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NATURAL GAS ENERGISES WESTERN AUSTRALIA TO ANOTHER BUDGET SURPLUS

The voice of Australia's oil and gas industry says the 2022-23 Western Australian Budget surplus has been underpinned by critical industries powered by natural gas.

APPEA WA Director Claire Wilkinson said gas produced in the State had significant flow-on benefits to all sectors of the economy, helping to provide reliable and affordable energy for other industries such as mining and minerals processing, as well as generating electricity for homes, hospitals, school and businesses.

Industries such as mining and minerals processing in turn support jobs and contribute royalties that have helped lift WA's Budget surplus to \$5.7 billion in 2021-22, with another \$1.6 billion surplus forecast in 2022-23.

"The provision of affordable and available energy in WA via natural gas is a great enabler for other parts of our economy," Ms Wilkinson said.

"Gas has enabled the WA mining sector to grow, employ more people, and pay more royalties to Government.

"It's good to see the State Government utilise the benefits of our natural resources to provide important cost of living relief to families, and increase investment in essential services such as hospitals and schools."

The oil and gas sector is also directly supporting the WA economy. It is estimated to have contributed almost \$1 billion in grants and royalties to State government coffers in the current financial year with \$915 million via Commonwealth grants for North West Shelf oil and gas exports and \$13 million in state petroleum production royalties.

In 2022-23, North West Shelf grants are forecast at \$921 million, and state petroleum royalties at \$15 million.

Furthermore, the industry is investing billions in projects that will bring new supplies onstream for both export and domestic use.

"The oil and gas industry is currently delivering more than \$15 billion worth of projects throughout WA, with almost \$60 billion planned or possible projects in the pipeline," Ms Wilkinson said.

Ms Wilkinson welcomed several State Budget initiatives announced today, including \$5 million over the forward estimates to the Centre for Decommissioning Australia to support the development of the oil and gas decommissioning industry in WA.



Decommissioning activities for the industry will increase in coming years as some existing production assets come to the end of their operating lives.

“We’re also pleased to see funding in the 2022-23 Budget of \$779,000 for a WA Carbon Dioxide Geological Storage Atlas to provide updated data on potential carbon dioxide geological storage sites, and \$150,000 for a study to evaluate the full portfolio of carbon sequestration technologies and options,” Ms Wilkinson said.

“Carbon sequestration will be critical to us reaching net zero emission outcomes, and we encourage the WA Government to expedite legislation to enable deployment of this important technology.”

The Government also announced \$52 million for the Kimberley Ports Authority, of which \$45 million is for the construction of a new supply base and \$7 million for base infrastructure for a chemical processing and storage facility to support oil and gas operations in the offshore Browse Basin.

However, this spending is contingent on a contractual commitment to establish the supply base by a third party to move a supply base to Broome, with the third party to repay the \$52 million investment over a 20-year period.

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