

The economic contribution of Amplitude Energy

To Victoria and the Barwon SW and Gippsland regions

November 2024

FINAL REPORT



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Report to:

Amplitude Energy Ltd

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Goomup, by Jarni McGuire

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1 About this report

Amplitude Energy (formerly known as Cooper Energy) has been part of Australia's energy solution for decades through the commercialisation of gas, oil and other resources for domestic markets. Its head office is in Adelaide, South Australia, and it has offices in Melbourne and Perth. Both of its production facilities are located in regional Victoria. This report describes the significant economic and social contribution that Amplitude Energy provides to the economies of Victoria and the Barwon SW (incorporating the Otway) and Gippsland regions in which its production assets in Victoria are located.

1.1 Amplitude Energy

Amplitude Energy contributes to Australia's energy future by commercialising gas, oil and other resources for domestic markets. Its core business is in exploration, development, and production of domestic and natural gas and the production of low-cost oil. In Victoria, the Company is the operator of all of its offshore gas activities located in the Gippsland Basin and Otway Basin. It is the operator of the Athena Gas Plant in the Barwon SW region, as well as the owner and operator of the Orbost Gas Processing Plant in the Gippsland region.

In Victoria, Amplitude Energy's current operations and interests include:

- offshore gas and gas liquids production in the Gippsland Basin from the Sole gas field
- offshore gas and gas liquids production in the Otway Basin from the Casino, Henry and Netherby gas fields
- the Orbost Gas Processing Plant which processes gas from the Gippsland Basin
- the Athena Gas Plant which processes gas from the Otway Basin
- the Annie gas discovery in the offshore Otway Basin
- the Manta gas and liquids field in the offshore Gippsland Basin; and additional exploration and appraisal prospects in the onshore and offshore Otway and offshore Gippsland Basins.

Amplitude Energy History

2001 - The company was incorporated as Cooper Energy.

2002 - Cooper Energy was listed on the Australian Stock Exchange.

2002 to 2024 – Company experiences significant growth and supports a team of more than 100.

2024 - At the 2024 Annual General Meeting, the Cooper Energy shareholders voted for a new brand and company name change to **Amplitude Energy** in support of the new strategy.

1.2 Economic contribution of Amplitude Energy

This report profiles the significant economic contribution that the Amplitude Energy operations make to the Victorian economy including the Barwon SW and Gippsland regions in which its Victorian assets are located. This includes:

- Profiling the direct contribution that Amplitude Energy makes to the regional economies of Gippsland and Barwon SW as well as to Victoria in terms of its workforce who live in these areas, and the

spending on goods and services, payment of taxation, and its contribution to the community through direct investments

- Profiling the key socio-economic characteristics of the Barwon SW and Gippsland regions against which to compare the contribution that Amplitude Energy makes to them
- Employing economic modelling to estimate the total (direct and indirect) economic contribution that the Amplitude Energy operations make to the regional economies, and the State through its spending on goods, services, wages, and direct investments.

1.3 Methodology

The economic contribution of Amplitude Energy's operations was estimated in terms of the direct contribution of the operations and the flow on or indirect economic contribution that results from this primary stimulus. Direct contributions are in the form of the spending on goods and services required to undertake capital and operation activities, the employment of staff, the wages paid to these employees, and the direct investments that Amplitude Energy makes. This data was supplied by Amplitude Energy for 2023-24.

Economic modelling using Input Output modelling was undertaken to estimate the total (direct plus indirect) economic contribution of Amplitude Energy's operations in Victoria in 2023-24. For this analysis, ACIL Allen built a bespoke Input Output model of the regional economies of the Barwon SW and Gippsland regions, and the Victorian economy in which direct data describing Amplitude Energy's operations was incorporated.

The Barwon SW and Gippsland regions are the geographic areas defined by Regional Development Victoria and are described in further detail in Section 2.2 of this report.

The results of the model describe the total contribution that Amplitude Energy's operations make in terms of its contribution to the value added to the economy expressed as Gross Regional Product and Gross State Product; job creation expressed as the equivalent number of full time employees in the economy; and the contribution to the incomes of the residents in each location analysed. Details regarding the methodology for Input Output modelling is presented in Appendix A.

Key assumptions

Key assumptions have been made in this report, including those that inform the economic modelling. These include:

- all company data is based on 2023-24 financial year data
- all data is presented in Australian (AUD) dollars
- all operations employment figures exclude temporary employees associated with activities such as planned shutdown maintenance and ad hoc scopes of work
- all data includes exploration and development activity and rehabilitation expenditure
- all wages data includes employee gross payments including bonuses, superannuation payments, and termination payments
- direct employees are those employees that are directly employed by Amplitude Energy as well as all fixed term and casual employees
- all economic contribution results are presented in terms of the direct plus the indirect (or flow on) contribution of Amplitude Energy in Victoria in 2023-24. Note that the majority of this contribution is from the operation of its offices and assets in Victoria. However, it could include some of the contribution of its operations in South Australia and Western Australia if these assets make purchases from businesses in Victoria. These anomalies were not able to be excluded from the analysis due to the level of detail in the data provided by Amplitude Energy.

1.4 Definitions and acronyms

Acronyms and definitions have been used in this report. These are presented in Table 1.1.

Table 1.1 Acronyms and definitions

Acronym or term	Definition
\$	Australian dollars
AUD	Australian dollars (\$)
Gross Product or real economic output	<p><i>A measure of the size of an economy</i></p> <p>Gross product is a measure of the output generated by an economy over time (typically a year). It represents the total dollar value of all finalised goods and services produced during that period and is considered as a measure of the size of the economy. At a regional level it is referred to as Gross Regional Product, at a State level it is referred to as Gross State Product, and at a national level it is referred to as Gross Domestic Product.</p>
Input Output modelling	Input Output tables capture the direct and indirect effects of expenditure by capturing for each industry, the industries it purchases inputs from, and the industries it sells its outputs to. For example, the Input Output model for Victoria captures purchases from and sales to industries located in Victoria, as well as purchases from and sales to areas outside of Victoria including from other states and territories of Australia.
Job creation	The number of jobs created from a project or expenditure in the economy, which includes direct and indirect (flow on) employment. Employment is measured by the number of full time equivalent (FTE) roles created in a year.
kbbl	Thousand barrels of condensate
km	Kilometer of distance
PJ	Petajoules of sales gas
Real income	<p><i>A measure of the welfare of residents in an economy or the increase in ability to purchase goods and services and to accumulate wealth</i></p> <p>Real income is the private income available for consumption and saving after adjusting for inflation. An increase in real income means that there has been a rise in the capacity for consumption as well as a rise in the ability to accumulate wealth in the form of financial and other assets. The change in real income from a development is a measure of the change in welfare of an economy.</p>

Source: ACIL Allen

1.5 Report structure

Chapter Two of this report sets out the socio-economic characteristics of Victoria, and the Gippsland and Barwon SW regions. Chapter Three profiles the key characteristics of the Amplitude Energy operations in terms of spending on goods and services, taxation payments, direct investments, production, and employment during 2023-24. Chapter Four presents the direct and indirect economic contribution of Amplitude Energy to the Victorian economy and the Gippsland and Barwon SW regions.

