

17 June 2024

Inquiry into the Middle Arm Sustainable Development Precinct

Opening Statement of Samantha McCulloch, Chief Executive, Australian Energy Producers

I would like to begin by acknowledging the traditional owners of the land on which we're meeting, the Ngunnawal and Ngambri People, and I pay my respects to their Elders past, present and emerging.

Thank you very much to the Committee for the opportunity to provide a short opening statement on behalf of Australian oil and gas producers.

The Middle Arm Sustainable Development Precinct is vital for the Northern Territory's economic future, with the potential to create thousands of jobs and generate billions of dollars in economic activity for the Territory.

The natural gas industry has operated in the Territory for over a decade, coexisting with landowners, port users, community, environmental and industrial stakeholders successfully.

The gas industry also supports thousands of jobs, has delivered billions of dollars in investment and underpins the Territory's energy security.

While gas will be a key industry in the precinct, it is expected to host a wide range of low-emission industries that will support economic diversification and growth in the Territory.

Much of the criticism of the Middle Arm Sustainable Development precinct misrepresents the science of energy and climate change and the role of natural gas in our energy mix.

As the Federal Future Gas Strategy found, natural gas and carbon capture and storage technologies will be critical to Australia's long-term energy security to 2050 and beyond, and to achieving net zero by 2050.

This is especially true of the Territory, where natural gas accounts for 86 per cent of all electricity generation, and around three quarters of the Territory's total energy needs.

Carbon capture and storage will also be a key component of the precinct, alongside renewables and other low-emission technologies.

CCS is a proven technology that has operated internationally for decades. The Intergovernmental Panel on Climate Change has found that CCS “is key to reaching net-zero emissions by mid-century and mitigating climate change”, and the International Energy Agency has said reaching net zero will be “virtually impossible” without it.

The precinct has been subject to rigorous public scrutiny and environmental evaluations and will need to meet further regulatory approvals in the coming years, as is appropriate.

In closing, Australian Energy Producers urges the Committee to recognise the strong bipartisan support at a local, Territory and Federal level for the Middle Arm precinct, and to back the economic development and flow on benefits that this nation-building project will bring.

Thank you.