



Australian Gas Industry Trust

Message from the AGIT Executive Officer

Message from the AGIT Chair



Welcome to the latest edition of the AGIT Newsletter.

A lot has happened here at AGIT since I last wrote back in March. We now have Executive Officer in place, Dr Jen Thompson who comes to us from the government and academia sectors, the Gas Vision 2050 Report was updated and published along with a very interesting accompanying webinar, and we are well on the way to implementing our new Strategic Plan which will guide our activities over the next 5 years.

The industry has also been extremely busy! The Federal Government released the Gas-fired Recovery Plan, the IGU appointed a permanent Secretary General and the APGA 2020 conference which was held virtually for the first time ever to rave reviews.

As we look back on 2020 who would have guessed that COVID-19 would come along and change the way we work, live and play now and into the future. This year, we have seen lockdowns, travel restrictions, supply chain issues and economic challenges like no other, and yet we have been innovative and creative in finding solutions that keep the industry going. Hopefully, we have turned a corner and 2021 will be a healthy, prosperous, and better year for us all.

I hope you enjoy the read.

Graeme Bethune



Let me introduce myself, I am the newly appointed AGIT Executive Officer. My role is to help promote gas industry research and education. I have 20+ years in the government and academic sectors, including the last few years with the Queensland Department of Mines and Energy, mostly in the research and strategic policy areas and representing Queensland on various COAG Energy Council groups.

It's been a very busy start so far, I attended the highly successful APGA virtual conference, attended my first IGU Committee meeting, started to implement the Strategic Plan by drafting an Action Plan that will guide our activities, updating the website and drafting the Conflict of Interest Policy.

Just like everyone else, COVID-19 has meant that AGIT has had to change the way we do things. We have been holding all our meetings virtually, including our quarterly board meetings and our IGU meetings, and we had to postpone several events including Gas Speak and International Gas Day. Heading into 2021 we are all hoping that this will change, and we can all meet up in person again.

If you would like to chat please contact me, my door is always open! I would like to hear about any ideas you may have on how AGIT can add value to the industry and how we can work better together.

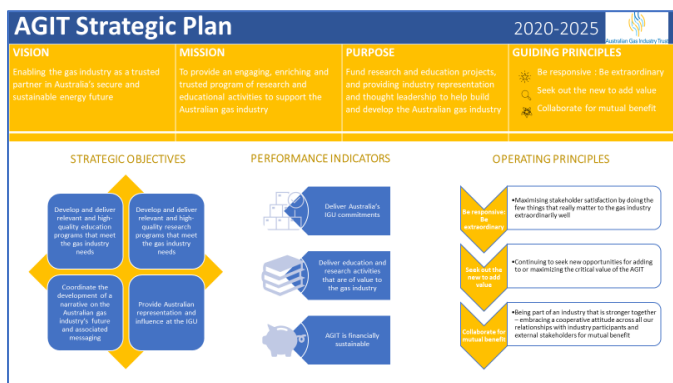
Jen Thompson



1. AGIT NEWS

AGIT Strategic Plan

A 2-page flyer has been published which is based on the AGIT Strategic Plan. It outlines our vision, mission, purpose, objectives, and performance indicators. It is now up on the [AGIT website](#).



AGIT + Linked In



The AGIT Linked in page is now live. We will endeavour to post topics that are of interest to the gas industry, particularly those with a research and education focus.

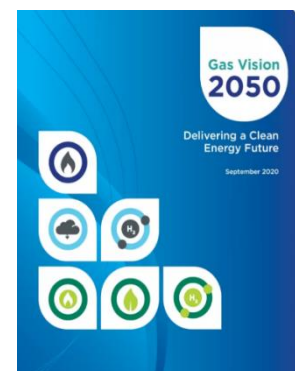
Please 'follow' us for all the latest information.

Click [here](#) to go to our linked in page

Gas Vision 2050

AGIT was pleased to sponsor the recent update of the Gas Vision 2050 Report. This report and accompanying webinar were released in October, and is a great insight into where each part of the gas supply chain is headed and the changes that will come with this.

If you haven't seen it yet, here's the link to the [report](#) and here's the link to the [webinar](#).



