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Reforms will enable oil and gas to support recovery

Australia's oil and gas sector will be able to operate more efficiently and help with the nation's economic recovery following new recommendations from a draft Productivity Commission report into the resources sector.

The [draft report](#) highlighted key regulatory reforms relating to oil and gas including duplication and poor coordination, inconsistent requirements, complexity and regulator capacity and accountability.

APPEA Chief Executive Andrew McConville said the oil and gas sector had consistently called for more streamlined and objective-based regulatory frameworks allowing industry to operate more efficiently as well as reduce delays, create jobs and attract investment.

"As Australia emerges from the COVID-19 pandemic, having a more robust, transparent and accountable regulatory system will be vital for the industry to provide highly skilled jobs, sustainable energy for Australian homes and business and export revenue to underpin the nation's economy," Mr McConville said.

Under the current regulatory regime facing Australia's oil and gas industry, the Commission found:

- There is no strong evidence the water trigger under the Environmental Protection and Biodiversity Act (EPBC Act) has filled a regulatory gap, but it has imposed cost and duplicated effort.
- Examples of leading regulatory practices exist with the CSIRO's Gas Industry Social & Environment Research Alliance (GISERA), the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and Queensland's GasFields Commission providing examples.
- Policy positions not based on sound evidence, such as blanket bans on gas exploration, undermine investment and community welfare.
- Community concerns about mixed land use are best resolved through strategic land use frameworks rather than prohibitions on resources activity on agricultural land.

The Commission's draft report also made a range of key findings and recommendations:

- Resources activities should meet reasonable requirements in relation to their impacts on the environment, heritage, worker safety, landowners and communities.
- Regulatory processes can be improved to reduce unnecessary burdens without diluting environmental and other regulated outcomes.
- Regulatory processes in many cases remain unduly complex, duplicative, lengthy and uncertain.

"We must ensure the regulatory regime maximises net benefits to the nation from ownership of the rights to petroleum and secures and sustains public and investor trust in oil and gas operations," Mr McConville said.

"The Commission's draft report represents an important contribution as we consider vital recovery measures – APPEA looks forward to working constructively with the Commission to finalise its report."

Media contact: Brad Watts – 0447 793 444 – bwatts@appea.com.au