

# About APPEA

The Australian Petroleum Production & Exploration Association (APPEA) is the peak national body representing Australia's oil and gas exploration and production industry. Its purpose is to be the effective voice of the oil and gas industry on the issues that matter, working collaboratively with industry, government, and the community to achieve shared goals.

APPEA has around 200 members, comprised of oil and gas explorers and producers active in Australia and companies providing goods and services to those explorers and producers. APPEA member companies produce around 95 per cent of Australia's oil and gas.

The oil and gas sector plays a fundamental role in our nation's economy, providing essential energy to power businesses and homes in Australia and across the world. Our sector invests billions of dollars to generate reliable, secure and cleaner energy, creating jobs and economic growth for the communities in which we operate.

APPEA is forward-looking and outcomes focused, aiming to raise awareness of the economic, environmental, and social benefits of the oil and gas industry across Australia

# Acknowledgement The Australian Petroleum Production & Exploration

Association (APPEA) acknowledges the Traditional Custodians of Country throughout Australia and their

knowledge in caring for land, sea, and community. We pay our respect to their Elders; past, present, and emerging.

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COVER PHOTO: 'PEOPLE' COURTESY PETER HALL, ARROW ENERGY

# Industry overview

# Building and maintaining a social licence to operate is a top priority for Australia's oil and gas industry.

Beyond creating tens of thousands of direct jobs, being part of a cleaner energy future and ensuring reliable supply, it is widely recognised the sector must significantly contribute to enhancing the lives of all Australians.

From investing to strengthen communities, creating employment and business opportunities, the industry is an active partner with Australians across all corners of the country.

Through this *Social Licence Report June 2022*, APPEA aims to demonstrate the work the industry is doing to secure the trust of the Australian community.



Australia's oil and gas industry supports 80,000 direct and indirect jobs.

Since 2009, the industry has invested

more than \$475 billion in Australia and

made more than \$75 billion in tax payments to state and federal governments to pay for

our hospitals, schools, roads and services.



Natural gas provides almost 24% of Australia's primary energy and almost one third of all gas consumed in Australia is used by manufacturers.



Over 5 million homes are connected to the gas network.



In 2018 Australia recorded a \$6.3 billion surplus in the trade of oil and gas, with total exports exceeding \$40 billion and in 2019 Australia became the largest exporter of LNG in the world.

Energy for a better Australia

# Community investment

## APPEA members recognise the importance of delivering mutual and sustainable social outcomes in the communities in which they operate.

The oil and gas industry makes significant contributions to support building vibrant, prosperous and resilient communities.

These partnerships ensure all Australians benefit from the development of Australia's natural resources.

In addition to employment opportunities and community investment and infrastructure initiatives, the oil and gas industry supports positive outcomes in areas such as health and education, particularly in regional and remote communities.

# Woodside

#### **Perth Inner City Youth Service**

In 2021. Woodside employees volunteered 14,700 hours across 83 organisations. Woodside has a long history of committing to support disadvantaged children. One organisation supported in 2021 by Woodside was the Perth Inner City Youth Service (PICYS). PICYS seeks to help improve the quality of life of Perth's youth experiencing homelessness. Woodside employees spent time getting to know the young people at the centre and assisted in gardening at

# Men's Shed

### Creating meaningful moments for Men's Shed communities

To promote and support mental health and wellbeing, APPEA has partnered with the Australian Men's Shed Association for the Brighter campaign (see Case Study 9, on page 5) to host community events in regional areas. A suite of programs and initiatives will be delivered under the partnership, which includes equipping host Men's Sheds with a range of useful tools and equipment for 18 regional events in 2022.

# ExxonMobil Australia

#### **Foodbank Victoria Farms to Families**

Providing important fresh produce to those in need is one of the many ways ExxonMobil Australia gives back to communities. On any given day of volunteering at Foodbank Victoria, team members from ExxonMobil Australia work to collect, pack, and send off enough food to produce tens of thousands of meals for distribution to disadvantaged Victorians across the state. ExxonMobil Australia's financial and volunteer support to Foodbank has also helped run Farms to Families days, providing much-needed fresh produce and pantry staples to those struggling in Sale and the surrounding communities.



