

Meg O'Neill
CEO and Managing Director
Woodside Energy Ltd.



Speech to the Melbourne Mining Club

Melbourne Town Hall
Thursday 6 February 2025

[Check against delivery]

Thank you Mai for that kind introduction, and to the Melbourne Mining Club for hosting today's event.

I'd like to begin by acknowledging the traditional custodians of this land, the Wurundjeri People of the Kulin Nation and pay my respects to their Elders past and present.

I also acknowledge the distinguished guests here today including:

- Co-patrons of the Melbourne Mining Club, Hugh Morgan and Leigh Clifford;
- Former Woodside Chair Charles Goode; and
- Former Woodside CEO and Managing Director, Charles Allen.

It's an honour to be speaking in this magnificent building.

Places like this always get me thinking about the things these walls must have seen over the years.

From great debates to royal visits and famous performances.

I'm told The Beatles were here once, with 20,000 screaming teenagers outside.

And while Chris Uhlmann has developed his own rock star following, I can't promise today's show will be anywhere near as exciting as that!

I think it's very fitting to have a conversation about Australia's energy future in a town hall.

Social media is often touted as a virtual town hall, but too often discussions there lack the courtesy we show each other when we gather in person.

Historically, town halls have also been places where people have come to put ideas on the table.

To my mind, too much of the recent debate about energy policy has focused on taking solutions off the table.

I say it's time we focus on putting ideas back on the table, ideas that can make the most of Australia's natural advantages.

And ensure our energy policy debate is based on science and facts, not wishful thinking.

Why?

Because Australia's energy security and ongoing national prosperity are what's at stake.

Let's think about where we are today.

Productivity growth, which we know is crucial for future prosperity, is weak, and has been for some time.

As a trading nation, being competitive in global markets has long been essential to Australia's economic success.

Amid rising global protectionism and greater competition for capital, Australia must sharpen its competitive edge even further.

And moves by the new Administration in the US to deregulate the economy and spur new energy investments make the challenge for countries like Australia even more acute.

I likely don't need to tell a room full of people close to the mining industry this but historically, cheap and reliable gas has been one of Australian industry's great competitive advantages.

Affordable energy keeps operating costs down which means companies have more capital to invest in things that increase productivity.

We must keep it this way - to safeguard the businesses we have now, and hopefully, to attract businesses in new industries of the future.

Let me give you an example.

Just five years ago, few of us would have predicted the rise in artificial intelligence programs like Chat GPT.

Or that companies would now be scrambling to secure energy for data centres – going to lengths as radical as restarting idle nuclear power plants.

This power demand only creates further pressure on traditional manufacturing industries that are already concerned about energy security.

No matter how our economy evolves, we will succeed or fail on the strength of our energy system.

Just like today, Australian companies of the future will need reliable, affordable energy to be the best in the world at what they do.

This in turn can help ensure our children and grandchildren enjoy the same opportunities we have today, if not better.

By this I mean good jobs in secure and competitive industries, that pay enough to buy a house and live comfortably.

In a country as lucky and resource rich as Australia, it would be a major policy failure if we are not able to achieve this.

We don't have to travel very far from here to appreciate how energy contributes to Australia's prosperity.

Seventy years ago, Woodside got its start exploring for oil and gas here in Victoria near our namesake town.

Discoveries in the 1960s and '70s, particularly in Victoria and Western Australia, produced the oil and gas that have supported Australian mining, manufacturing and prosperity.

In Victoria today, Woodside is a part owner in the Bass Strait Project.

Operated by ExxonMobil's local subsidiary, Esso, the Bass Strait Project was Australia's first major offshore oil and gas development, located off the southeast coast of Victoria.

Woodside has a half share in the Gippsland Basin Joint Venture and roughly a third in the Kipper Unit Joint Venture.

I am proud to say that every molecule of natural gas Woodside sells from Bass Strait is consumed by local manufacturers and power generators and homes in eastern Australia.

And in Western Australia, about 50 per cent of the domestic gas supplied by Woodside is used by mining customers to produce and process Australia's resources.

Investment in new gas supplies can underpin the next wave of growth for an industry that is so important to Australia's ongoing prosperity, by supporting the emergence of a critical minerals processing sector, and the decarbonisation of steelmaking.

Woodside is already collaborating on this, with plans to supply energy to a pilot project aimed at using iron ore to make lower-carbon steel.