Gas Speak & Gas Speak Executive

Gas Speak which is usually held in September has postponed until September 2021.



We are currently investigating whether Gas Speak Executive to go ahead in March-April 2021, even if this is a virtual event.

The focus for Gas Speak Executive will be media management for senior executives.

We will know more in the next couple of months, but in the meantime if you are interested please drop me a line and I will put your name on the list. Just email our [Executive Officer](#).



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AGIT funds Petroleum Club of Western Australia into 2021

Over the last few years AGIT has been a proud Platinum sponsor of the Petroleum Club of Western Australia.

We were pleased to continue this into 2021, based on the excellent work the club does in terms of promoting the gas industry at career expos and schools, organizing field trips and running a highly successful mentoring program.

Congratulations to Kate McCarthy and her team, we are looking forward to working with into 2021!

If you would like to know more about what the PCWA does, just click [here](#)



Volunteers needed

If you are interested in expanding your professional development through volunteering, we are always looking for volunteers. AGIT coordinates Australia's involvement in the IGU and supports our volunteers.

This is a great opportunity for anyone interested in expanding their horizons and networks by getting involved with some of the international work being done to progress the gas industry globally.

Benefits include travel, development of research, writing and presentation skills, and international networking opportunities.

If you are interested, email us [here](#).



2. IGU NEWS

The 28th World Gas Conference 2021 postponed until 2022

In response to the impacts of COVID-19 the 28th IGU's Council has postponed the WGC until 23-27 Many 2022.

This in turn means the next Presidency term, to be led by the People's Republic of China, will be moved to 2022-2025, with the 29th WGC to be held in Beijing in 2025, and the 30thWGC to be held in Milan in 2028 under the Presidency of Italy.





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The International Gas Research Conference



The IGRC has also been postponed by a year, expected to be held mid-late 2022.

Germany and Canada are both in the running to host this event.

If you are interested in presenting a paper please let us know by clicking [here](#).

IGU Strategic Communications and Outreach Action Plan

Australia's Matt Doman (Interim Director, Public Affairs, IGU) presented the Draft Strategic Communications and Outreach Action Plan at the last IGU Taskforce 1 meeting on 29 October.

The Plan was well received and generated discussion on the challenges and opportunities in the post-COVID climate. It will be finalised by the end of the year.



IGU Secretariat General appointment



As part of the new era of the IGU, a permanent headquarters has been established in London and a permanent Secretariat General role was created. Andy Calitz was the successful applicant in what was a very hotly contested appointment and starts 1 August 2021.

Some of you may already know Andy, he worked for Shell in Perth for 5 years, building the LNG industry. AGIT has formally congratulated Andy on his appointment, and we are looking forward to working with him when he moves into this new role. Click [here](#) to read the IGU media release.

The International Gas Union, founded in 1931, is a global organization aimed at promoting the political, technical and economic progress of the gas industry. The Union has more than 150 members worldwide on all continents, representing approximately 95% of the world gas market. www.igu.org

3. INDUSTRY NEWS

Regional Roundup

AGIT Chairman, Dr Graeme Bethune recently delivered the North Asia and Australasia Regional report to the Annual IGU Council Meeting.

It included information on how the region has been affected by the pandemic, albeit less severely than in many other regions of the world; with Natural gas demand affected to varying degrees.

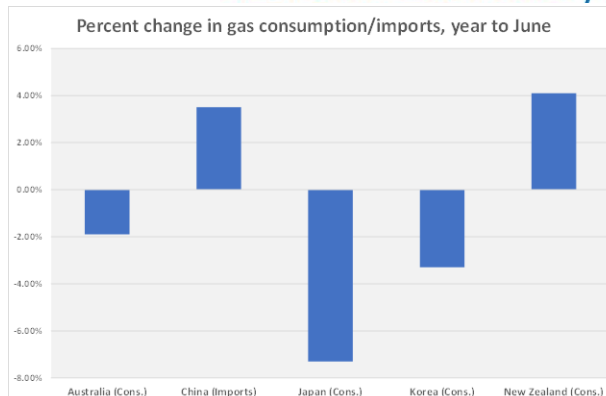


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Chinese demand for LNG and imported pipeline gas slumped in the early stage of the pandemic but has since bounced back strongly, registering year-on-year growth.

