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Gas industry to deliver extraordinary growth despite economic uncertainty

The expansion of Queensland's gas industry could increase Gross State Product by half a trillion dollars in the coming decades, boosting employment, wages, and the state's reputation as an economic powerhouse, a new report has found.

Produced by ACIL Tasman for the Australian Petroleum Production & Exploration Association, *Economic significance of Coal Seam Gas in Queensland* found the industry's activity will be responsible for more than 20,000 full-time equivalent jobs each year by 2035.

The report also finds in the years 2015 to 2035, the expansion of the Queensland CSG industry could:

- Increase real Australian Gross Domestic Product by \$516 billion;
- Place downward pressure on wholesale electricity prices, reducing prices by 10%;
- Pay up to \$32 billion to the Queensland Government in royalties and other taxes;
- Pay a further \$243 billion in Australian Government taxes; and,
- See Queensland real incomes rise by \$342 billion; or \$28,300 per person.

APPEA's Chief Operating Officer Eastern Region, Rick Wilkinson, said: "These figures show just how important the gas industry is to the Queensland and Australian economies.

"While the environmental benefit associated with gas being a cleaner energy source is driving the industry's rapid growth, this report clearly shows the industry will also bring enormous economic benefit in the form of more jobs, higher wages, and downward pressure on electricity prices.

"The report also highlights the great economic divide now developing between Queensland and NSW, a state facing a looming natural gas shortage despite its very significant gas resources.

"CSG has the potential to be an economic game changer in NSW but that state's gas industry risks being left to stagnate while others are powering ahead."

The oil and gas industry is currently making enormous investments in Australia. In just the past 12 months, four Australian LNG projects have received sanction, representing an investment of more than \$90 billion.

Australia's third LNG plant commenced production in April and Australia has a further seven LNG projects, worth around \$170 billion, currently under construction.

The report is available at www.appea.com.au

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The Australian Petroleum Production & Exploration Association represents the upstream oil and gas industry in Australia. APPEA member companies produce around 98 per cent of Australia's oil and gas.

ACIL TASMAN REPORT ECONOMIC SIGNIFICANCE OF COAL SEAM GAS IN QUEENSLAND

A 10-train LNG expansion case scenario would deliver (in the period 2015-2035):

- Around \$43.4 billion cumulative direct capital investment in upstream CSG;
- Around \$35.5 billion of associated recurrent operating expenditure;
- An increase in real Queensland Gross State Product of \$497 billion;
- An increase in real Queensland income by \$342 billion;
- An increase in real Australian GDP by \$516 billion;
- Total employment in Queensland 20,000 higher per year on average;
- An increase in overall gas consumption in Eastern Australia widening over time to almost 3,000 PJ/year;
- An increase in gas consumption in Queensland of almost 2,743 PJ/year;
- A reduction in greenhouse gas emissions intensity across the National Electricity Market from 0.92 tCO₂-e/MWh to around 0.54 tCO₂-e/MWh;
- Average wholesale electricity prices in the National Electricity Market that would be 10 per cent lower.

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