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WA Economics and Industry Standing Committee
Level 2, 2 Parliament Place
WEST PERTH WA 6005
Submission via email: **laeisc@parliament.wa.gov.au**
FOR PUBLICATION

Dear Committee Members

WOODSIDE SUBMISSION TO THE PARLIAMENTARY INQUIRY INTO THE ROLE OF WESTERN AUSTRALIA IN THE GLOBAL EFFORT ON DECARBONISATION

Western Australia (**WA**) has long played a role in customer nations energy security and prosperity through its world-class resources and energy exports - foundations that have also driven the state's economic growth and quality of life. With its rich resource base and global expertise WA is well-placed to contribute towards national and regional decarbonisation, while expanding export markets and emerging industries.

Woodside Energy (**Woodside**) is proud to have contributed towards WA's legacy for over 40 years, including domestic gas and LNG industry via the North West Shelf Project. Today, we are advancing a portfolio that plays a role in supporting the next phase of the energy transition.

Woodside welcomes this Inquiry and the chance to discuss how WA can balance energy security and affordability with lower-carbon development and global competitiveness.

Natural gas is an established substitute for coal in power generation where infrastructure exists and can accelerate the impact of coal-to-renewables switching. It remains essential for industrial processes and chemical feedstocks. Far from a compromise, gas is a strategic enabler, firming renewables and supporting hard-to-abate sectors.

WA's world-class LNG industry and gas supply can support the WA Government's '*Made in WA'* policy vision and complement the Australian Government's '*Future Made in Australia'* framework – advancing renewables, critical minerals, hydrogen and CCS, alongside traditional sectors.

Clear, consistent policy developed with industry and community, is vital to accelerate decarbonisation and maintain WA's competitiveness. This has the potential to enable investment, regulatory certainty and public confidence. To this end, our submission outlines recommendations focused on:

- LNG as a key part of Australia's energy strategy and Asia's transition.
- Support for CCS, hydrogen and green iron projects in WA.
- Strengthening policies and regulations to enable large-scale emissions reductions across borders.

Detailed comments are included in **Attachment 1 with a** summary of recommendations in **Attachment 2**. We have also contributed to relevant submissions via industry bodies[1].

We trust this submission assists the Committee and look forward to further engagement to support WA's leadership in shaping a responsible and resilient energy future.

Yours sincerely

Tony Cudmore
Executive Vice President Sustainability, Policy and External Affairs

[1] Australian Energy Producers (AEP); Chamber of Commerce and Industry WA (CCIWA); Chamber of Minerals and Energy WA (CMEWA); Australia China Business Council (ACBC); Kwinana Industries Council (KIC); Asia Natural Gas & Energy Association (ANGEA)

Attachment 1: Woodside's detailed comments in response to the Parliamentary Inquiry into the role of Western Australia in the global effort on decarbonisation

INQUIRY TERMS OF REFERENCE

On 21 August 2025, the Legislative Assembly referred the following terms of reference to the Economics and Industry Standing Committee:

That the Economics and Industry Standing Committee inquire into and report on the role of Western Australia in the decarbonisation of our major trading partners. The Committee is to consider and make recommendations on:

1. *The pathways our major trading partners have to decarbonising and the potential for Western Australia to contribute through:*
   a) *LNG exports, to provide energy security as they exit coal and transition to renewable energy.*
   b) *Blue and green fuels, such as hydrogen and ammonia.*
   c) *Green iron.*
   d) *The importance of carbon capture and storage to the above.*

2. *The Committee will consider:*
   a) *Any current barriers to investment in large scale decarbonisation projects and the pathway to green fuels.*
   b) *Opportunities for State and Federal support.*

Woodside's key observations on these matters and recommendations for the Committee's consideration are outlined below.

1. INTRODUCTION

Global decarbonisation efforts are reshaping energy systems and there is growing acknowledgement – in public discussion and government policy development - that natural gas will remain essential for the foreseeable future. While renewables are expanding rapidly, they have largely responded to growing energy demand - driven by factors such as Artificial Intelligence (AI) and data centre growth[2] - rather than displacing coal.[3] Gas provides reliability and flexibility needed to support renewables, reinforcing its role in the energy transition.

