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OIL AND GAS INDUSTRY TO WORK WITH GOVERNMENT ON SAFEGUARD MECHANISM

Australia's oil and gas industry says it will work constructively with the Federal Government on its emissions safeguard mechanism as part of the sector's commitment to net zero by 2050.

The Australian Petroleum Production & Exploration Association (APPEA) today welcomed the release of the Safeguard Mechanism Reforms consultation paper.

APPEA Chief Executive Samantha McCulloch said: "The oil and gas industry is already spending billions of dollars on decarbonisation and renewable energy initiatives and is strongly committed to reducing greenhouse gas emissions economy-wide to net zero by 2050.

"Gas will be central to a cleaner energy future given its role stabilising renewables, replacing coal, supporting manufacturing, making everyday products and as a feedstock for hydrogen. The expertise of the industry will also be critical to deliver key decarbonisation technologies such as carbon capture and storage.

"We've always worked with regulators and governments throughout Australia on emissions reduction policy and frameworks and will do so again to ensure both reduced emissions and ongoing international competitiveness."

It is important to acknowledge the Government's commitment to provide tailored treatment for emissions-intensive, trade-exposed industries based on the principle of comparative impact.

Ms McCulloch said: "Australia's LNG industry is one of the country's most trade-exposed and operates in a highly competitive global market in which it's one of the global leaders – with export earnings expected to hit another record of over \$80 billion this financial year.

"The value of these exports to Australians was seen recently when the Queensland Budget forecast petroleum royalties to more than double – helping fund vital public services and infrastructure like hospitals and schools.

"The Federal Government's commitment to provide tailored treatment to ensure that export-focused businesses are not competitively disadvantaged is important to help ensure the nation decarbonises while keeping our economy strong and resilient."

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