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Budget speculation not helping investor confidence

Heightened media speculation about possible tax changes that may be announced in the context of the upcoming Federal Budget will do nothing to enhance the confidence of investors in the Australian economy.

Australia's long-term economic prosperity is fundamentally dependent on investment in industries such as oil and gas. Not only will investment sustain growth in our economy, it will generate the revenue streams for future generations of Australians. A dollar not invested today represents lost benefits for Australia in the future.

If Australia departs from a stable taxation system, we will fail to capitalise on our comparative advantages. Taxation policy influences investment decisions, particularly where heavy up-front capital investment is involved.

The Australian oil and gas industry is currently investing around \$200 billion over five years (or more than \$1,200 per second) on projects that will pay billions in revenue to governments, create more than 100,000 new jobs, and lift Australia's market share of global LNG supply from around 8% today, to more than 25% by 2020.

The industry also has tens of billions of dollars' worth of projects under consideration. Australia's attractiveness as a place to do business and competitiveness will determine whether they actually proceed.

Every Australian has a stake in the sector's continued success. Short-term fixes at the expense of long-term revenue streams are in nobody's interest.

Australia's reputation as a place where investors can safely make long-term decisions should not be further eroded at the very time when new investment and new revenue sources are needed.

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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.