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## Natural gas continues to power Western Australia's economy

The voice of the Australian oil and gas industry said today's Western Australian State Budget underscores the role natural gas plays in helping to fuel WA's healthy economic position.

APPEA WA Director Claire Wilkinson said Western Australian natural gas delivers the reliable and affordable energy needed to power our essential mining sector in addition to directly contributing hundreds of millions of dollars in revenue through tax payments, grants and royalties.

In the 2020-21 Budget, the sector contributed \$429 million to State coffers in North West Shelf grants alone, expected to increase to \$690 million in 2021-22.

"The record operating surplus of \$5.6 billion has been thanks to the massive increase in mining royalties, a sector largely fuelled by the oil and gas industry," Ms Wilkinson said.

"Natural gas generates over 60% of the electricity produced in WA, used in our homes, hospitals, and schools, and provide much of the power used by some of our biggest businesses and industries such as mines and minerals processing.

"We have literally kept the local economy powering during COVID. The industry supports thousands of local jobs, backs small businesses through local supply chain contracts and drives business investment in the State.

"In future decades, gas is well placed to support the growth of renewables, development of low emission technologies, and enable new energy sources such as hydrogen.

Ms Wilkinson said APPEA welcomed the \$750 million Climate Action Fund that includes some support for renewable energy technologies but encourages the State Government to embrace all lower emission technologies to help decarbonise the economy, and to look beyond its narrow focus on green hydrogen if it wants to facilitate a thriving hydrogen export industry as quickly as possible.

"The Government is clearly committed to developing green hydrogen production in the state, as shown by a number of Budget announcements, but we believe the quickest path to export success will be through blue hydrogen production," she said.

"Given our strong track record in natural gas, WA has potential to be a global leader in producing and exporting blue hydrogen, which in turn can reduce emissions and accelerate infrastructure development for renewable hydrogen.

"Important customer relationships, export infrastructure and supply chains developed by our LNG industry are in place and can be leveraged for this new industry.

"It's important that Government partners with industry to make blue hydrogen a reality."

An announcement in the Budget to provide \$120 million in funding to streamline Western Australia's approvals system, through employing an additional 150 staff and investment in digital systems such as Environment Online, is also welcomed.



“Efficient regulatory systems are critical to Western Australia being an attractive place to invest. Improving our regulatory approvals is welcomed, but continued focus is needed in this area to ensure it facilitates ongoing economic activity and investment,” Ms Wilkinson said.

“APPEA looks forward to continuing to work with Government and other industry stakeholders to ensure we have a safe and sustainable oil and gas industry that provides energy security and supports WA jobs and the economy into the future.”

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