



# MEDIA RELEASE

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## Australia has to again be cost-competitive

The oil and gas industry has challenged both sides of politics to help improve the industry's international competitiveness and commit to policies ahead of September's election that build – rather than hinder – the industry's growth.

Speaking ahead of this week's 53rd annual APPEA Conference, Chief Executive David Byers said: "Our industry is today building almost \$200 billion worth of projects in Australia, and in the days ahead, we will discuss the prospects of \$100 billion more.

"Australia's attractiveness as a place to invest is under enormous pressure and unless we can work with the next Australian parliament to rectify this, our next \$100 billion worth of LNG projects, may be built elsewhere."

APPEA's *Policy Priorities 2013* paper released today calls on government to commit to policies that pursue more export sales and deliver gas domestically to both households and factories:

Regardless of who wins the federal election, it says the next Parliament needs to:

1. Deliver a stable, predictable and competitive taxation regime that encourages investment. We don't want shocks or surprises; we don't want an ad hoc and short term approach to tax reform, but we do want to see the competitiveness of the whole tax system improved.
2. Resist calls for energy policy interventions that force non-commercial outcomes – and it must show leadership to state and territory governments to do the same.
3. Deliver regulation based on sound scientific principles and transparent assessment – and it must show leadership to state and territory governments to do the same.
4. Drive resolution of the problem of duplication of green tape and red tape across jurisdictions. We have had years of talk about this from Canberra, but the issue is getting worse, not better, and it is adding to the time required to develop projects, adding to the costs of developments and adding to the risks faced by investors;
5. Address the need for providing a skilled workforce for Australian energy developments through training and continuing access to overseas labour markets.

"Our industry created 100,000 jobs last year and is looking to generate this many again," Mr Byers said. "However the cost associated with delivering Australian LNG into key markets is now substantially higher than for projects in East Africa or North America. Higher taxes, lower labour productivity and red/green tape faced by local projects must be addressed.

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.


"It's not that long ago that the United States was seen as a potential customer for Australian LNG, yet this notion has quickly evaporated amid a shale revolution that continues to lift the US economy. Just last weekend saw the US Government approve that country's second LNG export facility.

"Based on projects committed and under construction, the Australian industry will deliver more than \$13 billion a year in royalties and taxes by 2020 (Deloitte Access Economics, Nov 2012) – that's the funding needs of about 25,000 public hospital beds, or enough to fund the annual education costs of one million students in government primary schools.

"Australia's challenge is to maximise the chances of Australia securing the future investments being made in the global LNG industry."

APPEA's *Policy Priorities 2013* paper can be found at [www.appea.com.au](http://www.appea.com.au)

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