#### CASE STUDY 4

# Santos

#### Bushfire and COVID Assistance

Australia's regional communities have faced a challenging time combating the devastating impacts of floods, bushfires, and COVID-19. In response, Santos has swiftly responded to support these communities through proactively reaching out to local schools, organisations and businesses to understand their immediate needs and provide support. Throughout 2021, Santos donated over \$600,000 towards efforts to support people directly affected by bushfires, to aid efforts in saving injured koalas, and in providing crisis and trauma counselling. Additionally, throughout the COVID-19 crisis. Santos donated 3,600L of hand sanitiser and 13,500 toilet rolls and over \$175,000 to support 35 schools and nine local organisations across impacted communities.

## CASE STUDY 5:

# Origin Energy

## Be an Origin Energy Diamond for a day

Origin believes that all good change starts with community. In May of 2021, Origin organised for former Australian Diamonds player Caitlyn Nevins to drop in and surprise young netball players in Chinchilla. Now in its second year, the Origin program surprises local communities going through challenging times. In this instance, the Chinchilla visit included a special training session run by Caitlyn, a video call with current Origin Diamond player Cara Koenen and a financial donation towards new equipment. Chinchilla Netball President, Kelly Statham, said: 'Helping to show our players that hard work, resilience and dedication pay off and dreams really can come true is so important.'

#### CASE STUDY 6

# Shell

## **Business Navigator Program**

Shell's QGC business is a proud supporter of the Business Navigator Western Downs Program, delivered by Toowoomba and Surat Basin Enterprise. Communities in the Western Downs said supporting local businesses and building a strong, diversified economy was important, with the program providing local small and medium business with access to three coaches. The coaches support businesses to diversify and better commercialise their ideas—growing business revenue and local jobs. Despite the COVID-19 pandemic, the program has supported over 70 businesses, resulting in increased revenue and 18 new local jobs created over 2020-2021.

Business Navigator Western Downs have been working with Kevin and Cara Jackson (pictured), owners of KC Ridge Farm in Chinchilla, to increase and expand their distribution of premium quality eggs.

## CASE STUDY 7

# Beach Energy

#### **RFDS**

Beach Energy is a proud supporter and long-standing partner of the Royal Flying Doctors Service and in 2021, Beach's funding reached \$1 million. The partnership helps to facilitate the flying intensive care unit VH-JDN, which flew over 470,000km and airlifted 870 patients from 90 different country hospitals and outback locations in 2020 alone.

## CASE STUDY 8

# Jemena

# Making a difference in communities

Making a difference in communities from innovative social enterprises to foodbanks, Refugee Week celebrations, youth support programs and more, Jemena has delivered over \$2 million in funding as part of its Corporate Social Responsibility (CSR) program since 2019. Jemena's CSR program works to address community need across five key social areas: sustainability, people in need, diversity and reconciliation, social inclusion, and local community issues and priorities. Since its inception the program has provided support to over 50 community organisations, and saw Jemena recognised as one of Australia's Top 40 Workplaces to Give Back in 2020 and 2021.