Initially natural gas would be the energy source, but once operational, the project aims to use lower-carbon emissions hydrogen.

We made this announcement in December, alongside the other consortium participants: BlueScope, and two companies who are represented here today, BHP and Rio Tinto.

We welcome the support for this project from federal and state governments.

It demonstrates an appreciation about the role gas can play in delivering the innovative and tangible outcomes Australia needs to thrive through the energy transition.

Of course, one of the key differences our society faces, compared to previous generations, is that we will need to grow our economy while also tackling climate change.

But there is no single solution to this complex challenge – it requires all ideas to be on the table.

We should not rule out any source of energy or technology.

Again, we must be guided by science and facts.

On this front, I am encouraged by the green shoots (no pun intended) in Australia's national energy conversation – including signs of an increasingly fact-based discussion on the role of gas.

The fact is that gas is an ideal source of always-available power to support Australia's expanding renewable energy grid.

In the words of Australia's energy market operator, gas is the "ultimate backstop" to ensure grid reliability.

And when used to generate electricity, gas typically produces around half the life cycle emissions of coal.

This is critical when we think about the challenge of decarbonising Asia.

Because it's estimated that if just 20 per cent of Asia's coal-fired power stations switched to gas, it would reduce carbon emissions by 680 million tonnes a year.

That's more than one and a half times Australia's total annual net greenhouse gas emissions, which in the year to December 2023 was 433 million tonnes of carbon dioxide equivalent.

I support all of us taking action to address climate change, and doing what we can to reduce emissions.

But we should prioritise measures that deliver the biggest bang for buck when it comes to decarbonisation.

The reality is we get far more impact from replacing coal in Asia with Australian LNG, than we do from asking Australian consumers to switch their household appliances from gas to electric.

Something else to consider is the economic opportunity global decarbonisation presents.

Switching 20 per cent of Asia's coal-fired power stations to gas would require 310 billion cubic metres of gas per annum.

For context, in 2023, Australia exported roughly 107 billion cubic metres of LNG, so around a third of that.

The Western Australian Government has demonstrated it understands the opportunities coal to gas switching presents.

It has provided clear support for gas in WA's own transition plan, and as one of the best contributions the state can make to global decarbonisation.

And I am encouraged at the growing recognition of the importance of natural gas here in Victoria

But to achieve decarbonisation and economic growth – which ultimately secures our future prosperity – we need further action at all levels of government.

Action on reducing red and green tape that slows down development of new job creating projects that would add new, needed energy supplies.

And action to challenge activist organisations practising lawfare, which prioritises the political agendas of a few over the national interest.

Like many of the companies represented here today, Woodside is proudly Australian.

But we also operate in other countries.

It's a fact that we can get projects assessed and approved overseas in less time than it takes here in Australia.

Take our North West Shelf Project Extension proposal.

Since 1984, the North West Shelf Project has powered homes and industry in WA.

It has paid more than 40 billion dollars in royalties and excise and it has provided tens of thousands of secure, well-paying jobs, both direct and indirect.

Extending the life of this existing infrastructure would enable these benefits to continue for decades to come.

In December, we received approval from the WA Government to do this.

But this came after six years of assessment and appeals within WA's environmental approvals system, despite bipartisan support for the proposal.

We now eagerly await a federal decision, as does our workforce and their families in Karratha.

We understand the need for robust environmental assessment, but when an approval to continue to use existing infrastructure takes more than six years, it's in nobody's interests.

It does not give Australia a competitive edge, or better environmental outcomes.

We need action to reverse this trend and make sure Australia is a place that proudly homegrown Australian companies, like Woodside, can continue to invest in for the long term.

And we need action to bring on new gas supplies, so that Australia does not risk increasing power bills, energy shortfalls and an uncertain energy transition.

Ensuring Australia continues to thrive as an excellent place to live, work and invest as we decarbonise is a shared challenge.

I have outlined my ask of government.

And it goes without saying that we as industry must step up too.

We must sharpen our focus on technology and innovation, to ensure Australia's resources sector remains cost-competitive and a world leader.

We must maintain our significant social and economic contributions, to ensure we keep the trust and confidence of the Australian community.

And we must continue to decarbonise our businesses in line with national and international goals.

And finally, as we navigate this shared challenge, we must have the courage to keep all options on the table and be guided by the facts as we map a prosperous future, together.

Thank you.