

APPEA CONFERENCE AND EXHIBITION 2022

CHAIR'S CLOSING ADDRESS – APPEA CHAIR IAN DAVIES

THURSDAY, 19 MAY 2022

Good afternoon.

My name is Ian Davies.

I have the honour of being Chair of the APPEA Board and also closing this amazing conference.

The Honourable Roger Cook; distinguished guests; delegates; ladies and gentlemen.

I am sure you will agree, and I have spoken to a great number of you through this event, that this conference has been a remarkable success.

As it is a success, year after year.

It is a success only because of the committed and dedicated team who pull it together and the extraordinary effort they put in.

It was Aristotle who said: "Quality is not an act; it is a habit."

And it has indeed become a habit.

My heartfelt thanks to Damian Dwyer as acting APPEA CEO, Julie Hood, and the entire APPEA team, who have done such a terrific job of bringing us together and steering us through this conference.

Please join me in applauding their inspiring efforts in exemplifying the conference theme: Positive Energy for a Changing World.

I'm already looking forward to the APPEA Conference and Exhibition 2023 in Adelaide – another terrific oil and gas town with a rich resources history.

In considering the year ahead and beyond, last Friday we announced Samantha McCulloch as APPEA's incoming CEO.

Samantha has an extremely informed view of the critical role our industry continues to play in meeting global energy and climate goals.

Samantha brings a wealth of experience in energy policy and advocacy in government, the private sector and industry associations in Australia and internationally – currently with the International Energy Agency in Paris, which gets quoted a lot these days.

So we're looking forward to Samantha starting in mid-August, based in Canberra.

And, importantly, Samantha is an internationally acclaimed expert in carbon capture, utilisation and storage – a technology that is critical to the world achieve its climate goals.

Our industry's products are essential to everyday life; our industry is crucial for the economy and the wellbeing of communities; and we are at the frontlines of our energy transformation.

The challenges – and the opportunities – are many. But Australia is counting on us all and we will deliver.

I would also like to acknowledge our outgoing CEO, Andrew McConville, who recently finished with APPEA to take up a challenging new role with the Murray Darling Basin Authority.

Andrew provided amazing energy and drive representing our great industry for the last three years and I, and the Board, wish him all the best for the future.

Ladies and gentlemen, as our 2022 Conference and Exhibition draws to a close, what will we take into another year with the only constant being change?

Many things have been learned, ideas generated and, importantly, friendships made and strengthened in the many presentations, panels and talks – not to mention from happy hour onwards!

To me, there are three key takeaways.

Number 1: We need all forms of energy to work together - and our industry is here for the long haul

As I said in my opening address, oil and gas are necessary to achieving two critical goals for people and our planet:

- One - energy security, reliability and affordability;
- And, two – decarbonisation, enabled by CCUS and hydrogen.

Meeting Australia's and the world's demand for energy, affordably and reliably, must occur at the same time as we invest in the huge task of decarbonising our energy system to net-zero emissions by 2050.

As Kevin Gallagher said yesterday, the task is decarbonisation, not defossilisation.

And as we have heard throughout this week, the world needs our industry now and it will continue to need us in the future.

We are needed to keep Australia running, to deliver cleaner energy sooner and to underpin our economy.

The role the oil and gas industry plays in 2022 – key to manufacturing, heating and cooking in our homes and replacing higher emissions coal – will look different by 2050.

We will play a much greater firming role in the electricity grid.

We will be the feedstock delivering hydrogen sooner and cheaper.

And we will be delivering low-emissions energy with CCUS - a significant opportunity for Australia and for our industry.

This technology is emerging as a competitive advantage for the future, not only to decarbonise our own economy, but to help our customer countries decarbonise.

And by the way, helping other countries decarbonise brings me to another important point: perspective is a critical part of a rational debate around energy - it's about environmental, social *and* governance aspects of energy.

It is global, it is geopolitical – it always has been.

All of this was made even clearer to me in presentations and discussions this week including the Panel Series on Ukraine and the Energy Leaders' Panel.