2 Amplitude Energy in Victoria

Amplitude Energy contributes to the local communities in which it operates and to the broader Victorian economy through its spending on goods and services, its employment of local people, payment of taxation revenue, and through the direct initiatives it supports in the local community. This chapter sets out the direct contribution that Amplitude Energy makes to these areas.

2.1 Amplitude Energy Overview

Amplitude Energy contributes to Australia's energy future by commercialising gas, oil and other resources for domestic markets. Its core business is in exploration, development, and production of domestic and natural gas and the production of low-cost oil. In Victoria, the Company is the operator of all of its offshore gas activities located in the Gippsland Basin and Otway Basin. It is the operator of the Athena Gas Plant in the Barwon SW region, as well as being the owner and operator of the Orbost Gas Processing Plant in the Gippsland region. It also has other onshore interests in South Australia.

In Victoria, Amplitude Energy's current operations and interests are located in the Gippsland region and the Barwon SW region (**Figure 2.1**). They include:

- offshore gas and gas liquids production in the Gippsland Basin from the Sole gas field
- the onshore Orbost Gas Processing Plant which processes gas from the Gippsland Basin
- offshore gas and gas liquids production in the Otway Basin from the Casino, Henry and Netherby gas fields
- the onshore Athena Gas Plant which processes gas from Otway Basin
- the Annie gas discovery in the offshore Otway Basin
- the Manta gas and liquids field in the offshore Gippsland Basin; and additional exploration and appraisal prospects in the onshore and offshore Otway and offshore Gippsland Basins.

Gippsland region

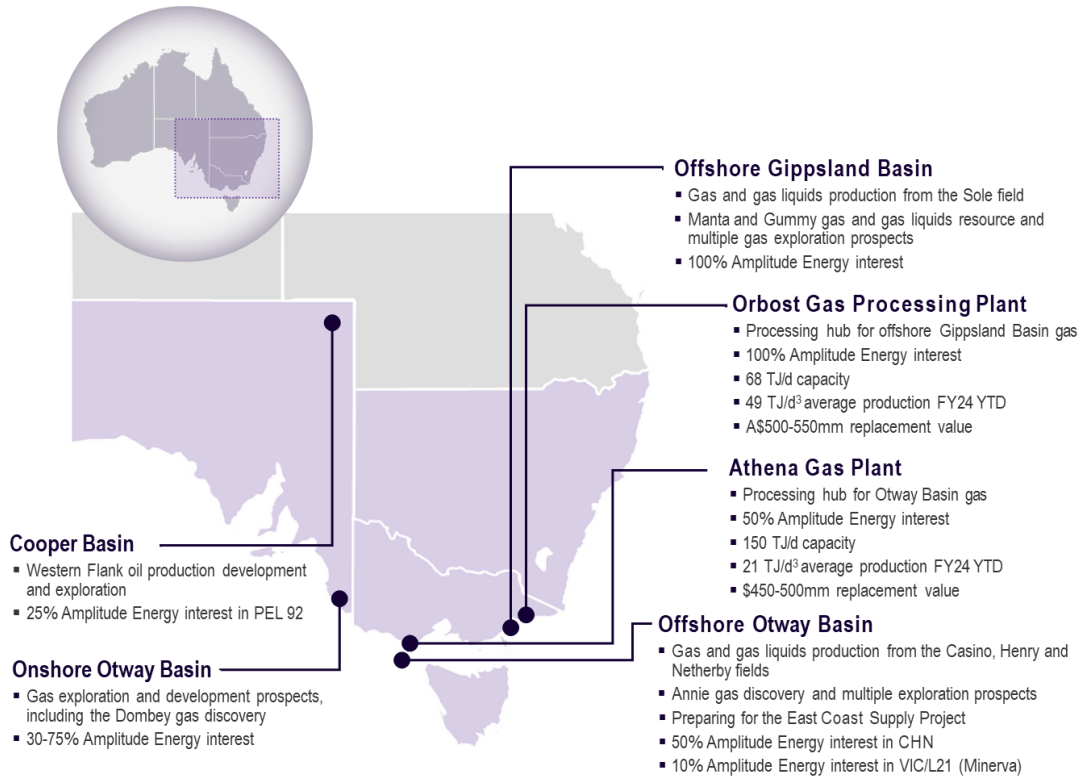
Amplitude Energy holds 100 per cent interest in eight tenements in the Gippsland Basin which are located offshore about 200 km east of Melbourne along with the Orbost Gas Processing Plant which is located near Orbost in the East Gippsland Shire Council which forms part of the Gippsland region.

The Orbost Gas Processing Plant processes natural gas extracted from the offshore Sole gas field. The gas from the wells is connected to the onshore Orbost Gas Processing Plant via a pipeline and associated subsea infrastructure. The Plant connects to the Eastern Gas Pipeline, which transports gas to the New South Wales and Victoria markets.

Additional offshore assets include:

- Basker Manta Gummy- non-producing wells and associated infrastructure in the Basker Manta Gummy field about 55 km offshore from Cape Conran in East Gippsland which were decommissioned in 2023-24.
- Patricia Baleen- non-producing wells and associated infrastructure in the Patricia Baleen field about 25km offshore from Marlo in East Gippsland.

Figure 2.1 Amplitude Energy in Victoria



Source: ACIL Allen from Amplitude Energy

Barwon SW region

The Otway Basin is approximately 500 km long and covers a 155,000 km² area from Cape Jaffa in South Australia to north-west Tasmania. Approximately 80 per cent of the basin is located offshore. Amplitude Energy has interests in the onshore parts of the Basin in South Australia and the onshore and offshore parts of the Basin in Victoria.

The Athena Gas Plant is located near Port Campbell in the Corangamite Shire in the Barwon SW region. It processes gas and liquids from the offshore Casino, Henry, and Netherby fields which are connected to the Plant via the Minerva Pipeline.

Amplitude Energy’s offshore gas fields and facilities in the Otway Basin are situated about 30km off the coast of Port Campbell. They include a 50 per cent interest in the Casino, Henry, and Netherby gas fields. It also holds a 75 per cent interest in two onshore licences.

2.2 Economic setting

The Victorian operations of Amplitude Energy are located in the Gippsland region and the Barwon SW region. The following sections highlight the key economic and population characteristics of these regions.