Woodside is contributing towards this transition through its traditional energy assets to provide the energy to meet our customers' demand and a suite of opportunities and projects in new energy products and lower-carbon services.[4] This includes WA-based opportunities such as the proposed Angel Carbon Capture and Storage (**CCS**)[5] project (up to 5 million tonnes per annum of initial carbon storage capacity) and the proposed H2Perth project[6] which is focussed on making liquified hydrogen available initially for export to Asian markets.

Our portfolio considers the pace and needs of our customers as they pursue their own decarbonisation pathways. Natural gas continues to play a role in helping them secure energy while reducing their own emissions. Our current LNG projects like Scarborough and future opportunities such as Browse and Sunrise - position Woodside well to supply reliable gas for decades, which may contribute towards both domestic and regional energy security.

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[2] Data centers require 24/7 uninterruptable baseload power that intermittent renewables struggle to support.
[3] IEA Electricity Mid-Year Update 2025, via Cabon Brief (July 2025), IEA: Renewables will be world's top power source 'by 2026' - Carbon Brief
[4] Woodside uses the term "lower-carbon services" to describe technologies, such as CCUS or offsets, that may be capable of reducing the net greenhouse gas emissions of our customers.
[5] For more information refer here: Angel CCS Project
[6] For more information refer here: H2Perth General Information Sheet

Put simply, gas remains essential to the energy mix in WA, Australia and customer nations by:

- **Providing reliable energy as renewables scale up.**[7]
- **Enabling fuel switching.** Natural gas is an established substitute for coal in power generation where infrastructure exists and can accelerate the impact of coal-to-renewables switching. In 2023, coal-to-gas switching was the largest source of emissions reduction in the US power sector, according to the IEA.[8]
- **Firming intermittent renewable generation**.
- **Supporting hard-to-abate sectors**, such as industrial feedstock and high-temperature processes.[9]
- **Offering a pathway to hydrogen** production, with hydrogen produced from natural gas coupled with CCS expected to account for nearly half of global hydrogen output by 2030.[10]

Woodside recognises the significant public interest in, and importance of, access to adequate supplies of gas for domestic use. Domestic gas supply remains in many cases inextricably linked to LNG exports, as large-scale offshore gas developments are often only commercially viable with access to international markets.

As the Committee would be aware, the WA Domestic Gas Policy ensures that a portion of LNG production is reserved for domestic use, providing a stable and predictable supply to households, manufacturers and power generators. In this context, it is important that governments in Australia recognise that investment in LNG projects can induce further supply into the domestic market. As such, Woodside encourages policymakers to advance settings that encourage new investment in both domestic and export gas projects – which in many cases may go hand in hand.

Woodside is globally recognised for being an efficient and reliable supplier of LNG. Our projects include firm domestic gas commitments that help meet rising local demand as legacy fields decline. Our infrastructure enables backfilling and new supply development, supporting energy security and avoiding projected shortfalls in WA from 2028.

Additionally, methane management is a critical component of Woodside's climate strategy and a key differentiator in the performance of our WA assets. In 2024, Woodside maintained its reported methane emissions intensity at around 0.1% of production by volume, ahead of industry benchmark and target levels.[11] Woodside is a signatory to the United Nations Environment Program's Oil and Gas Methane Partnership 2.0 (**OGMP 2.0**)[12], the global benchmark for methane transparency and mitigation and is striving for near-zero methane emissions from operated assets by 2030.

While the Committee's focus is on the decarbonisation impact of WA LNG and other resource exports, it is equally important to ensure WA LNG production aligns with national climate goals. The federal Safeguard Mechanism imposes declining emissions baselines on major facilities, including Woodside's LNG facilities, ensuring alignment with Australia's 2030[13], 2035[14] and 2050 targets.[15]

