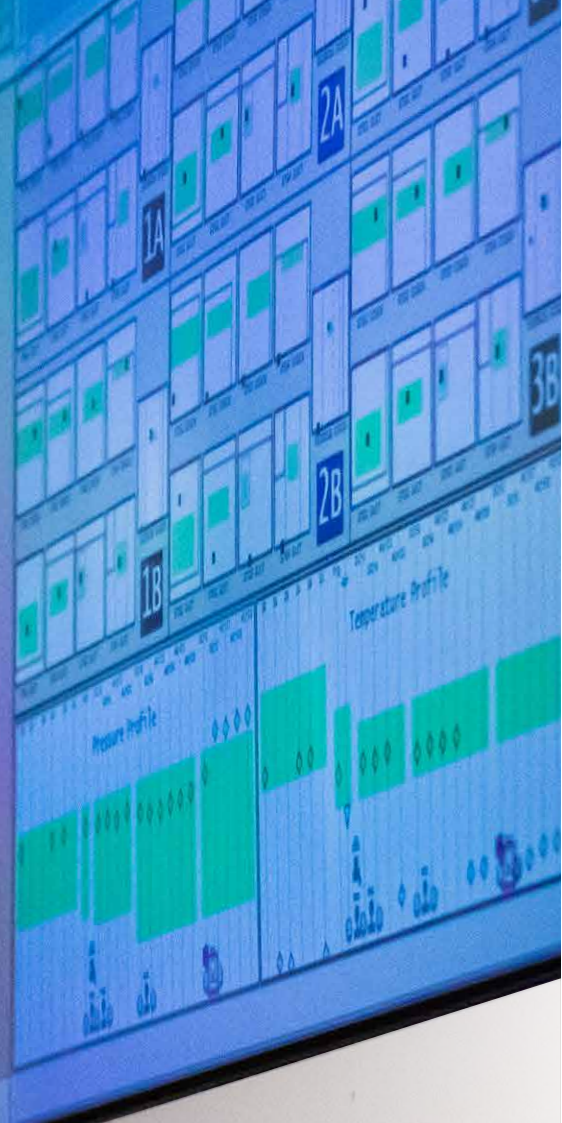
# Western Australian Natural Gas

A plan for economic  
and energy security



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# Introduction

Western Australia's natural gas industry continues to be one of the state's great success stories. It ensures a reliable, secure, and affordable energy supply, sustains thousands of jobs, stimulates regional economies, and generates billions in royalties and tax revenue to support essential services and infrastructure like schools, roads, and hospitals.

As a driving force behind WA's economy and energy security, the oil and natural gas sector plays a crucial role in powering the state's industries.

Natural gas supplies 54 per cent of WA's primary energy needs and 60 per cent of the state's electricity. This supports mining, manufacturing, and minerals processing while balancing the growing share of renewable energy. Furthermore, the industry is a leader in investing in emissions reduction technologies such as carbon capture, utilisation, and storage (CCUS) and hydrogen.

Natural gas is central to the state's transition to lower-carbon energy and will be vital in meeting the forecast rise in energy demand from mining, minerals processing, and industrial users.<sup>1</sup>

WA's LNG exports have positioned Australia as a global leader in gas supply, accounting for 12 per cent of the global LNG market,<sup>2</sup> aiding international trading partners in securing their energy needs and advancing decarbonisation efforts, all while bolstering WA's domestic energy security.

Continued investment in new gas supplies and supporting infrastructure is essential to maintaining WA's strong economic growth.

By prioritising key policy actions, the government can attract investment in new natural gas supplies, unlocking WA's full potential for economic growth and job creation, while ensuring the ongoing revenue from the industry's tax and royalty contributions help fund vital public services.

## Acknowledgement

Australian Energy Producers acknowledges the Traditional Custodians of Country throughout Western Australia and their knowledge in caring for land, water, and community. We pay our respects to ancestors and elders – past, present, and emerging.

# Key policy actions

A strong natural gas sector is critical to safeguarding WA's energy security and supporting the energy transition both locally and across the region.

The WA Government has the opportunity to ensure reliable and affordable gas supply to meet future energy demand by supporting new gas exploration and development.

Five key policy actions are recommended for the next WA Government to unlock the potential of the WA's gas industry and drive economic and employment growth.



