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oil and gas industry

Media Release

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Resources royalty impost a poor choice for Queensland

The Queensland Government should immediately rule out any measure under consideration that would impose a significant burden on the natural gas industry through higher taxes and royalties.

Australia's natural gas projects, several of which are in Queensland, will deliver almost \$13 billion a year in royalties and taxes by 2020.

APPEA Chief Operating Officer Eastern Australia, Paul Fennelly said: "This is an enormous contribution when you consider the \$8.8 billion paid by the oil and gas industry in taxes last year was enough to fund more than 7000 new hospital beds, or pay the wages of almost 100,000 nurses.

"Increasing royalty payments from the state's natural gas industry which is currently investing \$70 billion on projects to deliver natural gas to the world and is responsible for 40,000 jobs, is simply not a strong choice for Queensland.

"We are about to witness in Queensland the emergence of a major LNG export industry that has the potential to bolster the economic performance of the state for decades to come. To impose an increased tax burden on this emerging industry would be extraordinarily short-sighted and damaging.

"Such measures would diminish the state's worldwide reputation as a place to do business, and would clearly hinder efforts to bolster the sector's international competitiveness and efforts to secure further investment.

"The Newman Government has significantly streamlined legislation around gas industry development to provide certainty for investors, farmers, and communities.

"Policy development that continues to foster gas sector growth, places downward pressure on rising productivity costs and improves competitiveness in the face of increased overseas gas development is a far better way to help repair budget sheets than higher taxes."

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