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CANBERRA T +61 2 6247 0960
Level 10, 60 Marcus Clarke St
Canberra ACT 2600

BRISBANE T +61 7 3231 0500
Level 36, 32 Turbot St
Brisbane QLD 4000

PERTH T +61 8 9426 7200
Level 4, 190 St Georges Tce
Perth WA 6000

SYDNEY T +61 2 8241 1900
Suite 4, Level 8, 3 Spring St
Sydney NSW 2000

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Green tape risks stifling valuable major projects

Inappropriate and inefficient regulation is threatening to stifle future investment in large oil and gas projects and could bring the resources boom to a premature end.

A new report – *Cutting Green Tape: Streamlining Major Oil and Gas Project Environmental Approvals Processes in Australia* – released by APPEA shows that liquefied natural gas projects are being burdened with overlapping state and federal laws with duplicative, inconsistent and often arbitrary requirements.

APPEA Chief Executive David Byers said: “This causes unnecessary project delays and drives up costs without delivering additional environment benefits.

“This report shows how green tape is currently hindering the oil and gas industry’s ability to optimise its contribution to Australia’s future economic development and identifies potential areas of reform.

“The Federal Government’s recent move to regulate onshore natural gas exemplifies the duplicative and inefficient management of this critical resource. The introduction of an industry-specific trigger in the *Environment Protection and Biodiversity Conservation Act* is a textbook example of how regulation can increase costs to industry while delivering absolutely no environmental benefit.

“Policies that undermine the development of energy projects and curtail energy production impose real costs on Australia through lost jobs, forgone economic growth, and higher energy bills.”

In April 2012, COAG Ministers agreed in April 2012 that there is an overwhelming need for regulatory reform particularly to reduce duplication and double-handling of environmental assessment and approvals processes. Yet little progress has been made in this area.

Mr Byers said: “More than \$200 billion is being invested in LNG projects now under construction. This is not only the largest wave of investment in the industry’s history – these projects are among the largest developments ever built in Australia.

“This is already creating about 100,000 jobs and once these projects enter their production phases their contribution to the Australian economy will grow even more. By 2020, the oil and gas sector is forecast to contribute more than \$65 billion a year to the Australian economy and almost \$13 billion in tax revenue.

“More projects are on the drawing board, but unless government addresses the green tape tangle the next generation of LNG projects may not be built.”

Cutting Green Tape can be found at: www.appea.com.au/policy/submissions-a-reports/2013.html

Media contact: Michael Bradley 0423 550 347 mbradley@appea.com.au

The Australian Petroleum Production & Exploration Association represents the upstream oil and gas industry in Australia. APPEA member companies produce around 98 per cent of Australia’s oil and gas.