Population and population growth

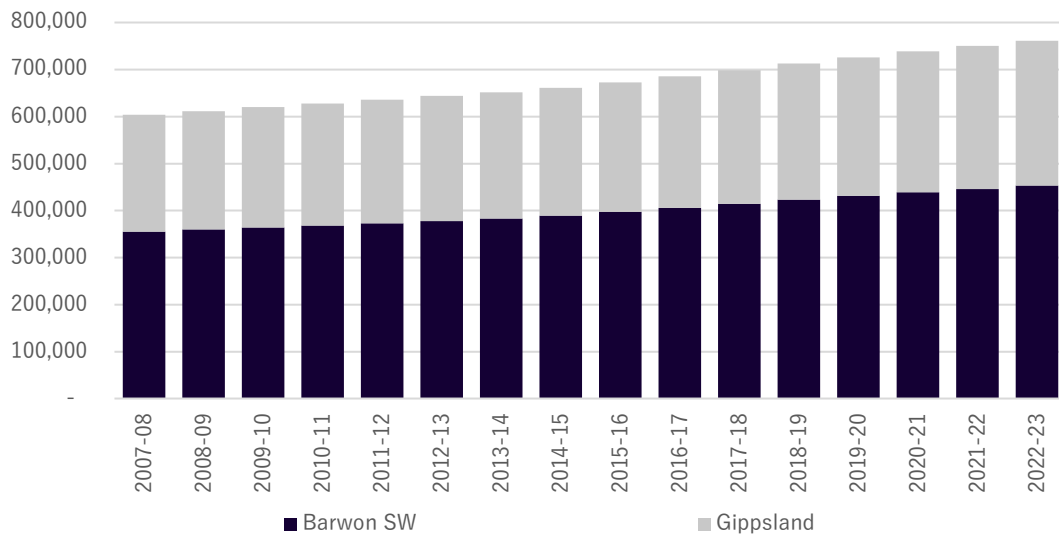
The Barwon SW and Gippsland regions are home to 761,222 people and represent just over 11 per cent of the population of Victoria. First Nations people comprise 1.9 per cent of the population of each region compared to 1.0 per cent of the State’s population.

The largest population is in the Barwon SW region which has a population of 453,569. It comprises of the nine Local Government Areas of Colac Otway, Corangamite, Glenelg, Greater Geelong, Moyne, Queenscliff, Southern Grampians, Surf Coast, and Warrnambool. It includes the city of Geelong which is Victoria’s largest regional population centre contributing 62 per cent of the population of the Barwon SW region.

11 per cent
of the State’s
population live in the
Barwon SW and
Gippsland regions

The population of the Gippsland region is currently 307,653 people. It includes six Local Government Areas with the Baw Baw, Bass Coast, Latrobe, and South Gippsland Local Government Areas in the western part of the region comprising 69 per cent of the population. The largest population is located in the Latrobe LGA, which is the regional hub for the Gippsland region and includes the population centres of Moe, Morwell and Traralgon.

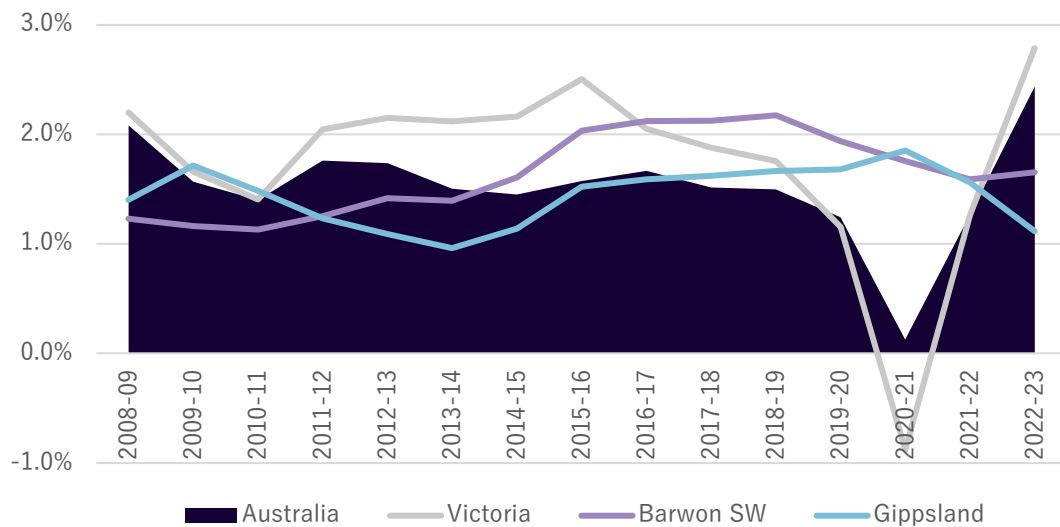
Figure 2.2 Estimated resident population: Barwon SW and Gippsland regions (number of people)



Source: Australian Bureau of Statistics Cat: 3218.0

There has been sustained population growth in the Gippsland and Barwon SW regions above the rate of population growth in Australia (Figure 2.4). In the Gippsland region, there has been average population growth over the past decade of 1.5 per cent per annum with a slowing in the rate of growth to 1.1 per cent per annum during 2022-23. Population growth in the Barwon SW region has averaged 1.8 per cent per annum over the past ten years driven by strong growth in Greater Geelong which has averaged 2.4 per cent per annum. In comparison, the rate of growth in Australia has averaged 1.4 per cent per annum and there has been average growth of 1.6 per cent per annum in Victoria.

Figure 2.3 Population growth: Barwon SW and Gippsland regions (%)



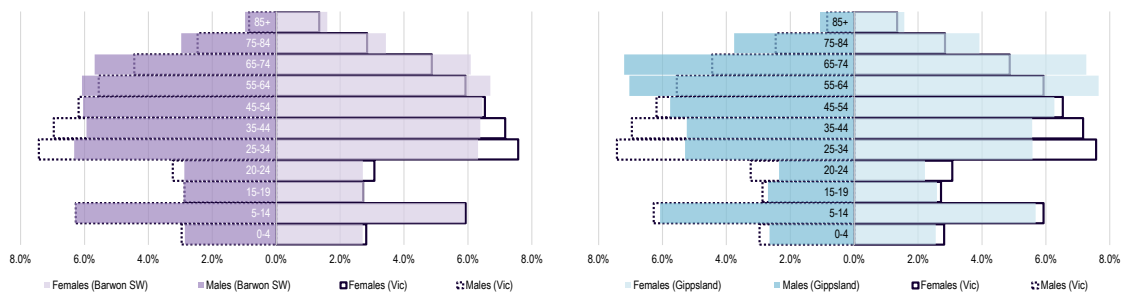
Source: ACIL Allen from Australian Bureau of Statistics Cat: 3218.0

Population forecasts for the Gippsland region estimate a long term annual average population growth rate of 1.2 per cent per annum between 2026 and 2031, before easing to 1.1 per cent per annum from 2031 onwards. Population growth in the Barwon SW region is expected to remain at 2.0 per cent per annum between 2026 and 2031, after which it is expected to gradually decline.¹

Age and gender profile

There is an older population profile in the Gippsland and Barwon SW regions compared to the rest of the State. This is due to their popularity as a place to retire to with the population profiles in **Figure 2.4** showing a lack of people of working age in the regions and an over representation of people aged 55 and over. In the Gippsland region, 39 per cent of the population is aged 55 and over and this age group makes up 34 per cent of the population of the Barwon SW region. In comparison, 28 per cent of the population in the State falls into this age bracket.