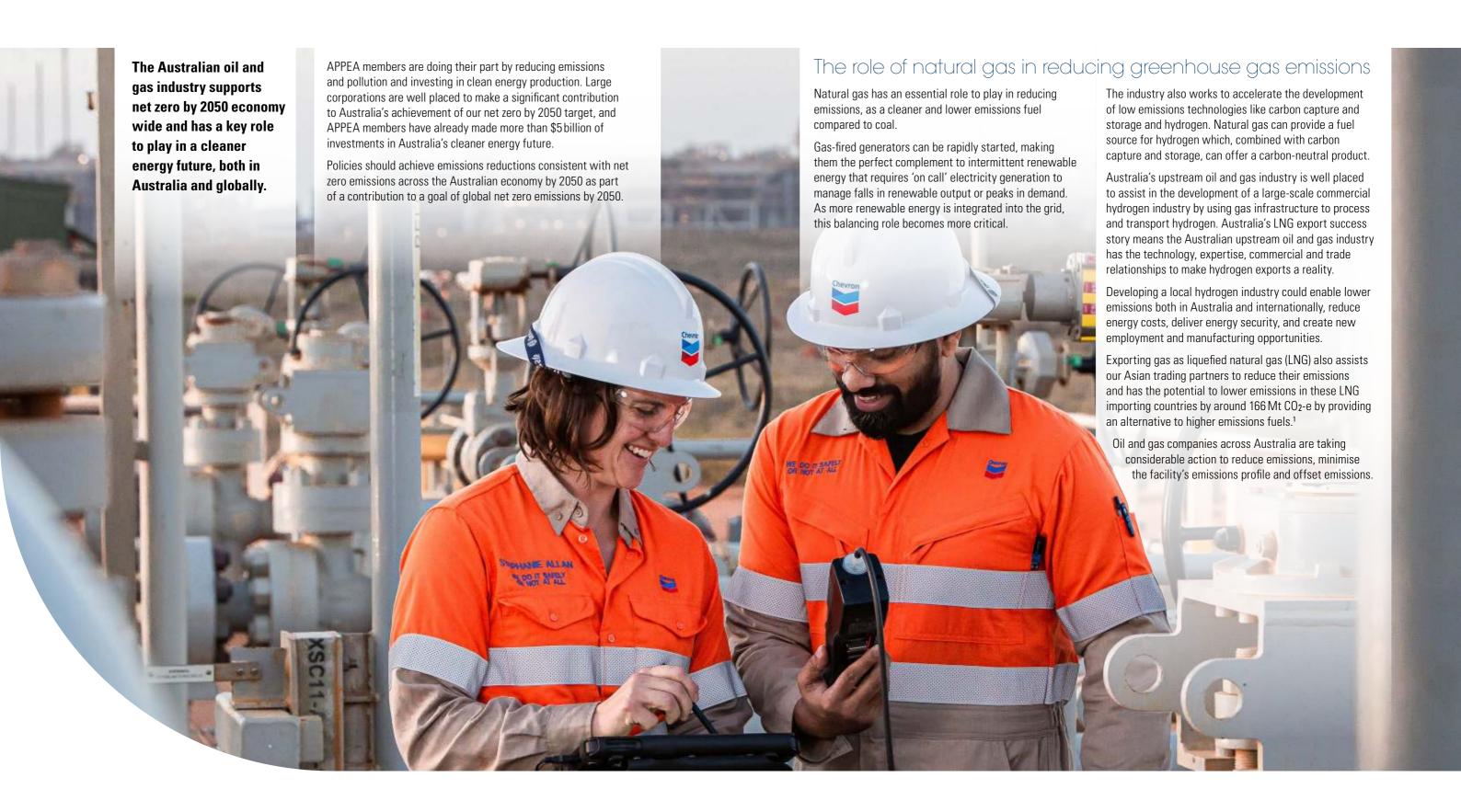
## CASE STUDY 9

# Brighter

### **Brighter with Natural Gas**

Brighter is part of the Australian gas industry's commitment to better informing and engaging the broader community. The campaign aims to build the industry's social licence by promoting the important role of gas in Australians' everyday life. Brighter highlights how the oil and gas industry supports jobs, regional communities and other crucial industries like manufacturing. The campaign also promotes the role of gas as an essential partner to emerging renewable technologies to ensure energy reliability and reduce emissions. Brighter reaches millions of Australians through earned media, digital platforms, engagement campaigns and advertising. It joins with stakeholders, industry partners and civic groups to reach communities and support local events—such as Rotary Australia Day BBQs, Royal Shows as well as other community events and awards—across the country.

# Emissions reduction



# Chevron Australia

### Carbon capture and storage technology

Carbon capture and storage (CCS) technology permanently stores carbon in geological formations deep underground and continues to play a critical role in achieving the net zero goals of the Paris Agreement. The technology prevents millions of tonnes of greenhouse gases being vented into the atmosphere. CCS is being deployed at the Chevronoperated Gorgon natural gas facility, where it's expected to mitigate more than 100mt of CO2 over 40-plus years of operation. According to the Intergovernmental Panel on Climate Change, it is impossible to achieve net zero emissions by 2050 without scaled deployment of technologies such as this.

# ConocoPhillips

#### **Stormwater management**

ConocoPhillips innovative water management system at their Australia Pacific LNG facility near Gladstone segregates clean and potentially contaminated water, ensuring the surrounding areas are protected. A performance review of the system showed its success with no noticeable adverse impacts being detected on the mangrove communities in the Gladstone Harbour near the facility.

# Shell

#### Achieving net zero

Shell's target is to become a net zero emissions energy business by 2050. This means Shell is reducing emissions from its operations, and from the fuels and other energy products it sells to customers. It also means capturing and storing any remaining emissions using technology or balancing them with offsets. In October 2021, Shell set a target to reduce absolute emissions by 50 per cent by 2030, compared to 2016 levels on a net basis. This covers all emissions in Scope 1, which come directly from its operations, and in Scope 2, from the

energy it buys to run its operations,

under operational control.

