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Gas industry provides billion dollar boost to Queensland

The release of today's state budget by the Treasurer confirms the growing economy wide benefits associated with the Queensland natural gas industry.

APPEA Queensland Director Rhys Turner said that today's budget papers forecast that the industry will deliver approximately \$1.78 billion in royalties to the people of Queensland over the forward estimates period.

"Largely driven by stronger oil prices, the Queensland natural gas industry is expected to boost the state's bottom line by close to a billion dollars more than was forecast in the 2017-18 budget," Mr Turner said.

"To put it in context, the royalties forecast to be paid by the natural gas industry are enough to support the jobs of over 4,000 teachers, nurses or emergency services workers each year.

"Importantly, this contribution will extend well beyond 2020-21."

Between 2011 and 2017 the rapid development of the state's natural gas and LNG industries were responsible for over \$70 billion in direct and indirect economic stimulus whilst supporting tens of thousands of construction jobs.

"This once in a generation ramp-up in activity has now positioned Queensland for ongoing growth with broader employment and economic benefits to flow throughout the state," said Mr Turner.

With so much at stake, it is critical that the Government and industry work together to streamline the regulatory burden to provide greater investment certainty.

The Queensland Government's own analysis shows that regulation accounts for 37 per cent of exploration costs and almost 10 per cent of all costs over a project's life.

"At a time when we need more gas and to place downward pressure on gas prices, there is no doubt that regulatory burdens are acting as a deterrent to future investment," Mr Turner said.

A recent McKinsey & Company report estimates up to \$50 billion must be invested in new gas supply across the east coast between now and 2030 to offset falling production from traditional reserves.

"Restrictions in other states mean there will continue to be increasing pressure on Queensland to do more of the heavy lifting when it comes to supplying the east coast gas market into the future," Mr Turner said.

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