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[7] For example, see Boston Consulting Group 2023 "The Role of Gas Infrastructure in Australia's Energy Transition"
[8] International Energy Agency (2024): CO2 Emissions in 2023
[9] International Gas Union, 2023. 'Global Gas Report 2023', pp. 76-77. https://www.igu.org/resources/global-gas-report-2023-edition/.
[10] 2023 Gas Statement of Opportunities v1.2 AEMO | 2023 Gas Statement of Opportunities
[11] Woodside methane emissions data for 2024, relative to OGCI average and targets. https://www.ogci.com/action-and-engagement/reducing-methane-emissions/#methane-target
[12] Homepage | The Oil & Gas Methane Partnership 2.0
[13] The Australian Government has set a target to reduce emissions to 43% below 2005 levels by 2030 Safeguard Mechanism overview - DCCEEW
[14] https://www.dcceew.gov.au/about/news/setting-2035-target-path-net-zero#toc_0
[15] Australia has set a legislated target to reduce greenhouse gas emissions to net zero by 2050 Net Zero - DCCEEW

Woodside is actively implementing emissions reduction initiatives across its assets, contributing to its aspiration for net zero equity Scope 1 and 2 emission by 2050.[16] [17]

2. ACCELERATING INVESTMENT AND INNOVATION THROUGH CLEAR AND COORDINATED ENERGY POLICY

Global energy markets remain highly volatile, driven by factors including geopolitical tensions, the rerouting of energy flows, customer demand and the complexity of the energy transition.

Against this backdrop, natural gas and LNG are increasingly recognised as essential components of a balanced energy mix. According to Wood Mackenzie, gas demand in Asia is projected to grow by over 33% between 2025 and 2040.[18] Australia is well-positioned to meet this demand responsibly, leveraging its resource base and operational expertise.

Domestically, gas continues to play a vital role in Australia's shift to net zero. It complements renewables by providing the fuel for dispatchable power and grid stability and when paired with CCS, enables lower-carbon hydrogen[19] production.[20] The Australian Energy Market Operator (**AEMO**) describes this challenge as a "double transformation": electrifying the economy while switching to firmed renewables as the primary power source.[21]

The energy transition is not a binary choice between gas, renewables and other forms of energy. Increasingly, LNG contracts are being considered alongside CCS, hydrogen and ammonia opportunities. For example, LNG Japan's acquisition of a 10% interest in Woodside's Scarborough Energy Project was coupled with a non-binding agreement to collaborate on new energy initiatives including ammonia, hydrogen and carbon management technologies.[22]

Clear, consistent policy positions from government recognising that markets, suppliers and customers will develop efficient solutions to energy and decarbonisation needs is essential. Public confidence, investor certainty and international partnerships all benefit from policy settings that recognise the complementary role of gas in the energy transition. Australia has an opportunity to lead by example – delivering domestic and regional energy while enabling decarbonisation at scale.

Recommendation (i): Accelerate investment and innovation through clear and coordinated energy policy

To support a successful energy transition, it is essential that governments do not develop energy policy and regulations in isolation. LNG plays a critical role in providing fuel for dispatchable power and grid stability. When integrated with CCS, it also enables lower-carbon hydrogen production. With global LNG demand expected to grow by over 60% between 2021 and 2040 - particularly from Asia and Europe - Australia is well-placed to supply this energy responsibly.

Increasingly, LNG contracts are being considered alongside emerging energy opportunities, reflecting the interconnected nature of the transition. We urge the WA Government to

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[16] Targets and aspiration are for net equity Scope 1 and 2 greenhouse gas emissions relative to a starting base of 6.32 Mt CO2-e which is representative of the gross annual average equity Scope 1 and 2 greenhouse gas emissions over 2016-2020 and which may be adjusted (up or down) for potential equity changes in producing or sanctioned assets with a final investment decision prior to 2021. Net equity emissions include the utilisation of carbon credits as offsets.

[17] Offsetting emissions by retiring carbon credits also has an important role. There is an opportunity for the Australian Government to outline the process and timeline for accessing international credits as access to a deep, credible, and liquid carbon credit market is going to be essential to Australian industry reaching its decarbonisation goals.

[18] Wood Mackenzie | Global gas: Asia regional market report

[19] Woodside uses the term "lower-carbon hydrogen" to describe the characteristic of having lower levels of associated potential GHG emissions when compared to historical and/or current conventions or analogues, for example relating to an otherwise similar resource, process, production facility, product or service, or activity.