Figure 2.4 Population profile: Barwon SW and Gippsland regions (%)



Source: Australian Bureau of Statistics 2021 Census of Population and Housing by place of usual residence

¹ Department of Environment, Land, Water and Planning (2023), Victoria in Future 2023: Population and Household Projections, Government of Victoria

Workforce

There is a combined workforce of 400,750 employed and unemployed people in the Gippsland and Barwon SW regions, which represents 11 per cent of the workforce in Victoria. This includes 245,830 employed and unemployed people in the Barwon SW region, and a further 154,921 in the Gippsland region (Table 2.1). The largest workforce is located in Greater Geelong whose workforce is almost the same size as that of the entire Gippsland region.

11 per cent
of the State's
workforce lives in the
Barwon SW and
Gippsland regions

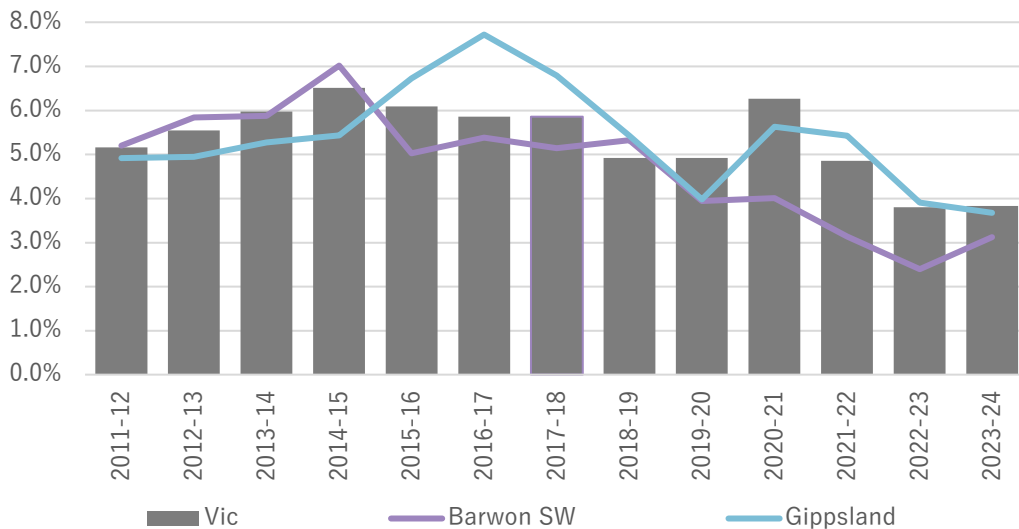
Table 2.1 Workforce and unemployment rate: Barwon SW and Gippsland regions (2023-24)

	Workforce	Number of unemployed	Unemployment rate
Gippsland	154,921	5,696	3.7%
Barwon SW	245,830	7,674	3.1%
Victoria	3,795,067	145,423	3.8%

Source: National Skills Commission, Small Area Labour Markets

Unemployment in the Gippsland region is currently 3.7 per cent which is below the rate of 3.8 per cent in Victoria. The Barwon SW region has recorded a consistently low rate of unemployment for the past decade (Figure 2.5) as a result of the diversity of its economy which includes agriculture, tourism, manufacturing, and retail services. Its current unemployment rate is 3.1 per cent.

Figure 2.5 Unemployment rate: Barwon SW and Gippsland regions (%)



Source: Australian Bureau of Statistics 2021 Census of Population and Housing by place of usual residence

2.3 Direct contribution of Amplitude Energy

This section sets out the contribution that Amplitude Energy makes in terms of its production, workforce, spending, and payment of taxation in Victoria and the Barwon SW and Gippsland regions.

Production

In Victoria, Amplitude Energy Limited and its controlled entities generates revenue from the production of gas and condensate in the Otway and Gippsland Basins. In 2023-24, Amplitude Energy produced \$205.0 million of gas and condensate from its Victorian operations. This includes 3.8 PJ of sales gas and 3.6 kbbl of condensate which is processed at the Athena Gas Plant in the Barwon SW region, and 18.1 PJ of sales gas which is processed at the Orbost Gas Processing Plant in the Gippsland region.

Table 2.2 Amplitude Energy Production: Barwon SW and Gippsland regions (2023-24)

	Unit	Volume	Value (\$ million)	Region
Total production				
Sales gas	PJ	21.9	204.6	
Oil and condensate (Vic)	kbbl	3.6	0.4	
Production by basin				
Sole sales gas	PJ	18.1	169.1	Gippsland
Casino Henry sales gas	PJ	3.8	35.5	Barwon SW
Casino Henry condensate	kbbl	3.6	0.4	Barwon SW

Source: ACIL Allen from Amplitude Energy

Workforce

Amplitude Energy employs 151 employees across its five Australian sites. This includes 71 employees in its South Australian operations, 64 in its Victorian operations, and 16 in its Western Australian operations. Female staff make up 28 per cent of the total workforce.

Amplitude Energy is a small but important employer in regional Victoria. There are 60 Amplitude Energy employees that live in the State including 24 who live in the Gippsland region and 18 who live in the Barwon SW region. The remaining 18 employees live in other regions of Victoria as well as in the Melbourne Metropolitan Area.

The Orbost Gas Processing Plant employs 29 staff of whom 25 live in the surrounding Gippsland region and one in another part of Victoria.

All but one of the 24 staff employed at the Athena Gas Plant live in Victoria including 18 who live in the surrounding Barwon SW region.

72 per cent
of Amplitude Energy's
workforce lives in the
Barwon SW and
Gippsland regions

Spending

Amplitude Energy invests directly in the communities in which it operates through spending on goods and services with locally based suppliers, the payment of wages to its employees who live in Victoria, the payment of taxation, and investment in direct initiatives. The employment of 60 people from Victoria many of whom live in regional areas, means that the wages earned by these employees are spent in local communities providing a further boost to the local economy.

In 2023-24, Amplitude Energy spent \$131.0 million on goods, services, wages, and direct initiatives in Victoria to support its operations (**Table 2.3**). Of this, \$16.0 million was spent with suppliers, employees, and community groups in the Barwon SW region and \$22.2 million was spent in the Gippsland region.

The largest spending was on goods and services which comprised 89 per cent of all spending. Wages paid to the Amplitude Energy employees who live in Victoria made up 10 per cent of all spending, while the

remaining spending was made up of direct initiatives and the payment of taxation. The following sections describe this contribution in greater detail.