New Zealand has also experienced gas demand growth. Demand in Japan, Korea and Australia is recovering but is still down on 2019.

Japanese demand was down by 7% but is starting to come back, growing by 14% in August month-on-month



Natural gas

continues to bring environmental benefits to the region too. Since 2013 gas sales in many Chinese cities including Beijing have nearly doubled while air pollution has more than halved.

The focus on reducing emissions is accelerating as North Asian countries increasingly set decarbonization targets, with Japan and South Korean announcing that they aim to be carbon neutral by 2050, and China aiming for before 2060.

In its latest World Energy Outlook, the International Energy Agency expects Chinese natural gas demand to grow under the Sustainable

Development Scenario, which takes account of China's zero carbon pledge. The Agency projects an average natural gas demand growth rate to 2030 of 3.2%, with coal falling by 3.4% per annum. CO₂ emissions in 2030 are projected to be nearly 30% lower than last year.

While Japanese demand for natural gas is expected to slowly decline, there is considerable interest in hydrogen. Korea is also exploring the potential of hydrogen. It has a Hydrogen Economy Roadmap, which seeks to expand the supply and demand of hydrogen by 2040. The target is to produce a cumulative 6.2 million hydrogen cars and to produce 5.3 million tons of clean hydrogen annually by 2040.

In Australia the gas industry is also focused on decarbonization. There have already been two carbon neutral LNG cargoes to Asia and the industry has recently updated its Gas Vision 2050, focused on decarbonization by using blue hydrogen in existing gas networks.

Decarbonisation is a common theme across the region and the gas industry is working hard to make this happen

Federal Government's Gas-fired Recovery Plan

In September, Minister Angus Taylor released the Government's plans for a [Gas-fired Recovery](#) which saw a shift in the government's energy focus. The government now views gas as a critical enabler of Australia's economy and has put gas upfront as one of the key initiatives to lift Australia's recovery out of a COVID-19 recession.

Its priorities are:

- to bring more gas into the market,
- deliver an efficient pipeline and transportation market and
- empower gas customers,

so that more Australian gas is delivered where it is needed at an internationally competitive price.

AGIT will continue to monitor its implementation and seek to find opportunities to support the initiatives within.





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Austrade-CSIRO Global Trade and Investment Megatrends

Austrade-CSIRO held their Global Trade and Investment Megatrends: the New Normal webinar in November. They identified 5 megatrends emerging from a post COVID-19 world:

1. A changing economic landscape – time for rebuilding and recovery
2. The digital rebound – ten years of digital transformation in just a few months
3. Resilient supply chains – buyers looking towards new, secure and reliable options
4. Closer to home – living and buying patterns are coming closer to home
5. The new normal – business as usual unlikely to return.



In short, there are immense opportunities arising from further digitization and improving supply chain resilience which will help our industry. While foreign direct investment is forecast to drop significantly, 40% this year and 5-10% next year, Australia's export opportunities remain strong going forward.

Austrade stressed that R&D and innovation will play an important part in building the capability for this 'new normal'. It is worth noting that under a Biden administration, around \$300B will be invested into R&D, specifically for battery technology, AI, biotech and clean energy.

Click [here](#) if you would like to read the report

Changes to the R&D tax incentives

Some great news for those who invest in R&D.

The Federal Government has reversed many of the tax incentive barriers they brought in a couple of years ago, in an effort to strengthen its commitment to companies investing in R&D and investing a further \$2 billion into the incentive. To re-incentivize R&D the government has expanded and eased access to tax incentives.

These include 3 key actions:

1. Scrapping the previously announced \$4 million cap on annual cash refunds for companies with aggregated annual turnover of less than \$20 million;
2. Reducing the number of intensity tiers and increasing the non-refundable R&D tax offset rates for companies with aggregated annual turnover of \$20 million or more; and
3. Increasing the R&D expenditure threshold from \$100 million to \$150 million per annum.

As part of this the Government has also published a 'straightforward and accessible guideline' document to help provide clarity and certainty to business. The guide can be found [here](#).



And finally, from everyone here at AGIT we wish you and your families

a safe and happy festive season