[20] AEMO 2022: 2022 Integrated System Plan, © 2022 Australian Energy Market Operator Limited, Page 9 2022-integrated-system-plan-isp.pdf

[21] Ibid.

[22] Woodside Announcement Tuesday, 8 August 2023 Woodside to sell 10% Scarborough interest to LNG Japan

endorse and implement an integrated policy approach that reflects these linkages. Doing so will better place WA to support the delivery of reliable, lower-emissions energy and attract long-term investment in lower-carbon infrastructure.

3. STREAMLINING REGULATORY APPROVALS AND REDUCING TIMELINES

Australia's regulatory approvals system for major energy projects is consistently found to be unwieldy, duplicative and unduly exposed to vexatious and ideologically driven legal challenges. It can be faster and more straightforward for Woodside to obtain assessment and approvals for major projects in Mexico and the United States, for example, than within Australia.

To support economic growth and environmental outcomes, regulatory approvals must be timely, efficient and transparent - balancing economic and social considerations alongside robust environmental processes. Woodside believes there is a significant opportunity for the Western Australian Government to work in partnership with the Australian Government to improve the effectiveness of project approvals and reduce duplication across jurisdictions. Woodside welcomes the WA Government's recent initiatives to improve the efficiency of the State Development framework and believes this can serve as a strong example for other jurisdictions.

Reform of Australia's environmental approvals and regulatory framework is essential to enable prompt, well-informed decisions that reflect a balanced consideration of environmental, social and economic factors. A more streamlined approach to major project status may help reduce delays and avoid duplication, while nominating a single regulatory agency to lead integrated assessments on behalf of all relevant federal and state bodies would improve coordination and clarity. Making project approvals permanent may enhance certainty for investors, governments, businesses and communities.

In addition, there is a need to review environmental legislation and regulatory frameworks to ensure they are not vulnerable to vexatious litigation driven by activist agendas. This includes examining the appropriateness of government funding provided to non-government organisations that litigate against approvals properly granted by government agencies.

Recommendation (ii): Support state and national efforts to streamline regulatory approvals and reduce timelines

Given the significance of the WA resources sector to the national economy, the WA Government is well-placed to advocate for an appropriately coordinated project approvals system that delivers timely, certain and balanced outcomes. The states have a critical role to play in shaping and delivering approvals and it is essential that the Australian Government acknowledges this by avoiding duplication and ensuring that state-led processes are respected and integrated.

Re-establishing bilaterials and/or accredited approvals can de-centralise and streamline decision-making to the appropriate authority. In the absence of formal agreements, current practices are expected to continue to cause systemic issues. Woodside urges the WA Government to pursue initiatives that may help unlock Australia's resource potential while maintaining the integrity and efficiency of local decision-making.

4. AUSTRALIAN LNG AS A REGIONAL DECARBONISATION ENABLER

Coal demand continues to grow in the Asia-Pacific region, driving global greenhouse gas (**GHG**) emissions upward. Renewables are expanding rapidly - particularly in China – but have largely responded to incremental demand rather than displacing coal.[23] In this context, natural gas offers a practical and scalable solution: it may support grid reliability, firm intermittent renewables and directly

[23] The IEA reports that global coal demand reached an all-time high in 2024, with Asia-Pacific accounting for approximately 77% of total global coal consumption, driven by China, India, and ASEAN countries. This underscores the region's central role in global coal market dynamics and emissions growth. IEA Coal Mid-Year Update 2025

replace coal where infrastructure allows. In 2023, coal-to-gas switching was the largest single driver of emissions reduction in the US power sector.[24]

A recent study by S&P Global highlighted that LNG imported from Australia, Qatar and the US had 47% lower carbon intensity on average than coal used for electricity generation in Japan, the Philippines and Vietnam. On average, for each tonne of CO_2 emitted in producing and shipping LNG from Australia, the US and Qatar, more than 3 tonnes of emissions are avoided on a lifecycle basis when replacing coal in power generation in the analysed countries.[25]

A balanced energy mix underpinned by LNG and renewables offers the most cost-effective pathway for near-term power emissions reduction in Asia. Studies show this approach could cut power sector emissions by 33-38% by 2035, with only an 8-16% increase in system costs. In Japan, retiring half of coal capacity and maintaining LNG supply could reduce emissions by 34% with just an 8% cost increase. Curtailing new LNG supply risks prolonging coal dependence or increasing reliance on higher-emissions fuels like diesel.[26]

Beyond power generation, natural gas is expected to play a sustained role in hard-to-abate sectors such as heavy transport and industrial processes.

