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Action needed to achieve Queensland gas industry's potential

APPEA welcomes Queensland Government moves to deliver an action plan that will secure the state's future as a leading local and global supplier of natural gas.

The state government has just released the *Queensland gas supply and demand action plan* discussion paper.

"With \$70 billion invested in local liquefied natural gas (LNG) projects, Queensland is now a world leader," said APPEA Chief Executive Dr Malcolm Roberts.

"The industry has created thousands of highly skilled, highly paid jobs. Royalties and other taxes paid by the industry will help fund Queensland government services for decades to come.

"Queensland is also well placed to supply gas to other states that have bungled the opportunity to develop their own industry. With eastern Australia facing a significant supply shortfall by 2019, Queensland gas is becoming more and more important to the national economy.

"The industry congratulates the State government for recognising the need for regulatory reforms to boost local exploration and development. It is heartening to see the government accept the need to reduce the regulatory costs of doing business in Queensland; industry has already sharply cut its own operating costs to stay competitive in a depressed global market.

"The problem is acute for the smaller explorers that play a vital role in finding and developing new gas reserves. They battle to attract investment capital and can face high upfront regulatory costs.

"For example, 12 Commonwealth and State agencies are involved in approving exploration projects. Overlapping and inconsistent regulation adds to costs, delays approvals and discourages investment.

"Reforms in this area will give industry the confidence boost it needs to turn exploration into production."

Dr Roberts also said that government's rejection of domestic gas reservation is welcome recognition that regulatory interventions don't deliver reliable supply or put downward pressure on prices.

APPEA looks forward to working with the government to further develop reform.

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