Table 2.3 Spending on goods, services, donations, wages, and taxes: Barwon SW and Gippsland regions (2023-24) (\$)

	Barwon SW	Gippsland	Other Victoria	Victoria
Goods and services	11,398,912	16,454,533	88,465,092	116,318,538
<i>Operational</i>	<i>1,755,667</i>	<i>7,121,434</i>	<i>85,797,739</i>	<i>94,674,840</i>
<i>Capital</i>	<i>9,643,245</i>	<i>9,333,099</i>	<i>2,667,353</i>	<i>21,643,698</i>
Direct initiatives	16,313	16,820	126,473	159,605
Wages	4,585,782	4,879,974	4,205,478	13,671,234
Tax	30,016	857,438	0	887,454
Total	16,031,023	22,208,765	92,797,043	131,036,831

Source: ACIL Allen. Note that the spending in this report includes all spending with all suppliers whilst the Amplitude Energy 2023-24 Sustainability report includes spending in businesses only.

Goods and services

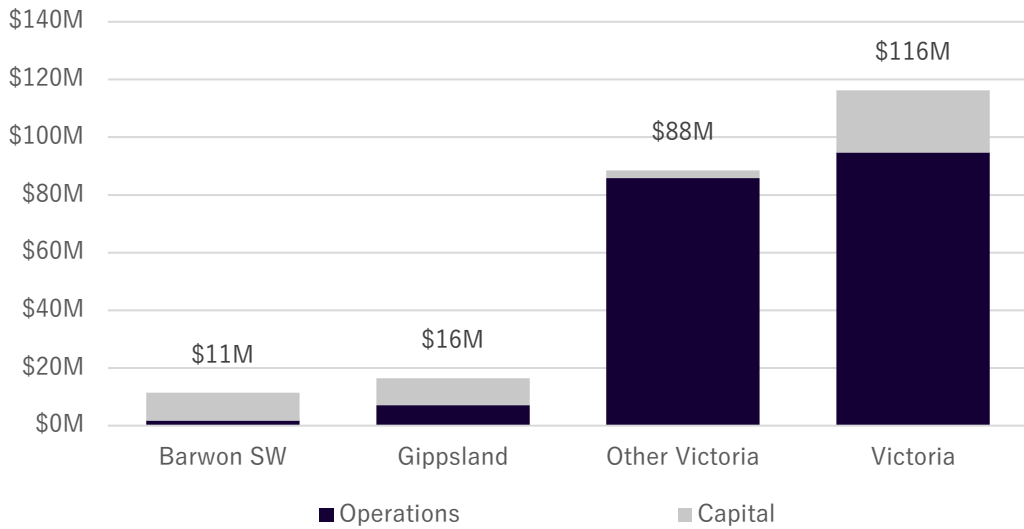
Amplitude Energy helps to sustain Victorian businesses and services through its spending. Many of these businesses are based in the Gippsland and Barwon SW regions including cafes, plumbing suppliers, landscaping services, accommodation providers, supermarkets, pharmacies, health services and hardware stores. This direct support of local businesses helps to underpin their long term sustainability providing ongoing economic value and jobs in the communities in which they are located.

\$27.9 million
of spending with
businesses in the
Barwon SW and
Gippsland regions

In 2023-24, there was \$116.3 million of spending on goods and services in Victoria to support the Amplitude Energy operations of which \$16.5 million was spent in the Gippsland region and \$11.4 million in the Barwon SW region.

This spending included capital expenditure to improve the assets of Amplitude Energy and operations expenditure to operate and maintain the operations of Amplitude Energy. In 2023-24, there was \$21.6 million of capital expenditure with Victorian businesses including \$9.6 million with businesses located in the Barwon SW region, and \$9.3 million with businesses located in the Gippsland region. A further \$94.7 million of operations expenditure was spent with Victorian businesses including \$1.7 million in the Barwon SW region and \$7.1 million in the Gippsland region.

Figure 2.6 Spending on goods and services: Barwon SW and Gippsland regions (2023-24) (\$ million)



Source: ACIL Allen

Wages

In 2023-24, Amplitude Energy spent just under \$36.0 million on wages (including superannuation payments) of which \$14.5 million was spent on wages for its workforce employed in Victoria. This includes \$4.6 million for its employees that live in the Barwon SW region and \$4.9 million on wages for its employees living in the Gippsland region.

These payments represent important revenue for local regional areas in the form of the spending of the Amplitude Energy employees on goods and services with local businesses and other organisations to support their lifestyles.

\$9.5 million
of wages paid to
employees living in
the Barwon SW and
Gippsland regions

Direct initiatives

The Amplitude Energy Amplify Community Investment Programme was started to support projects that bring benefits to local communities. The Programme supports direct initiatives that address the following themes:

- Education- Energy literacy, science, maths, engineering and technology.
- Advancement of rural and regional people- women, Indigenous, youth, social inclusion, health, recreational and cultural services.

In 2023-24, Amplitude Energy provided \$169,152 in direct initiatives including support of the Royal Flying Doctor Service in Victoria to provide medical care to remote locations throughout regional Victoria and particularly in the Gippsland and Barwon SW regions.



Royal Flying Doctor Service

Amplitude Energy has partnered with the Royal Flying Doctor Service in Victoria since 2021 and in 2023, it extended this relationship for a further three years. The partnership focuses on specialist care, dental, and wellbeing programmes. It includes the provision of technology to remote areas to enable residents to access Telehealth services.

Since 2020, Amplitude Energy's funding has supported more than 410 health appointments for people living in regional Victoria and particularly the Otway and Gippsland regions. This assistance has helped to eliminate distance barriers, support residents facing hardship, and to transport workers to client sessions.

Amplitude Energy also supports local sporting clubs, economic development initiatives, education programs, and environmental programs. In 2023-24, Amplitude Energy contributed \$16,820 to the Gippsland region to support local organisations such as Orbost Pony Club, Newmerella Primary School, Orbost Cricket Club, Orbost and District Chamber of Commerce and Industry, and the Orbost Snowy Rovers Football Netball Club. A further \$16,313 was contributed to the Barwon SW region including to the Lochard Pony Club, Food and Fibre Great South Coast, Timboon and District Healthcare Service, Timboon Field and Game Club, Peterborough Music Events, Heytesbury Pony Club, and Wiridjil Recreation Reserve.



Neil Porter was a local teacher who had a passion for helping students enter careers. He realised the many positive outcomes that eventuate when industry and educators work together. The Neil Porter Legacy was formed after his passing with the core belief that students must experience different occupations, meet employees and employers, ask questions, tour workplaces and see how their classroom learning can be used outside of school.

In 2023-24, the support of the Neil Porter Legacy by Amplitude Energy allowed:

- 1,680 students from 15 schools to participate in Neil Porter Legacy programs
- 283 business engagements with students
- 5,480 hours of individual career education and experiences.

Other support of the Neil Porter Legacy included:

- Athena Gas Plant career day - Students from Cobden Technical School visited the Athena Gas Plant to learn about the energy industry, the operations at Athena and the career opportunities available with Amplitude Energy.
- Energy Industry Day - Approximately 75 senior school students from six schools in the Corangamite Shire heard from representatives of Amplitude Energy, Beach Energy and Lochard Energy, before students from Camperdown College and Hampden Specialist School visited the Athena Gas Plant.

