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CEDA WA Annual Resources Overview
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Good afternoon. I would like to begin by acknowledging the traditional owners of the land upon which we are meeting, the Whadjuk people, and paying my respect to their Elders past, present and emerging.

Today, I'm going to update you on Woodside's proposals to build an integrated regional LNG production centre on the Burrup Peninsula, near Karratha.

Then I'll talk about the role those LNG developments will play in a lower carbon world.

And finally, we'll discuss the benefits for Western Australia and the nation.

To help visualise what I'm talking about, let me run through a brief update of what we are proposing and the progress we have made in the past year. [show click-through slide]

- First, we propose to develop the Scarborough field with a floating production unit moored above the field, and to transport gas from that facility through a 430km subsea pipeline to the Pluto LNG Plant. Woodside has already commenced front end engineering and design activities.

- To process this gas for customers, we propose to expand the Pluto LNG facility. Work is underway on the design of a second LNG train at Pluto, and a domestic gas plant, to process Scarborough gas. We are also well into front end engineering and design activities with our head contractor, Bechtel, and have begun engaging with contractors and suppliers to discuss the opportunities this presents for local industry.

- The second major development is of the Browse fields. Early engineering work is underway on a development that features two floating gas FPSOs (Floating Production Storage and Offloading vessels) which will be connected by 900km of subsea pipeline to the North West Shelf's Karratha Gas Plant. This makes commercial sense because it optimises the emerging capacity in KGP and provides a cost-effective approach for LNG and domestic gas production from Browse.

- We also propose to build a pipeline linking the Pluto and KGP plants. This will create an integrated 7-train LNG production centre on the Burrup Peninsula.

The big picture is more than $A40 billion of capital expenditure to develop 20 to 25 trillion cubic feet of gross dry gas resources for customers in Western Australia and around the world.

We are making progress as well in terms of our regulatory approvals. Last month, the EPA recommended environmental approval of the interconnector. We are progressing a range of other applications for environmental approvals relating to the offshore and onshore components.

This process involves extensive stakeholder consultation to ensure that communities understand what is planned and that we understand and respond to their questions.

The Burrup Hub is all about opening up existing Woodside-operated facilities – the Karratha Gas Plant and the Pluto LNG Plant - in a way that can unlock the value of resources across the Carnarvon Basin.

It is an opportunity to move beyond the rhetoric of collaboration and demonstrate that it works and can deliver real benefits.

These proposals are big in scale but use existing onshore facilities and rely on proven technology. Many of the foundational activities that underpin the Burrup Hub development are already well underway.

The pieces of the jigsaw are coming together as we head towards targeted Final Investment Decisions next year. As operator of all the relevant facilities, Woodside is doing everything we can to deliver these proposed developments.

We want to work with our joint venture partners and with communities, regulators, governments and contractors to piece together the big picture that is the Burrup Hub.

It's an approach that makes sense for Western Australia – and I'll discuss shortly some of the benefits to this state.

But first, I want to explain how our proposals fit in a lower carbon world. The world needs increasing amounts of energy delivered in cleaner ways. Renewables meet part of this demand – but they are not the whole story.

We are going to need a range of energy sources - and natural gas will be crucial – now and for decades into the future.

Western Australia has long played a vital role in supplying resources to the world. That role is now more important than ever. The natural gas that WA can supply to world markets will assist in meeting the dual challenge of providing extra energy and cleaner energy.

It would be misguided to stymie LNG developments because they contribute to emissions in Australia when this is more than offset by the emissions avoided through the use of LNG to generate lower-emissions energy by our customers.

Climate change is a global challenge and needs a global response, driven by national commitments under the Paris Agreement. State governments can play a constructive role, including encouraging the research and development of new energy solutions.

Indeed, the potential for hydrogen presents opportunities for Western Australia. We know the state government is interested in what it can do to support emissions reductions, and we are interested in talking to them about pragmatic and meaningful action.

Actions that can be undertaken at a state or local level include things like developing a plan to transition public transportation to hydrogen fuel, or switching the government car fleet to electric vehicles, operated on batteries and hydrogen fuel cells.

State governments should be engaged on practical policy approaches - but their role is *not* to set emissions reduction targets that are out-of-step with the national effort.

These matters are the subject of consultation here in Western Australia and we are participating in that consultation in good faith. It is important to get the regulatory settings right because there is a lot at stake for Western Australia.

Economic consultants ACIL Allen have taken a close look at the Burrup Hub proposals. Their findings, released today, underline the massive contribution to the economy, employment and energy in Western Australia and the nation over the lifetime of these proposed developments.

The numbers I am about to cite are all from the ACIL Allen report.

There is a direct contribution, in thousands of jobs and billions of dollars of investment. Total direct tax and royalties payments over the timeframe are estimated to add up to $82 billion.

ACIL Allen has also modelled the flow-on effects, which includes boosting Australia's Gross Domestic Product by $414 billion between now and 2063.

The economic activity associated with the Burrup Hub is estimated to support the creation of an average of 4,000 full-time equivalent jobs per annum nationally over that 40-year time-frame, with almost half located in northern Western Australia.

The report indicates that the direct employment from the Burrup Hub will include a peak construction workforce of more than 4,600 full-time jobs in 2023.

The long-term employment is also significant, with the Burrup Hub supporting the creation of an average of 1,100 operations jobs, ranging at times up to 2,000 jobs. This is in addition to the existing operations jobs in Karratha and Perth that are already associated with running the North West Shelf and Pluto Projects, and the hundreds of other jobs involved in the current life extension programs.

I've talked about the major components of the Burrup Hub, but there are also adjacent opportunities that Woodside is pursuing.

There is an opportunity, for instance, for Western Australia to become a global leader in LNG fuels. From January next year, all ships globally will need to comply with the International Maritime Organisation's tighter restriction on the Sulphur content of marine fuels.

We know that LNG easily meets the new standard and is much cleaner than the diesel and heavy fuel oil historically used in shipping. Globally, the IMO deadline will no doubt cause disruption for the shipping industry. For Western Australia, it creates opportunity.

We have world-class LNG facilities close to busy export ports that ship WA's resources to the world.

LNG marine fueling could be a significant new industry for WA, supporting jobs on bunkering vessels and driving emissions reductions.

Industry and government can work together on this. There is competition globally to capture a share of this emerging market for LNG fuels – just as there is stiff global competition to supply LNG to customers around the world.

Indeed, there is a global race to sanction new LNG projects.

Western Australia has the resources, facilities and experience to get ahead in this global race. This state pioneered the Australian LNG industry 30 years ago, when we shipped the first cargo from the Karratha Gas Plant. Now is the time to secure the next 30 years. Thank you.

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