# Santos

#### Moomba CCS project

Centred around the Moomba Gas Plant, the Moomba CCS project is a commercial large-scale hub for the capture and geological storage of CO<sub>2</sub>. The project will deliver material greenhouse gas emissions reduction at the Moomba facility of approximately 1.7 million tonnes per annum. The Moomba CCS project is a global leader on full lifecycle emissions reduction cost when benchmarked against other CCS projects. The projected cost per tonne of CO<sub>2</sub> is less than US\$24 per tonne.

# ExxonMobil Australia

#### **Gippsland Carbon Capture Hub**

ExxonMobil Australia is determining the potential for CCS to reduce greenhouse gas emissions from multiple industries in the Gippsland Basin. Early front-end engineering design studies are being undertaken at its South East Australia CCS hub, which would initially use existing infrastructure to store CO2 in the depleted Bream field. The project is designed to capture up to 2MMt CO<sub>2</sub> per year, and if technical and business feasibility is confirmed, could be operational by 2025. The project is part of ExxonMobil's Low Carbon Solutions business, focused on commercialising lower-emission business opportunities in CCS, hydrogen and lower-emission fuels, by leveraging the company's skills, knowledge and scale.

# Woodside

#### Scarborough battery energy storage system

Woodside has included a battery energy storage system (BESS) in the design of its Scarborough floating production unit (offshore platform). This will allow operation with two power generator turbines online instead of three, because the third turbine is no longer required to operate as 'spinning reserve' (back up). This saves combustion of fuel gas and resulting greenhouse gas emissions. Estimated savings compared to operating additional turbine as spinning reserve: 9kt CO<sub>2</sub>-e p.a.

The estimated GHG savings quoted in each example are estimated using engineering judgment by appropriately skilled and experienced Woodside engineers, Emissions quoted are total project share, not equity share.



# Creating jobs

Australia's oil and gas industry creates local jobs, delivers training opportunities, and engages local suppliers and small businesses to drive our nation's economy.

Every year the industry enables almost half a trillion dollars, or \$500 billion, in economic activity in Australia—more than the building construction, food retailing, road transport, agriculture or telecommunication services sectors.

This economic contribution supports more than 45,000 Australian businesses providing goods and services across the oil and gas supply chain.

Across the total supply chain, it is also estimated to deliver more than 160,000 jobs for Australian workers.

Oil and gas companies rely on Australian businesses to provide goods and services that support their operations across the supply chain, and almost half of these are small businesses. Beyond the direct jobs created by the oil and gas industry, it also helps to sustain manufacturing, construction, technology, transportation, accounting, legal and other industries across the economy.

The industry partners with universities, manufacturers,



# and opportunities



Australia's oil and gas industry supports 80,000 direct and indirect jobs.



Since December 2012, there have been at least 120 gas supply agreements publicly announced, with other commercial agreements successfully negotiated to supply reliable gas to consumers, including local manufacturers.



The oil and gas industry spends 66% of its expenditure on small businesses in construction services in regional and remote Australia.4



Almost half of all local suppliers engaged by the oil and gas industry are small businesses.2



Small businesses in transport support services in regional and remote Australia make up 86% of the local oil and gas spend.3

# Creating jobs and opportunities



# Cooper Energy

## **Local procurement**

Cooper Energy has committed to supporting local Australian businesses and in the 2021 financial year spent \$61.3 million in Australian goods and services across 375 suppliers, engaging local suppliers stretching from Victoria to Perth. It has invested heavily in the Victorian Branch of the Royal Flying Doctor Service, resulting in much needed eve and dental care and telehealth services being delivered to East Gippsland, and patient transport services being provided in and around Warrnambool through its support of vehicle fit-out. Kids in local schools have also learned about the importance of health and the role of the RFDS in delivering health services

