



Mark G Hatfield
Managing Director

July 26, 2024

Via E-mail: economics.sen@aph.gov.au

Committee Secretary
Senate Standing Committee Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary

**Future Made in Australia Bill 2024 [Provisions] and the Future Made in Australia
(Omnibus Amendments No. 1) Bill 2024 [Provisions]**

Chevron Australia appreciates the opportunity to make a submission to the Senate Economics Legislation Committee on the proposed Future Made in Australia Bill 2024 [Provisions] and the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024 [Provisions].

This submission provides high-level information about the critical role Chevron Australia expects that gas will play in the Australian Government's **Future Made in Australia (FMiA)** agenda.

Please note that this submission represents the views of Chevron Australia and not necessarily those of our joint venture participants.

About Chevron Australia

Chevron Australia is one of the largest energy suppliers to Australia. The Chevron-operated Gorgon and Wheatstone natural gas plants produce approximately 45% of the gas supplied to the Western Australian domestic market and approximately 6.5% of the world's Liquefied Natural Gas (LNG) supply.

To achieve this, Chevron Australia and its joint venture partners have invested more than \$81 billion of capital expenditure in the Australian economy since 2009 and on average \$2.8 billion of annual operating expenditure, currently supporting direct jobs and livelihoods for over 4,100 people. In the same timeframe, Chevron Australia has contributed more than \$15 billion in taxes (\$4.2 billion in 2022), which can be used to fund critical public infrastructure and assist the government to support large scale energy transition investment.

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The Chevron-operated Gorgon and Wheatstone facilities are multi-decade developments. We continue to progress work on future subsea projects, which remain subject to regulatory approvals and investment decisions by Chevron Australia and its joint venture participants. In addition to Gorgon and Wheatstone facilities, Chevron Australia holds a one-sixth interest in the North West Shelf Project.

Chevron Australia supports the aims of the Paris Agreement. To that end, Chevron Australia is supportive of Australian Government policies that deliver on commitments under the Paris Agreement, and that contribute to and are compatible with achieving net zero emissions globally.

Our strategy is to leverage our strengths to safely deliver lower carbon energy to a growing and industrialising global population. Globally, we are investing to grow our traditional business, lower the carbon intensity of our operations and grow new lower carbon businesses in renewable fuels, carbon capture and offsets, hydrogen, and other emerging technologies.

Comments on the proposed Future Made in Australia Bill 2024 [Provisions] and the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024 [Provisions]

Chevron Australia believes that a whole-of-government approach will be needed as the Government looks to deliver on its budget commitment to invest \$22.7 billion over the next decade, to help Australia become an indispensable part of the global economy as the world transforms to net zero emissions.

There are multiple pathways to achieve net zero emissions globally. Chevron Australia believes that the design and implementation of net zero policies should account for technological, economic, and societal realities while maximising flexibility, optionality, and affordability. All credible technologies and/or energy sources will be required to achieve net zero emissions in the most cost-effective way.

The Australian Government recently released its **Future Gas Strategy (FGS)**, which detailed a whole-of-government approach that under all credible net zero scenarios, natural gas is needed through to 2050 and beyond. The FGS also made clear that Australia is and will remain a reliable and trusted trade and investment partner for liquefied natural gas (LNG) exports. As noted in our submission to the Australian Government on the FGS¹, we see gas continuing to play an important role in the energy mix of Australia and that of our trading partners to 2050 and beyond for the following reasons:

¹ [Submission to the Australian Government's Future Gas Strategy Consultation Paper \(chevron.com\)](https://www.chevron.com/australia/future-gas-strategy-consultation-paper)

- **Providing energy security** to meet increased Australian and global energy needs with reliable and affordable energy. Gas can power our homes, businesses, schools, hospitals, manufacturing, and is used for industrial purposes such as mining and minerals processing.
- **Enabling economic development** by providing the energy needed to underpin existing industries but also facilitate new ones, creating thousands of direct and indirect jobs. In Australia, reliable and affordable gas has powered the mining and minerals processing sectors as well as supported manufacturing bricks, cement, fertilizer, glass, food products such as dairy, and paper products. In Western Australia, the amount of gas consumed is almost as much as Queensland, New South Wales and Victoria put together², reflecting its critical use in powering mining operations and minerals processing.
- **Supporting the energy transition** by providing firming power for the growth of renewables generation; replacing coal-fired power generation as coal assets are retired; and helping hard-to-abate sectors by developing lower carbon intensity hydrogen supply as a cost-effective feedstock. In addition, successfully developing a large-scale carbon capture and storage industry will enable resource development and generation of economic benefits whilst reducing the emissions intensity of these activities.

Chevron Australia supports well designed legislative and regulatory policies and therefore strongly recommends that future-looking policies such as the FMiA and FGS work in concert to provide consistent and predictable messages to the community and investors in the energy sector.

Chevron Australia was encouraged by the comments made by the Minister for Climate Change and Energy, the Hon. Chris Bowen MP, on the important role gas will play in the energy transition during his speech to the National Press Club on 17 July 2024 titled 'Australia's Energy Choice in the Critical Decade'. During his address, Minister Bowen outlined that gas would continue to play a vital role in Australia's energy system in three ways:

- Gas-fired peaking and firming of renewables;
- Growth in flexible gas-power generation to 15 gigawatts by 2050 to ensure the National Electricity Market remains resilient³; and,
- Continued use of gas; from powering and heating the 5 million homes currently using gas, to assisting manufacturing industries to continue to produce products such as cement and steel.

As the Government progresses its FMiA agenda, Chevron Australia supports the development of a coherent policy framework that incorporates a whole-of-government approach to emission reduction policies whilst ensuring manufacturing and support of critical products and exports from Australia can be maintained. This will ensure a credible emissions reduction pathway to meet the goals of the Paris Agreement while also supporting the critical role gas will play in the

² Australian Energy Update 2023 see Australian Energy Statistics 2023 Table C.xlsx ([live.com](#))

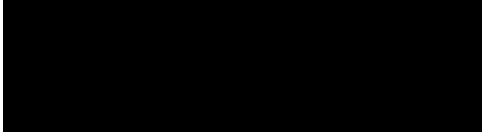
³ [2024-integrated-system-plan-isp.pdf \(aemo.com.au\)](#)

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energy transition in addition to maintaining Australia's reputation as a reliable and trusted trade and investment partner.

Please do not hesitate to contact Government Affairs Advisor, Natasa Sikman ([REDACTED]), if you would like further information.

Sincerely,

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Mark Hatfield