Asia-Pacific nations are increasingly turning to LNG to meet energy and climate goals. In 2024, half of global gas demand growth came from the region. Key examples include:

- **Malaysia**: Plans to phase out 7GW of coal by 2033 and cease new coal-fired plants by 2040.[27] While exact figures for 2024 are not publicly available, Malaysia continues to source a significant portion of its LNG from Australia.[28]
- **Japan**: A corner stone of WA's LNG export market, with long-term contracts reflecting confidence in LNG's role in energy security and decarbonisation. Japan's 7th Strategic Energy Plan forecasts LNG demand between 53-74 million tonnes by 2040.[29]
- **China**: Its 2024 energy law legally binds clean energy targets and mandates renewable quotas while recognising hydrogen as a key energy source.[30]

Australian LNG is well-positioned to support this regional transition. Limiting LNG exports risks undermining regional decarbonisation efforts, as customers may revert to higher-emissions fuels or source gas from a jurisdiction with lower environmental, safety and/or operational standards.

To accelerate Asia's energy transition, enabling policies and innovative financing models are essential. In this regard, Woodside supports:

- Policy frameworks that balance energy security, affordability and sustainability to ensure long-term stability and investment certainty.
- Clear government direction that explicitly incorporates LNG into energy transition strategies.
- Demand-side policies such as Japan and Korea's contract-for-difference schemes to incentivise new energy products like ammonia and hydrogen.[31]

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[24] International Energy Agency (2024): CO2 Emissions in 2023, IEA
[25] S&P Global Study: Pathways to Accelerate Power emissions Reduction in Asia (Commissioned by the Asia Natural Gas & Energy Association S&P Global Study: power sector decarbonisation in Asia | ANGEA
[26] Ibid.
[27] Malaysia's National Energy Transition Roadmap (NETR). This roadmap is part of Malaysia's broader strategy to achieve 70% renewable energy capacity by 2050 national-energy-transition-roadmap.pdf
[28] A June 2025 agreement between PETRONAS and Woodside for long-term LNG supply underscores Australia's strategic role in meeting Malaysia's energy needs. Source: PETRONAS Media Release, "Woodside and PETRONAS Eye Long-Term LNG Supply," June 2025. Available at: https://www.petronas.com/media/media-releases/woodside-and-petronas-eye-long-term-lng-supply
[29] Ministry of Economy, Trade and Industry. (2025, February 18). Cabinet Decision on the Seventh Strategic Energy Plan. Government of Japan Cabinet Decision on the Seventh Strategic Energy Plan
[30] International Energy Agency. (2024), Global Hydrogen Review 2024 – Policies – Global Hydrogen Review 2024 – Analysis - IEA
[31] S&P Global Commodity Insights, 29 December 2023, Clear guidelines, formation of CfD schemes likely to unlock Asian hydrogen market in 2024 (Gard & Donavan) Clear guidelines, formation of CfD schemes likely to unlock Asian hydrogen market in 2024 | S&P Global

Regional collaboration can further accelerate deployment of lower-carbon energy through:

- Coordinated planning of electricity transmission infrastructure.
- Consistent, region-specific messaging to build social licence for technology-agnostic approaches.
- Development of a regional skills and workforce agenda.

Government-backed infrastructure funding and concessional lending, such as the US$1 billion loan from Japan Bank for International Cooperation (**JBIC**) to support Woodside's Scarborough Energy Project, catalyses private sector investment and strengthens energy partnerships.

While future gas demand varies across scenarios, many pathways consistent with the Paris Agreement[32] include sustained gas use. It is critical that Australia avoids a one-size-fits-all approach and maintains flexible, responsive policy settings that reflect regional realities and evolving global needs.