Our positive energy – in whatever form the future demands it – is here, and it is here to stay.

The second takeaway for me is that we are making and embracing change.

As an industry we are not only resilient but we are adaptive. We don't just respond and react, we drive change.

Over the six decades we have been coming together at the APPEA conference, the only constant, really, is change.

From the pioneering geological research of intrepid explorers in the nineteenth and early twentieth centuries.

To the major oil and gas discoveries in both the south-east and north-west of the nation.

To the development of our world-leading LNG industry here in Queensland, in Western Australia and in the Northern Territory.

And to enormous advances in technology and a hydrogen future, supported by CCUS.

We have come far and we will go much farther still.

Change, continuous improvement and ever smarter ways of delivering energy are core business, as we deliver benefits including almost half a trillion dollars, or \$500 billion, in economic activity in Australia, every year.

We heard this week about advances in hydrogen, AI, exploration and data analysis.

It is not just in emissions reduction that we're changing.

Our technological understanding is allowing us to better understand and protect the environment.

We're adapting our ways of working and the proposition we offer our amazing employees.

We bring our own energy to driving environmental and economic change, not just for us but for the communities and regions in which we operate.

The third takeaway is that we can only succeed by working together and with others.

I've spoken about our long-term role and our change agenda.

Engagement with our stakeholders, and the understanding and support of our stakeholders is essential to achieving these.

We must maintain the confidence and support of markets, who support our massive investments in new supply and emissions reduction technology.

We must deliver a return and a benefit for governments who, on behalf of the Australian people, facilitate our developments.

We must work with the communities, Traditional Owners, fishers, farmers and others who allow us to operate and access resources.

And we must offer real value and a long-term future to those looking for modern, fulfilling careers.

We succeed only when others succeed.

And so it is fitting that this year's conference has had such a big emphasis on engagement with stakeholders.

We've heard this week about indigenous engagement and scallop fishers just to name a couple.

All of us in this room know that we have an important role to play in the energy transformation taking place before our eyes.

But we also know that not everyone shares that view – and the public dynamic is familiar to us all.

There are growing demands from communities who may or may not be well informed and who expect more from those in business and in government; and who are able to organise and make their voices heard loudly and quickly in social media and online.

The time it takes for an idea to mature from communities and NGO commentary to government policy is shorter than ever.

This has a clear knock-on effect on our industry and poses significant risks for us all.

But ironically, perhaps, also opportunity.

Our continued success will only come from us “getting it right” in terms of our engagement with our stakeholders.

In APPEA's head office in Canberra, there is a copy of a first edition what was known as the *A.P.E.A. Newsletter*.

It dates from August 1965, some six years after the association was formed.

In jittery old typewriting, the first page reads:

At a meeting held in Canberra on May 12, Council discussed the urgent need for a public relations and publicity programme on A.P.E.A. policy.

This was in 1965 – 57 years ago.

Indeed, the only constant is change, but some things endure.

Each of our companies has a responsibility to communicate what we do, and to do that well.

But first we must “get it right” in terms of doing what we say we will do.

We must “get it right” in terms of maximising the benefits we bring.

We must “get it right” in managing impacts on the environment safely and responsibly.

We must “get it right” in paying our role in this energy transformation.

And we must “get it right” standing up for our industry.

As I said at the start:

Our products are essential to everyday life; our industry is crucial for the economy and the wellbeing of communities; and we are at the frontlines of the energy transition.

The challenges – and the opportunities – are many. But Australia is counting on us all and we will deliver.

Ladies and gentlemen, it has been a pleasure to be so involved in the 2022 Conference and Exhibition.

On behalf of APPEA, I thank you for your support of our industry.

Keep celebrating the amazing contribution that our people make to this industry, to Australia and to our region.

As I said in my opening: you are the people whose innovation and ideas will solve the historic challenges that are before us - of soaring energy demand, and the need to dramatically reduce carbon emissions, simultaneously.

You will continue to generate the Positive Energy for a Changing World.

I wish you a safe and prosperous year ahead and I look forward to seeing you at the next conference in 2023.

Thank you.

ENDS