

Gas claims 'ludicrous' as energy transition fires up

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Oil and gas executives are doubling down on telling their low-carbon story as governments push ahead with cutting emissions from heavy industries and the power grid.

More than 2000 delegates and exhibitors are in Adelaide for their annual industry conference after a series of gas market interventions and an acceleration in electrifying homes and businesses with renewable energy.

"You must feel like you're under siege," state Energy and Mining Minister Tom Koutsantonis said on Tuesday.

"You must feel as if you're not welcome ... as if the work endeavour, the innovation, the risks that you all take, are not productive for the country.

"Nothing could be further from the truth."

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Recently returned from spruiking hydrogen in Europe, Mr Koutsantonis said there was a "palpable sense of panic" across industries looking to Australia to provide energy security.

Opening the event, federal Resources Minister Madeleine King and her state counterpart said the gas industry was a vital part of transforming the world economy to net-zero emissions.

"Those people who are misinformed outside, who tend to belittle or criticise this industry, do not understand the depths of innovation your industry has made," Mr Koutsantonis said.

Energy finance analyst Tim Buckley said the idea Australia could reach net zero emissions and help our trade partners reach net zero by investing in new gas projects was "ludicrous".

He said it was positive further taxpayer-funded subsidies were not being offered for carbon capture and storage projects, with the government instead saying the polluter must pay.

"The gas industry has got away with paying minimal or even zero tax for too long while making super profits and all at the expense of Australian households, which are paying high prices for our own gas," he said.

Australian Petroleum Production and Exploration Association (APPEA) says gas companies are among the biggest taxpayers in Australia.

Ms King dismissed the actions of a handful of protesters outside who she said were "using petrochemicals to glue themselves to the footpath".

She said changes announced in the federal budget "bring to a close" the review of the Petroleum Resource Rent Tax (PRRT) started under the former government.

New intervention powers will be in effect this winter to manage the risk of further east coast supply shortfalls and the industry faces a new mandatory code of conduct.

Ms King invited the industry to contribute to a Future Gas Strategy that would "balance energy security with affordability and investment certainty".

The federal government also plans to provide regulatory certainty for offshore carbon capture and storage projects after the United States introduced strong incentives for investment.

APPEA chair Meg O'Neill revealed a slick nationwide advertising campaign to be rolled out in coming weeks with the tagline "natural gas: keeping the country running".

"This week, we double down on our message that the oil and gas industry is not a passive observer, or worse, a casualty of the global and Australian race towards a net zero economy," Woodside boss Ms O'Neill said.

"We are part of the solution."

Ms O'Neill congratulated the minister for developing a "realistic" strategy for the ongoing role of gas in the energy transition.

Former Origin Energy executive Andrew Stock slammed the state minister for promoting burning more gas and said Australia did not need new gas fields.

"When you are in a hole, the best way to get out of it is to first stop digging," he said.

"And of course, the industry says nothing about the emissions from burning gas either here or overseas."

<https://www.canberratimes.com.au/story/8196834/gas-claims-ludicrous-as-energy-transition-fires-up/>