Number of Vendors

The Amplitude Energy operations support 225 vendors in Victoria (Table 2.4). This includes around 80 locally based vendors with 42 vendors located in the Barwon SW region and 37 in the Gippsland region.

These businesses range from large organisations with offices in regional areas such as Cleanaway and Qube Energy. Importantly, Amplitude Energy supports small regional businesses who provide a broad range of goods and services including cleaning, laundry, plumbing, printing, transport, medical, hardware, mechanical services, and catering services.

**80 local
businesses
supported in the
Barwon SW and
Gippsland regions**

Table 2.4 Number of vendors: Barwon SW and Gippsland regions (2023-24)

	Number of vendors
Barwon SW region	42
Gippsland region	37
Other Victoria	149
Victoria	225

Source: ACIL Allen. Note: numbers in table do not add because some suppliers are present in more than one area.

Taxation payments

Amplitude Energy made \$887,454 of taxation payments to organisations in Victoria in 2023-24 of which all were in the form of payments to Local Government Authorities in the regional areas in which it operates. This includes \$30,016 in the Barwon SW region and \$857,438 in the Gippsland region.

As well as taxation payments to Local Government Authorities and the State Government, Amplitude Energy also makes taxation payments to the Federal Government. In 2023-24, there were no Company Taxation payments made by Amplitude Energy relating to its Victorian operations in 2023-24. This is because Amplitude Energy has carried forward undeducted tax losses resulting from historical exploration expenditure, rehabilitation costs and operational tax losses. Amplitude Energy expects to utilise these carried forward losses against taxable profits in future years. There was \$3.2 million of Petroleum Resource Rent Taxation payments which were made to the Commonwealth Government.

As well as taxation that is paid by the Company, the employees who are employed at the Amplitude Energy operations in Victoria paid and estimated \$704,000 of Payroll Taxation to the Victorian Government.

3 Economic contribution

The spending by Amplitude Energy in Victoria, the employment of the workforce who lives in Victoria, and the production of sales gas and condensate from the Victorian operations of Amplitude Energy contribute to the State economy through this direct contribution and from the flow on economic contribution in the broader economy that this stimulates. This chapter presents the economic contribution of Amplitude Energy to the economy of Victoria and the regional economies of the Barwon SW and Gippsland regions.

3.1 Input Output modelling

An Input Output modelling framework has been used for the purposes of estimating the economic contribution of Amplitude Energy to Victoria including the Barwon SW and Gippsland regions. Input Output models capture the direct and indirect effects of expenditure by capturing, for each industry, the industries it purchases inputs from and the industries it sells its outputs to. For example, the Input Output model for Victoria captures purchases from and sales to industries located in Victoria, as well as sales from and purchases to outside the State including from other states and territories of Australia. Details regarding ACIL Allen's Input Output model is presented in Appendix A.

The results of the economic contribution analysis are presented by key economic contributor in terms of the jobs that are created in the economy, and the additional value added that is created to the Gross State Product of Victoria, and the Gross Regional Product of the Barwon SW region and of the Gippsland region.

A summary of Amplitude Energy's key direct economic contributions to the Victorian economy and the economies of the Barwon SW and Gippsland regions in 2023-24 is presented in **Table 3.1**.

Table 3.1 Summary of Amplitude Energy's direct contributions to the Victorian economy: 2023-24

	Barwon SW	Gippsland	Victoria
Production of sales gas and condensate (\$ million)	35.9	169.1	205.0
Employees (FTE) [^]	18	25	64
Total spending (\$ million)	16.0	22.2	131.0
Spending on goods and services (\$ million)	11.4	16.5	116.3
Number of vendors			225
Wages (\$ million)	4.6	4.9	13.7
Direct initiatives (\$)	16,313	16,820	159,605
Taxation and royalties (\$ million)	0.03	0.9	0.9

Source: ACIL Allen. [^] = employees who live in the State and the regions

In 2023-24, Amplitude Energy spent \$131 million on goods, services, wages and direct initiatives in Victoria. The company directly employed 64 staff who live in Victoria to produce sales gas and condensate with a value of \$205.0 million.

3.2 Contribution to Gross State and Regional Product

Economic value added is a measure of the final value of the output generated by an economy over a period of time calculated as the value of production less the costs of goods and services used to generate that

production. This economic value is known as the contribution to Gross Product. At a State level it is referred to as Gross State Product, and at a national level it is referred to as Gross Domestic Product. In 2023-24, Amplitude Energy contributed directly to value added through the gross operating surplus (gross profits) earned at its producing operations, its spending on goods and services, and the payment of direct wages to its workforce. The Amplitude Energy operations contribute indirectly to the economic value added of the economy through the economic activity that is stimulated via its spending on goods, services, and direct investments, and through the payment of wages which are spent in the economy.

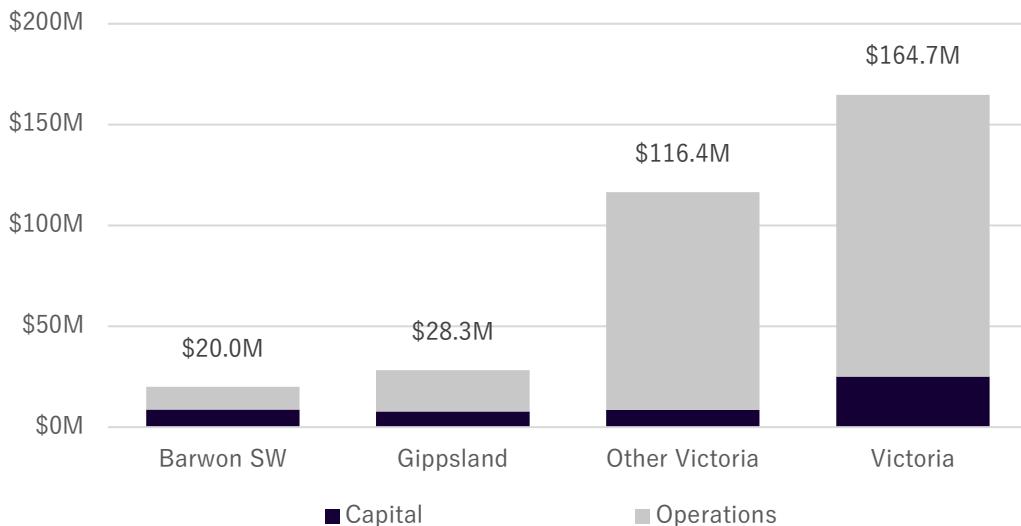
In 2023-24, the Amplitude Energy operations in Australia contributed \$164.7 million to the Gross State Product of Victoria of which \$139.6 million or 85 per cent is a result of Amplitude Energy’s operations activities and the remaining \$25.1 million is from capital activities undertaken during the year. This indicates that the majority of Amplitude Energy’s contribution represents ongoing and enduring operations spending rather than from capital spending which can vary from year to year.

