



2 September 2015

## Emissions safeguard mechanism rules critical to oil and gas industry's competitiveness

Australia's oil and gas industry welcomes an opportunity to consult on proposed rules and regulations for the Emissions Reduction Fund safeguard mechanism as announced by the Australian Government today.

APPEA Chief Executive Malcolm Roberts said the design and operation of a safeguard mechanism is of critical importance to the LNG industry.

"The rules and regulations to implement the safeguard mechanism must not add to the industry's cost burden. The mechanism must not impose costs on Australian producers that inhibit industry growth or are not faced by our competitors.

"Presently we are a high-cost nation competing against a growing number of lower-cost challengers.

"If Australia wants to convert its abundant gas reserves into jobs, royalties and exports, it must reduce project costs, not add to them. This is the biggest challenge we face.

"The Government appears to have taken on board some of the issues industry has highlighted during previous consultations and we look forward to working constructively to improve the operation of the mechanism.

"As the Government has made clear, the mechanism should only apply to emissions above 'business as usual'. It should not be used to raise additional revenue."

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