**1. Deliver new gas supply for WA's energy security**



**2. Streamline approvals processes**



**3. Back a strong domestic gas and LNG export industry**



**4. Influence national energy policy**



**5. Support CCUS and other low emissions technologies**

# Gas facts



**\$35 billion**

contributed by the gas industry to the WA economy 2021–22<sup>3</sup>



**60%**

of WA's electricity is supplied by gas, 54% of WA's primary energy consumption<sup>4</sup>



**73,397**

people employed across the WA economy<sup>3</sup>



**12%**

of the world's LNG market making WA the fourth largest global LNG producer<sup>5</sup>



**\$11 billion**

of new investment needed over the next decade to meet WA's future gas demand<sup>6</sup>



**47 Mt**

of LNG—worth \$36 billion—exported from WA in 2023–24<sup>7</sup>



# 1. Deliver new gas supply for WA's energy security

**For many years WA's competitive advantage has been reliable and affordable energy. Gas provides around 60 per cent of WA's electricity while the mining, mineral processing, and manufacturing sectors – the backbone of the state's economy – account for more than half of WA's natural gas consumption.<sup>4</sup>**

Natural gas will remain critical to WA and our region as the reliable back up for power generation when wind and solar are unavailable. The flexibility of natural gas helps reduce emissions (about half the emissions of coal in power generation) while maintaining energy security.

Despite WA's significant gas reserves, the Australian Energy Market Operator's (AEMO) 2024 Western Australian Gas Statement of Opportunities (GSOO) report warns of potential natural gas shortfalls from 2030, despite recent industry efforts to boost supply.<sup>1</sup>

To avoid shortfalls, development timelines must be accelerated to bring new projects online sooner, while regulatory stability is essential to ensure the operation and expansion of existing projects. This stability is critical to attract the estimated \$11 billion in investment needed over the next decade to meet WA's future gas demand.<sup>8</sup>

Government policies that encourage development of new natural gas resources – exploration, production, and infrastructure investment – will help meet immediate and future gas demand and support the transition to a cleaner energy future.

## Actions



Ensure policies recognise the essential role of natural gas for WA's energy affordability, security, and sustainability

Maintain consistent annual acreage releases in WA and advocate for the regular release of acreage in Commonwealth waters to support new gas exploration

Publicly support the expansion of new gas developments both onshore and offshore

Finalise proposed changes to legislation in line with the Scientific Panel Inquiry recommendations from 2018 that would allow hydraulic fracturing, exploration and development of unconventional oil and gas resources<sup>9</sup>



IMAGE COURTESY BURU

## 2. Streamline approvals processes

**A world-class industry requires a best practice regulatory system that delivers certainty and stability from new project development through to end-of-life decommissioning.**

Australian Energy Producers and its member companies are committed to protecting the environment as an integral part of industry full life cycle operations.

The 2023 *Independent Review of WA Environmental Approval Process and Procedures* (the Vogel-McFerran Review) found approvals processes are overly complex, time-consuming, and costly, holding back economic development with no benefit to the environment.<sup>10</sup> A clear example of a WA project delayed due to lengthy approvals is the North West Shelf Extension, which was under assessment and appeal for six years at the state level.

To protect WA jobs, encourage continued investment, and ensure energy security, industry needs regulatory settings that allow for timely and transparent evaluation of proposals while providing the certainty needed to facilitate large capital investment.

### Actions



Streamline regulatory approval processes to expedite project delivery and attract investment

Implement the recommendations from the Vogel-McFerran Review and consult further on additional initiatives to improve and streamline regulatory approvals

Establish a case-appraisal approach to regulatory approvals to increase efficiency and support applicants through the process

Implement statutory timeframes and implement clear requirements where applications are referred between departments for consideration and comment

Seek state accreditation of WA approvals with the Australian Government to remove regulatory duplication and provide timely approvals for projects, including under the Environment Protection and Biodiversity Conservation Act (EPBC Act)



## 3. Back a strong domestic gas and LNG export industry

**The oil and natural gas industry has invested \$275 billion<sup>5</sup> in WA since 1989, to build an LNG industry that is a major player in the global market, accounting for 12 per cent of global LNG production in 2023.<sup>5</sup>**

WA's world-class natural gas industry fosters significant local infrastructure, efficient supply chains, advanced technology, and expertise to support high-calibre gas projects. In turn, this has supported the ongoing success of WA's mining sector.

WA's gas needs are supplied by a range of offshore and onshore developments from across the state. The development of the LNG industry has also facilitated increased gas production for the domestic market. The potential for further onshore gas development is substantial and setting the right policies to encourage further exploration and development will help secure WA's future gas supply.

The recent parliamentary inquiry into the WA Domestic Gas Policy underscores the benefits to domestic supply from developments supported by global trade.<sup>11</sup> Enabling access to international markets improves the commercial viability of new developments, increasing new sources of gas supply.

WA's abundant gas resources will continue to play an important role in providing energy security domestically and for our key international trading partners, driving local business opportunities, new jobs, and sustainable economic growth for the state.