\$164.7 million
contribution Victoria’s
Gross State Product

Of the contribution that Amplitude Energy makes to the Victorian economy, \$20.0 million or 12 per cent was realised in the Barwon SW region, and \$28.3 million or 17 per cent in the Gippsland region. A further \$116.4 million or 71 per cent of the contribution to Gross State Product is realised in other parts of Victoria.

In comparison, the Barwon SW region had a Gross Regional Product of \$3.1 billion and the Gippsland region had a Gross Regional Product of \$22.2 billion.² The contribution of Amplitude Energy represents an important economic contribution in the parts of the region which are located away from the key regional economic and population centres such as Geelong.

Figure 3.1 Amplitude Energy contributions to Gross State Product, and Gross Regional Product: 2023-24 (\$ million)



Source: ACIL Allen

The contribution to Gross State Product and Gross Regional Product is a function of Amplitude Energy and its spending and profits. There is also a contribution from the spending of wages by the employees of Amplitude Energy. **Table 3.2** shows that the majority of the contribution is from Amplitude Energy with its employees providing an important contribution.

² Regional Development Victoria <https://www.rdv.vic.gov.au/regional-partnerships>

Table 3.2 Amplitude Energy contributions to Gross State Product and Gross Regional Product showing contribution by Amplitude Energy and the spending by employees: 2023-24 (\$ million)

	Amplitude Energy	Amplitude Energy employees	Total
Barwon SW	16.5	3.4	20.0
Gippsland	24.9	3.4	28.3
Other Victoria	81.9	34.6	116.4
Victoria	123.3	41.4	164.7

Source: ACIL Allen

3.3 Job creation

Job creation is measured in full time equivalent jobs and is the sum of the direct employment of employees at each of the Amplitude Energy operations and the indirect or multiplier jobs created as a result of the Amplitude Energy operations. The indirect contribution includes jobs created through expenditure on vendors that generate employment, and the contribution of the spending of the wages of the direct employees employed by Amplitude Energy to support their lifestyle. The spending in these industries then support jobs in other businesses creating the flow on contribution.

Economic contribution refers to jobs as the employment of one full time equivalent person for one year. It is expressed in this way to take account of the number of jobs created in the economy rather than the number of workers who are employed. As the jobs created are ad hoc and spread amongst a number of businesses and industries, they are aggregated and expressed as a full time equivalent job.

In 2023-24, there were 64 full time equivalent employees that were employed by Amplitude Energy at its operations in Victoria of which 60 live in the State. The economic contribution created by the spending by these employees and the activities of Amplitude Energy in Victoria in 2023-24 resulted in an additional 511 full time equivalent jobs or total job creation equivalent to 571 full time equivalent jobs spread over a number of businesses and industries in Victoria. This means that for every Amplitude Energy employee living in Victoria, an additional 8 jobs were created in the economy as a result of the spending of Amplitude Energy on goods, services and wages, its profits, and the spending by its employees in the Victorian economy.

For every employee in Victoria, Amplitude Energy creates 8 FTE jobs in the economy

Table 3.3 Amplitude Energy contributions to total (direct and indirect) job creation showing contribution by Amplitude Energy and from the spending by employees: 2023-24 (FTE)

	Amplitude Energy	Amplitude Energy employees	Total
Barwon SW	47	16	63
Gippsland	61	15	75
Other Victoria	263	169	432
Victoria	371	200	571

Source: ACIL Allen

Table 3.3 provides a breakdown of the contribution to job creation by the spending by Amplitude Energy in Victoria on goods, services and wages, and its profits from the sale of gas and condensate. It also shows the contribution from the spending of the wages earned by the employees of Amplitude Energy who live in Victoria. Two thirds of the jobs are created by Amplitude Energy and its spending and one third of the job creation is from the spending of its employees in the Victorian economy.

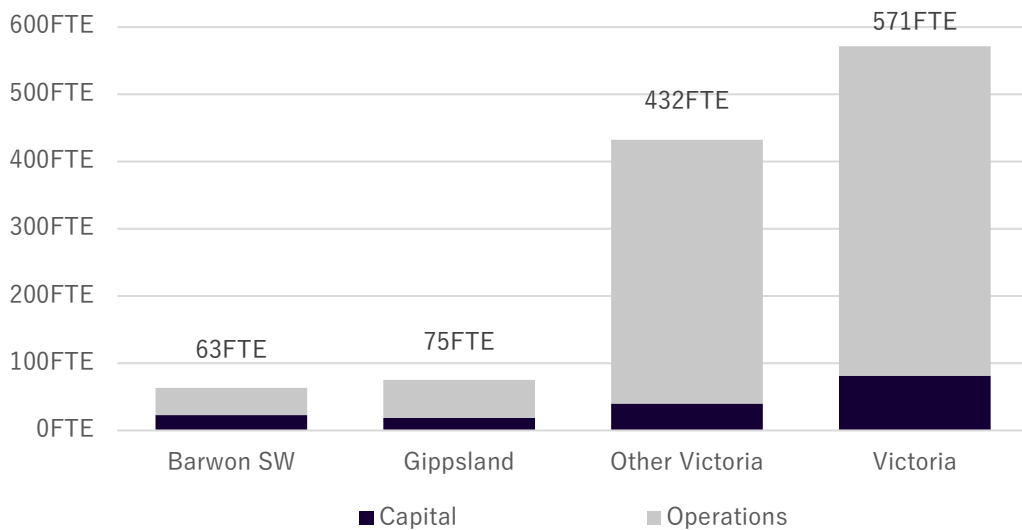
One third
of job creation
is from the spending
by employees

Nearly all of the job creation was from the **operation** activities of Amplitude Energy in Victoria and the spending by employees which created 490 full time equivalent direct and indirect jobs in 2023-24 (**Figure 3.2**). A further 82 full time equivalent direct and indirect jobs were created by **capital** spending by Amplitude Energy and the spending of the wages of the employees who are employed to undertake this work.

In the Barwon SW region, the spending of Amplitude Energy and its employees in Victoria resulted in job creation of 63 full time equivalent jobs which is equivalent to 11 per cent of the jobs created by Amplitude Energy in Victoria. This means that for every employee living in the Barwon SW region, just over two jobs are created by the spending of Amplitude Energy and the spending of its employees.

There were 75 full time equivalent jobs created in the Gippsland region which is 13 per cent of the jobs created in the State. For every employee living in the Gippsland region, a further two jobs are created by the spending of Amplitude Energy and the spending of its employees.