Recommendation (iii): Recognise Australian LNG as a regional decarbonisation enabler

Australian LNG can support long-term energy partnerships with key regional economies including Japan, Korea and Malaysia. To support investment certainty and enable cost-effective decarbonisation, policy frameworks should remain flexible and technology-agnostic, explicitly incorporating LNG into regional energy planning and transition strategies.

5. ADVANCING CCS AND HYDROGEN AS KEY PILLARS OF WA'S DECARBONISATION STRATEGY

Woodside is actively advancing CCS and hydrogen opportunities to support the energy transition and to support customers with their decarbonisation goals. Woodside takes a technology-agnostic approach, recognising that no single solution will deliver net zero. This enables us to deploy the most effective tools for each context, rather than being constrained by ideology or narrow preferences.

CCS enables continued energy and materials production while supporting climate goals. It is particularly vital for industries where alternatives are limited and complementary to other lower-carbon solutions such as hydrogen and renewables. International frameworks like the Paris Agreement and the London Protocol[33] provide a foundation for cross-border CCS collaboration and countries are beginning to discuss bilateral agreements to facilitate transboundary CO_2 storage.

The IPCC's Working Group III[34] underscores the critical role of CCS in achieving net zero emissions. As stated in Paragraph C4.6 of the Summary for Policymakers: *"Carbon dioxide removal (CDR) methods, including carbon capture and storage (CCS), are necessary to achieve net zero CO_2 and GHG emissions both globally and nationally, counterbalancing residual emissions from hard-to-abate sectors. CCS can also reduce emissions from fossil fuel combustion and industrial processes. The deployment of CCS currently lags behind modelled pathways. Policy instruments, greater public support and technological innovation would enable CCS to contribute significantly to mitigation goals."*

Woodside as Operator is leading the development of the proposed Angel CCS project[35], a large-scale, multi-user offshore facility near Karratha. The project aims to decarbonise local and regional industries by storing CO_2 in a depleted gas field in the North Carnarvon Basin. With a notional capacity of 5 million tonnes per annum (**Mtpa**) and potential expansion to 8-10 Mtpa, Angel CCS is

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[32] The Paris Agreement | UNFCCC
[33] Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter
[34] Working Group III — IPCC
[35] The Angel CCS Joint Venture includes Woodside (Operator), Yara Pilbara Fertilisers Pty Ltd, BP Developments Australia Pty Ltd, Shell Australia Pty Ltd, Chevron Australia Pty Ltd, and Japan Australia LNG (MIMI) Pty Ltd, and has been awarded a Greenhouse Gas Assessment Permit for an area of 1,775 km².

targeting first injection in the early 2030s. In support of this opportunity Woodside is also exploring cross-boundary CCS.

Hydrogen and ammonia offer new potential decarbonisation pathways. Lower-carbon[36] hydrogen produced from gas reforming with CCS can deliver cost-effective fuels while markets for electrolytic hydrogen mature. This approach aligns with Japan's Hydrogen Society Promotion Act, which focuses on carbon intensity rather than production method.

Woodside's proposed H2Perth project, to be located south of Perth, could become Australia's first commercial-scale liquid hydrogen export facility. The initial phase targets production of up to ~100 tonnes per day of liquid hydrogen using gas reforming with CCS and offsetting the remainder with carbon credits. Future phases would be shaped by market demand. In September 2025, Woodside signed an MoU with Japan Suiso Energy and The Kansai Electric Power Co. to collaborate on the development of a hydrogen supply chain between Australia and Japan, centered on Woodside's proposed H2Perth project.[37]

To unlock the full potential of hydrogen, regulatory frameworks must be technology-agnostic and focused on carbon intensity outcomes. Currently, support mechanisms such as Hydrogen Headstart[38] prioritise renewable hydrogen. Broader inclusion of gas-based hydrogen with CCS is needed to stimulate early market development and secure Australia's leadership in the global hydrogen economy.

