



15 September 2020

Government recognises gas in economic recovery plan

The Australian Government has today outlined key steps to help grow Australia's oil and gas industry.

"Today's announcement is a good first step to reinvigorate Australia's oil and gas industry, which will be important to help power Australia's economic recovery," said APPEA Chief Executive Andrew McConville.

"Reliable and competitively priced energy is crucial to the health of our nation's economy. While the average wholesale gas price in Australia last year was around 40 per cent less than the average wholesale price for the Asia Pacific region, more can be done to lower the retail price paid by consumers and businesses.

"APPEA and its members will work with the Government as it looks to extend the Heads of Agreement with the three east coast LNG producers. The Government's plan recognises there is no silver bullet to driving down gas prices and that several steps need to be taken."

Mr McConville congratulated the Government on its support to develop Strategic Gas Basin Plans for the Galilee, Beetaloo and North Bowen Basins.

"Australia has world-class resources reserves, and developing these basins provide stable, secure and affordable energy for Australia for decades to come," Mr McConville said.

"Exploration and development of these basins are critical to the enduring supply challenge Australia faces. Without exploration, there is no gas. Encouraging exploration activities by extending the Junior Minerals Exploration Incentive (JMEI) and allowing junior oil and gas explorers to access the scheme would help fast-track the exploration work that needs to be done in firming up these resources.

"This needs to be matched with improving the investment attractiveness of Australia to ensure we get scarce global capital so this can happen, and we welcome the Government's commitment to work with individual states and territories to improve the regulatory and investment environment."

APPEA also supports the Government's announcement to develop a National Gas Infrastructure Plan.

"Australia's sparse geography and distance to market mean that underpinning gas pipeline infrastructure is critical to delivering affordable gas to Australian businesses and consumers," Mr McConville said.

Australia's oil and gas industry has invested more than \$350 billion in oil and gas supply infrastructure development over the past decade, has contributed to government revenue through the payment of \$71.6 billion in tax payments and levies, and directly supports 80,000 jobs.

"As a critical enabler of the Australian economy, the oil and gas industry recognises today's announcement as a valuable contribution in ensuring that Australia can unlock the next wave of investment to help underpin Australia's economic recovery out of the COVID-19 recession," Mr McConville said.



appea the voice of australia's
oil and gas industry

Media Release

Like other industries, Australia's oil and gas sector faces an enormous challenge in recovering from the COVID-19 pandemic. However, under the right settings, the industry can play a vital role in supporting Australia's economic recovery as outlined in APPEA's new blueprint [Powering Australia's Recovery](#)

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

Canberra +61 2 6247 0960
appea@appea.com.au

Brisbane +61 7 3231 0500
brisbane@appea.com.au

Melbourne +61 3 9606 8500
melbourne@appea.com.au

Perth +61 8 9426 7200
perth@appea.com.au