Figure 3.2 Amplitude Energy contribution to total (direct and indirect) job creation: 2023-24 (FTE)

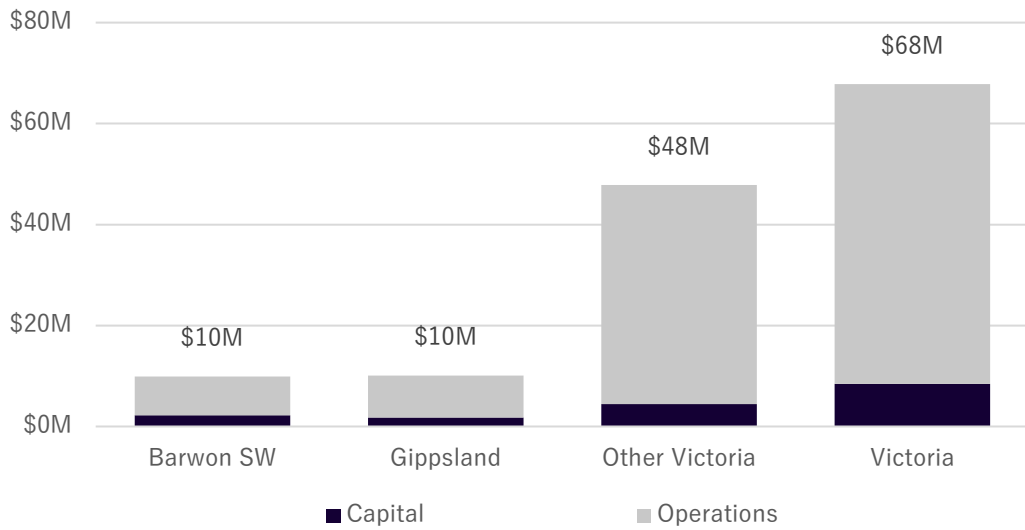


Source: ACIL Allen

3.4 Incomes

Another measure of the contribution to the economy, is the contribution to incomes of the resident population. Income is a measure of the ability to purchase goods and services. A rise in income indicates a rise in the capacity for current consumption, but also an increased ability to accumulate wealth in the form of financial and other assets. The change in income is a measure of the change in welfare of an economy.

Figure 3.3 Amplitude Energy contributions to incomes: 2023-24 (\$ million)



Source: ACIL Allen

In 2023-24, the Amplitude Energy Victorian operations added \$67.8 million to the incomes of the residents of the State creating additional wealth in the economy. This includes \$9.9 million to the incomes of the residents of the Barwon SW region and \$10.1 million to incomes in the Gippsland region as illustrated in **Figure 3.3**. Most of this contribution is from the operations of Amplitude Energy indicating that the company provides an enduring contribution to the incomes of the residents of Victoria through its activities and from the spending by its employees.

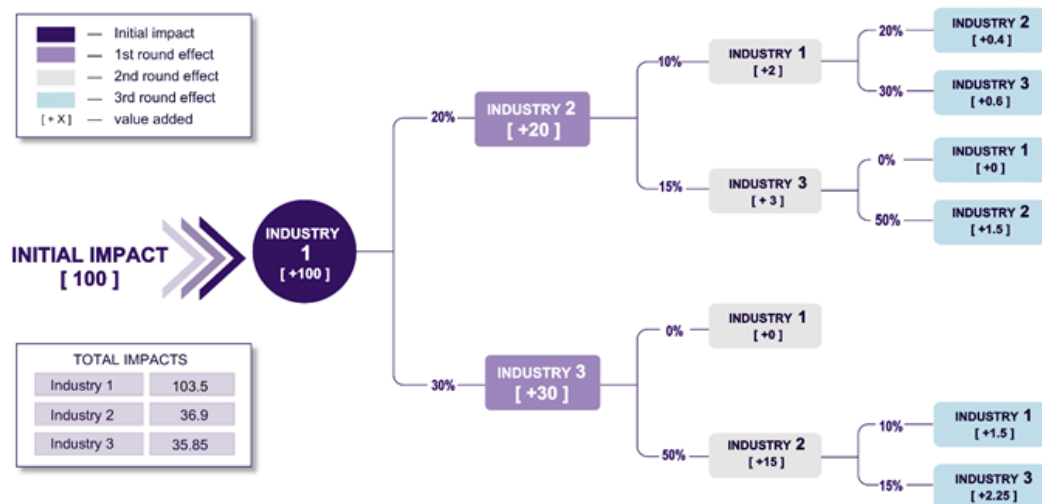
A Input Output modelling methodology

Input Output models capture the direct and indirect effects of expenditure by capturing, for each industry, the industries it purchases inputs from and also the industries it sells its outputs to. For example, the Input Output model for Victoria captures purchases from and sales to industries located in Victoria, as well as imports from outside the State including from other states and territories of Australia.

Figure A.1 depicts how a contribution is traced through a (very simple) economy with three industries (1, 2, and 3), and is described below.

1. The initial contribution occurs in Industry 1 where an additional 100 units of value are added to its output. In order to generate this additional output, Industry 1 requires additional inputs from Industry 2 and Industry 3.
2. Therefore, Industry 2 and 3 increase their output as well. This in turn requires input from Industry 1 and 3 and Industry 1 and 2 respectively which increase their output to satisfy this additional demand, and so on.
3. The impacts grow smaller with each iteration and ultimately converge to zero. This is because they always only share the impact that occurred in the preceding iteration.

Figure A.1 “Trace through” of an Input Output Model



Source: ACIL Allen

A.1 Results of Input Output Modelling

Input Output tables are able to produce results for a range of key economic indicators including:

- real economic output
- industry Gross Value Added
- incomes and

— employment.

The following table details the sectors Input Output tables are able to produce results for.

Table A.1 Sectors of ACIL Allen’s Input Output tables

Sector		Sector			
1	Paddy rice	24	Dairy products	47	Metal products
2	Wheat	25	Processed rice	48	Motor vehicle and parts
3	Cereal grains nec	26	Sugar	49	Transport equipment nec
4	Vegetables, fruit, nuts	27	Food products nec	50	Electronic equipment
5	Oil seeds	28	Wine	51	Machinery and equipment nec
6	Sugar cane, sugar beef	29	Beer	52	Manufactures nec
7	Plant- based fibres	30	Spirits and RTDs	53	Electricity generation
8	Crops nec	31	Other beverages and tobacco products	54	Electricity transmission and distribution
9	Bovine cattle, sheep, goats, horses	32	Textiles	55	Gas manufacture, distribution
10	Animal products nec	33	Wearing apparel	56	Water
11	Raw milk	34	Leather products	57	Construction
12	Wool, silk worm cocoons	35	Wood products	58	Trade
13	Forestry	36	Paper products, publishing	59	Road transport
14	Fishing	37	Diesel (incl. nonconventional diesel)	60	Rail and pipeline transport
15	Brown coal	38	Other petroleum, coal products	61	Water transport
16	Black coal	39	Chemical, rubber, plastic products	62	Air transport
17	Oil	40	Iron ore	63	Transport nec
18	Liquefied natural gas (LNG)	41	Bauxite	64	Communication
19	Other natural gas	42	Mineral products nec	65	Financial services nec
20	Minerals nec	43	Ferrous metals	66	Insurance
21	Bovine meat products	44	Alumina	67	Business services nec
22	Meat products nec	45	Primary aluminium	68	Recreational and other services
23	Vegetables oils and fats	46	Metals nec	69	Public Administration, Defence, Education, Health

Source: ACIL Allen

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