Woodside is also supporting industrial decarbonisation through its participation in the NeoSmelt joint venture, which aims to develop Australia's largest ironmaking electric smelting furnace pilot plant in the Kwinana Industrial Area[39]. The proposed project is planned to initially use natural gas and transition to also using hydrogen, targeting initial operations by 2028. The project has commenced Front-End Engineering Design studies supported by A$19.8 million in funding from the Australian Renewable Energy Agency (ARENA) as part of ARENA's Industrial Transformation Stream program.[40] The Western Australian Government also announced it would contribute A$75 million to support the project, including for project infrastructure in the Kwinana Industrial Area.[41] [42] [43]

Internationally, Woodside is collaborating with Japanese and Korean partners on hydrogen, ammonia and CCS technologies, including liquid hydrogen carrier design and supply chain development. Woodside encourages the WA Government to advocate for supportive financial structures that enable first mover projects to be developed.

Recommendation (iv): Advance CCS and hydrogen as key pillars of WA's decarbonisation strategy

These technologies enable emissions reduction in hard-to-abate sectors and position WA as a regional hub for lower-carbon energy. Government support through enabling technology-agnostic policy, infrastructure investment and streamlined regulation is important in accelerating deployment and attracting international collaboration and capital.

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[36] Woodside uses this term to describe the characteristic of having lower levels of associated potential GHG emissions when compared to historical and/or current conventions or analogues, for example relating to an otherwise similar resource, process, production facility, product or service, or activity. When applied to Woodside's strategy, please see the definition of lower-carbon portfolio.
[37] Woodside, JSE, Kansai Electric Power Media Release, Thursday, 25 September 2025 Woodside, JSE and KEPCO embark on development of liquid hydrogen supply chain
[38] Hydrogen Headstart program - DCCEEW
[39] 2025_neosmelt_information_sheet.pdf
[40] Industry giants collaborating to seek to decarbonise steel - Australian Renewable Energy Agency (ARENA)
[41] Nation's largest ironmaking electric smelting furnace set for WA | Western Australian Government
[42] Woodside website, NeoSmelt Project: Collaborating to accelerate steel value chain decarbonisation NeoSmelt project
[43] ARENA NeoSmelt Funding Disclaimer - The views expressed herein are not necessarily the views of the Australian Government, and the Australian Government does not accept responsibility for any information or advice contained herein.

6. ASIA'S ENERGY PIVOT: COORDINATING FOR A LOWER-CARBON FUTURE

Across Asia and globally, energy grids require significant investment to accommodate the intermittency of renewables. In Asia, this challenge is compounded by the need for cross-border infrastructure and battery storage to connect regional grids. Initiatives like the ASEAN Power Grid[44] are ambitious but costly, requiring specialised technical expertise and harmonised regulatory and commercial frameworks. A positive step forward was Australia's ratification of the 2009 amendment to Article 6 of the London Protocol, enabling formal collaboration with trading partners on transboundary CO_2 transport and storage.

Effective cross-border decarbonisation demands collaboration. While national interests often take precedence, balancing domestic priorities with regional cooperation is essential. The absence of a coordinating entity for the ASEAN Power Grid, as noted by the Asian Development Bank, highlights the need for structured leadership.[45] International forums such as the Asia Zero Emission Community (**AZEC**)[46] and the IEA's new regional office in Singapore play a vital role in aligning goals, building trust, and enabling deployment of technologies like carbon capture utilisation and storage.

Domestically, enhanced coordination between the WA and the Australian Government is critical to unlocking investment in new gas and decarbonisation projects. Fragmented regulatory processes, inconsistent policy signals and misaligned timelines risk delaying projects vital to both state and regional emissions reduction goals. A unified national approach may streamline approvals, reduce duplication and provide the certainty needed to attract capital and accelerate delivery.

Within WA, the newly established Office of the Coordinator General is uniquely positioned to drive whole-of-government coordination. Unlike individual agencies, it is understood that it is intended to have the mandate to manage complex, multi-stakeholder projects, resolve inter-agency bottlenecks and maintain momentum across project lifecycles. Empowering this office with clear authority and resources, including for projects that deliver a regional decarbonisation benefit, could be key to delivering strategic infrastructure on time and at scale, ensuring WA remains competitive and aligned with national and regional climate objectives.

