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RET must not undermine Australian LNG competitiveness

The ongoing negotiations to secure political support for Renewable Energy Target (RET) reforms must deliver sensible outcomes for Australia's oil and gas industry.

In particular, it is vital that the major parties agree on the need to fully exempt trade-exposed industries such as liquefied natural gas (LNG) to remove the competitive burden the RET places on them.

Australia's LNG exporters are among the most trade-exposed of all Australian exporters. They cannot pass increased costs on to consumers and any loss of competitiveness would benefit Australia's international LNG competitors or suppliers of alternative energy sources that emit higher levels of greenhouse gases.

APPEA Acting Chief Executive Paul Fennelly said: "It is crucial that the treatment of LNG ensures that all electricity used in its production is included in the exemption – including electricity in the gas fields that supply the LNG facility, and not just the LNG facility itself. This will require a minor, but important, change to the current definition of 'LNG production'."

APPEA encourages all parties to continue their discussions to reach a bipartisan position that reduces costs for the economy and allows Australia to take advantage of the role natural gas can play in reducing greenhouse gas emissions globally and domestically.

Media contact: Kieran Murphy 0408 151 922 or kmurphy@appea.com.au