### Actions



Recognise the essential role that international LNG trade has in underpinning WA's domestic energy affordability, security, and economic and employment prosperity

Align the Domestic Gas Policy with the parliamentary committee's recommendation to allow onshore gas projects to export LNG beyond 2030 if the domestic market is adequately supplied



## 4. Influence national energy policy

**Effective collaboration between state and federal governments is crucial for successful development of new projects. WA is uniquely positioned to influence the conversation around state and federal energy policy to ensure WA's interests are protected.**

The WA Government should continue to work constructively with the Australian Government to ensure that national policies recognise the diverse needs of WA's resources industries that drive the state and national economies.

Despite being primarily in Commonwealth waters, WA's gas industry has contributed more than \$8 billion in royalties and tax revenue to the state budget in the past 10 years<sup>12</sup> to help fund essential services like schools, roads, and hospitals. Nationally, the gas industry paid \$17 billion in taxes and royalties in 2023–24.<sup>3</sup> The Australian economy benefits from pragmatic and stable policies, allowing for long-term investment decisions to be made.

Governments of all levels must work together to enable regulatory stability required for investment and signal to international trading partners and investors that Australia and WA are safe places to do business.

### Actions



Work with the Australian Government to ensure Commonwealth policies and regulations recognise the critical role WA's gas plays in both the Australian and WA economy and energy security

Advocate for no further increases to the Petroleum Resource Rent Tax (PRRT)

Remove restrictions on seismic surveys in Commonwealth waters, a critical technology for gas exploration and CCUS developments

Work with the Australian Government to conclude environmental and regulatory approvals for projects of state significance such as the North West Shelf Extension and Browse development

Urge the Australian Government to progress bilateral arrangements with Australia's regional neighbours to facilitate the international movement of carbon emissions for storage in Australia

Work with the Australian Government to develop a CCUS roadmap for Australia and support the development of a CCUS industry in WA



# 5. Support CCUS and other low emissions technologies

**The oil and natural gas industry is integral to delivering emissions reduction technologies such as CCUS and lower-carbon fuels. Industry is already investing billions of dollars into bringing these technologies online.**

CCUS will play an important role in decarbonising WA's economy and presents a significant new economic opportunity for the state. Australian Energy Producers welcomes the release of the WA CCUS Action Plan which improves policy certainty and accelerates the deployment of CCUS technologies.<sup>13</sup>

CCUS with natural gas is the least-cost and most mature pathway to produce low-carbon hydrogen today and over the medium-to-long term. CCUS is also one of few technology options for significant emissions reductions in many hard-to-abate industries, including iron and steel, cement, glass, fertiliser, and explosives production. WA is ideally placed to be a global leader in CCUS, leveraging existing infrastructure, a highly skilled workforce and suitable geological formations.

CCUS is a proven and viable technology used successfully around the world for decades and WA is home to one of the largest CCS projects in the world at the Gorgon LNG facility, which has injected more than 10.5 million tonnes of carbon dioxide as of 1 January 2025. However, further policy development is needed to expand application across hard-to-abate industries.

Expanding emissions reduction technologies are an opportunity to grow WA's economy, boost productivity and share benefits across the community.

## Actions



Finalise the CCUS Regulatory Framework to allow for the transportation and storage of carbon dioxide within WA and its waters

Implement the WA CCUS Action Plan within stated timeframes to help develop a CCUS industry in WA

Promote opportunities for low-carbon hydrogen and CCUS projects in WA and adjacent Commonwealth waters

Broaden the state's 'Green Energy Approvals Initiative' to include emissions reduction technologies and projects such as CCUS to fast-track project approvals

Support decarbonisation of industrial hubs with fiscal support and the development of common user infrastructure (ports, transmission, carbon pipelines)



# Notes

- 1 Australian Energy Market Operator, 2024 Western Australia Gas Statement of Opportunities.
- 2 Western Australia LNG Profile 2023, Department of Jobs, Tourism, Science and Innovation.
- 3 Economic contribution of the gas industry, KPMG 2025.
- 4 Australian Energy Update 2024.
- 5 Department of Jobs, Tourism, Science and Innovation, Western Australia LNG Profile 2023.
- 6 Rystad Energy, 2023 Western Australia Domestic Gas Policy Study.
- 7 Department of Energy, Mines, Industry Regulation and Safety, Latest statistics release.
- 8 Rystad Energy, 2023 Western Australia Domestic Gas Policy Study.
- 9 Independent Scientific Panel Inquiry into Hydraulic Fracture Stimulation in Western Australia.
- 10 Streamline WA: Independent Review of WA Environmental Approvals Processes and Procedures.
- 11 Parliamentary Inquiry into the WA Domestic Gas Policy.
- 12 Government of Western Australia, Department of Treasury, Overview of State Taxes and Royalties 2024–25.
- 13 Government of Western Australia, Carbon capture utilisation and storage: Action Plan.





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