#### CASE STUDY 2: CASE STUDY 3: CASE STUDY 4: CASE STUDY 5: Origin Energy Woodside Beach Energy Ventia **Inspiring First Nations talent** Warrgamugardi Yirdiyabura **Supporting apprenticeships** First Nations employment team **Program** Origin is working with CareerTrackers Beach has joined as a participant in Ventia's dedicated First Nations goals to improve employment to invest in the next generation of Woodside has partnered with the an industry-focused collaboration for employment team (TRECCA) was outcomes for First Nations people. Aboriginal and Torres Strait Islander Ngarluma Yindjibarndi Foundation youth apprenticeships, starting with Its TRECCA team supports contracts formed in 2016 and is tasked with leaders and helping to create an exciting to support the delivery of the a Western Australian collaboration achieving significant and sustainable across Ventia engage with First pipeline of future science, technology, Warrgamugardi Yirdiyabura Program. partnering with Programmed. Beach's growth in the number of First Nations Nations communities to improve their engineering and maths (STEM) The program provides training and first placement had the opportunity to men and women employed by Ventia, participation and employee retention. professionals. Origin first partnered education opportunities for local train with and experience working on its related entities and subcontractors. One such organisation is the Larrakia with CareerTrackers in 2014, and is a people in Roebourne to gain site, as well as learning experiences Ventia develops key partnerships Development Corporation (LDC), who member of the 10×10 program, providing accreditation in the area and provide that come with regional operations. have been an integral partner on and drives necessary institutional a pathway to permanent employment. internships for at least 10 students and systemic change to achieve Ventia's TRACE project in the Northern each year for 10 years. The Origin 2021 saw 51 participants take part in Territory since it started operations long-term recruitment and retention Energy Foundation has supported the program. four years ago. the expansion of CareerTracker operations with a series of grants since 2015. Origin's internship program incorporates professional and leadership development, along with volunteering opportunities, to help create long-term partnerships where the interns are supported by their mentors for multiple years, throughout their degree and beyond where possible.

# First Nations investment

## An essential part of community engagement for Australia's oil and gas industry is local First **Nations communities.**

First Nations communities have a unique connection and knowledge of the local land and environment, and this connection is acknowledged and respected by the industry. APPEA members actively engage with First Australians to ensure that the benefits of the oil and gas industry are shared with traditional owners.

**Investment in First Nations** communities has a range of forms including education programs and employment opportunities.



law or environmental science

year of study or their honours

vear in engineering.



# Supporting diversity

Diversity fosters better ideas, collaboration and decision making. Diverse workplaces create good energy as unique backgrounds, knowledge and experiences make us better together.

This is why the Australian oil and gas industry has noticeably and holistically taken steps to promote diversity from top to bottom. These measures have increased diversity, equity and inclusion across the industry.



# Environment, conservation and research



# Endnotes

#### 1 Australia's emissions projections 2020, Australian Government Department of Shell Baker Hughes Chevron Australia ConocoPhillips Industry, Science, Energy and Resources **Conservation Volunteers Protecting turtles Ending waste at Shell Driving innovation in** 2 https://www2.deloitte.com/au/en/pages/ bushfire management economics/articles/role-small-businesses-Australia At ConocoPhillips Australia Shell has set goals for waste Australias-oil-gas-industry.html Growing global research is unlocking Pacific LNG facility on Curtis reduction, reuse, and recycling The Bushfire Volunteers-Baker Island, a 10-year long-term turtle the potential of wetlands as by the end of 2022. By 2030, **Hughes Innovation Development** 3 ibid. management plan minimises the Shell will increase the amount natural carbon sequestration and Program encourages and supports 4 ibid. storage systems. Chevron Australia potential impacts of development of recycled plastic in packing to innovation in bushfire prevention is contributing \$3.45 million to in the area. The program monitors, 30 per cent, and will ensure that and management in Australia. The 5 UNEP-WCMC (2021). Protected Area Conservation Volunteers Australia measures, and detects changes in packaging used is either reusable, joint program between Bushfire Profile for Australia from the World to support the conservation of ten the marine turtle populations. or recyclable. It is Shell's ambition Volunteers Western Australia Database of Protected Areas, May 2021. wetland locations across the country to use one million tonnes of plastic Available at: www.protectedplanet.net. (WA) and Baker Hughes is aimed as a nature-based climate change waste a year in global chemicals at developing and promoting new solution. The partnership will see the plants by 2025. innovative techniques and ideas wetlands receive critical restoration for bushfire management, in the and contribute to innovative blue prevention of, preparedness for, carbon research. response to or recovery from bushfires. Baker Hughes and Bushfire Volunteers teams help shortlisted entries develop their ideas, with the winner receiving a \$10,000 prize.

