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MEDIA RELEASE – Backing gas should be high on all Government's agendas

The latest Resources and Energy Quarterly shows that it is the resources sector, including the Australian oil and gas industry, continuing to drive the nation's economy.

According to the Department of Industry, Science, Energy and Resources, the value of Australia's resources and energy export earnings are forecast to set a record of \$349 billion in 2021-22, up from \$310 billion in 2020-21.

APPEA Chief Executive Andrew McConville said the data underscores the importance of the resources industry to the nation's economy including taxation revenue, exports, jobs and the resilience of rural and regional communities.

"The figures illustrate the importance of our sector to the economy and I am sure this won't be lost on the highest levels of government and all political parties," Mr McConville said.

"There is a lot of noise and misinformation from a vocal minority but the figures don't lie, it is our industry and the broader resources sector that is doing the heavy lifting at a time of great economic uncertainty arising from the pandemic.

"Australia's resources and energy exports are helping ensure Australia has the financial capacity to respond effectively and strongly.

"Australia's oil and gas industry is helping ensure we keep the lights on at home, and our hospitals and other public facilities operating, by continuing to deliver reliable energy to the domestic market and it has done so despite the challenges posed by the COVID-19 global pandemic."

Mr McConville said Australian LNG export volumes are expected to increase 5.4% to 82 million tonnes in 2021-22 and 0.9% to 83 million tonnes in 2022-23, while export earnings are expected to nearly 90% to \$56 billion in 2021-22. Total oil and gas export earnings in 2021-22 are forecast to increase to \$67 billion.

"The oil and gas industry underpins around 80,000 direct and indirect jobs – and hundreds of thousands of Australian jobs that rely on the reliable, affordable and sustainable supply of oil and gas, not just as electricity but as a key feedstock to many manufacturing industries and processes for which there are no alternatives," he said.

"Used in power generation, natural gas is a cleaner burning fuel, with lower emissions compared to the National Electricity Market (NEM) average, with carbon emissions half of that of coal plants in Australia.

"Our LNG exports are also helping lower the world's emissions.

"As the report finds demand for LNG in key Asian trading partners like China and South Korea driven in part by ongoing coal-to-gas switching. The report notes:

China's 14th Five Year Plan indicates that gas will play an important role in the country's energy transition to meet its 'carbon-neutral by 2060' pledge.



“The Australian Government estimates Australia’s LNG has the potential to lower emissions in LNG importing countries by around 170 million tonnes CO₂-e - each year by providing an alternative to higher emissions fuels – the equivalent of more than one-third of Australia’s total annual emissions.”

Mr McConville also said today’s announcement by the Australian Government of grants to fast-track Carbon Capture and Storage (CCS) projects will work alongside the billions the industry already spends in reducing emissions.

“All technology, including hydrogen and CCS, should be on the table to help reduce emissions. Common sense measures like this are practical steps to reduce emissions and help the environment,” Mr McConville said.

“Just as government investment in renewables has fast tracked projects, this will do the same and create thousands of jobs in the process.

“The oil and gas industry is already leading the world in the practical deployment of CCS and hydrogen. We have been at the leading edge of researching and deploying CCS and greenhouse gas storage technologies.

“Natural gas with CCS is also a pathway to a large-scale clean hydrogen industry. This has been strongly reinforced by recent analysis from the International Energy Agency in its Net Zero by 2050 report.

“Australia’s LNG export success means the Australian upstream oil and gas industry has the technology, expertise, commercial and trade relationships to make, in particular, hydrogen exports a reality.”

A range of case studies of the way in which the industry is taking practical action to support emissions reductions across the industry supply chain and leading research into innovative emissions reduction activities is highlighted in APPEA’s [Industry Action on Emissions Reduction](#) report**.

* Resources and Energy Quarterly: September 2021, available at www.industry.gov.au/reg

** <https://www.appea.com.au/wp-content/uploads/2020/06/Industry-Action-on-Emissions-Reduction.pdf>

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