> **Recommendation (v): Strengthen coordination and regional engagement for energy transition delivery**
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> Streamlining regulation, aligning policy signals, and coordinating timelines between the WA and Australian Governments may accelerate investment and delivery of strategic energy projects, so WA may continue to supply reliable, lower-carbon energy to the region.
>
> Active engagement in international forums and regional cooperation platforms has the potential to build trust, align decarbonisation goals, and enable cross-border power and CO_2 transport and storage.
>
> Empowering WA's Coordinator General to lead whole-of-government delivery of strategic energy infrastructure, including for projects that deliver a regional decarbonisation benefit, could help manage complexity, resolve bottlenecks, and ensure timely execution of projects that enhance WA's competitiveness and climate leadership.

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[44] Memorandum of Understanding on the ASEAN Power Grid - ASEAN Main Portal

[45] Asian Development Bank. (2025), ADB and the ASEAN Power Grid ADB and the ASEAN Power Grid | Asian Development Bank

[46] AZEC is a collaborative platform aimed at achieving carbon neutrality and net-zero emissions in the Asia region. It was proposed by Japan and officially launched in 2023, involving 11 partner countries: Australia, Brunei Darussalam, Cambodia, Indonesia, Japan, Lao PDR, Malaysia, Philippines, Singapore, Thailand and Vietnam Asia Zero Emission Community (AZEC) / METI Ministry of Economy, Trade and Industry

Attachment 2: Summary of Woodside's Recommendations

Recommendation (i): Accelerate investment and innovation through clear and coordinated energy policy

To support a successful energy transition, it is essential that governments do not develop energy policy and regulations in isolation. LNG plays a critical role in providing fuel for dispatchable power and grid stability. When integrated with CCS, it also enables lower-carbon hydrogen production. With global LNG demand expected to grow by over 60% between 2021 and 2040 - particularly from Asia and Europe - Australia is well-placed to supply this energy responsibly.

Increasingly, LNG contracts are being considered alongside emerging energy opportunities, reflecting the interconnected nature of the transition. We urge the WA Government to endorse and implement an integrated policy approach that reflects these linkages. Doing so will better place WA to support the delivery of reliable, lower-emissions energy and attract long-term investment in lower-carbon infrastructure.

Recommendation (ii): Support state and national efforts to streamline regulatory approvals and reduce timelines

Given the significance of the WA resources sector to the national economy, the WA Government is well-placed to advocate for an appropriately coordinated project approvals system that delivers timely, certain and balanced outcomes. The states have a critical role to play in shaping and delivering approvals and it is essential that the Australian Government acknowledges this by avoiding duplication and ensuring that state-led processes are respected and integrated.

Re-establishing bilaterials and/or accredited approvals can de-centralise and streamline decision-making to the appropriate authority. In the absence of formal agreements, current practices are expected to continue to cause systemic issues. Woodside urges the WA Government to pursue initiatives that may help unlock Australia's resource potential while maintaining the integrity and efficiency of local decision-making.

Recommendation (iii): Recognise Australian LNG as a regional decarbonisation enabler

Australian LNG can support long-term energy partnerships with key regional economies including Japan, Korea and Malaysia. To support investment certainty and enable cost-effective decarbonisation, policy frameworks should remain flexible and technology-agnostic, explicitly incorporating LNG into regional energy planning and transition strategies.

Recommendation (iv): Advance CCS and hydrogen as key pillars of WA's decarbonisation strategy

These technologies enable emissions reduction in hard-to-abate sectors and position WA as a regional hub for lower-carbon energy. Government support through enabling technology-agnostic policy, infrastructure investment and streamlined regulation is important in accelerating deployment and attracting international collaboration and capital.

Recommendation (v): Strengthen coordination and regional engagement for energy transition delivery

Streamlining regulation, aligning policy signals, and coordinating timelines between the WA and Australian Governments may accelerate investment and delivery of strategic energy projects, so WA may continue to supply reliable, lower-carbon energy to the region.

Active engagement in international forums and regional cooperation platforms has the potential to build trust, align decarbonisation goals, and enable cross-border power and CO_2 transport and storage.

Empowering WA's Coordinator General to lead whole-of-government delivery of strategic energy infrastructure, including for projects that deliver a regional decarbonisation benefit, could help manage complexity, resolve bottlenecks, and ensure timely execution of projects that enhance WA's competitiveness and climate leadership.