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Thursday, 21 February 2013

Resource boom taken for granted

Australia will fail to capitalise on its resource boom if the Australian Government continues to ignore calls for a stable taxation system, the Australian Petroleum Production & Exploration Association warned today.

Research released by the Reserve Bank of Australia shows the share of total employment accounted for by the resources sector has doubled since the mid-2000s. This growth is reported to have created around 500,000 jobs across every major industry in the last seven years. This means that more than 9¾ per cent of all Australian workers now depend on the resource economy both directly and through the creation of jobs in construction, manufacturing and other sectors.

APPEA Chief Executive David Byers said: "The report supports APPEA's view that the nation-wide impacts of Australia's resources boom are overwhelmingly positive.

"Government must help manage the economic adjustment necessary to maximise the benefits flowing from this record investment, rather than focusing on their re-distribution.

"Almost \$200 billion is currently being invested in Australian petroleum projects and the Australian economy is growing because of these unprecedented investments – not despite them.

"This is why governments must help, rather than resist, the economic adjustment needed to maximise the benefit associated with our industry's growth, by providing a stable taxation system, market-based energy markets, and efficient and science-based regulation of industry activities.

"Governments need to be mindful that Australia's reputation as a place where investors can safely make long-term decisions is being eroded and that this is happening at a time when new competitors are emerging."

The RBA report is consistent with a report by Australian Venture Consultants, *The Wider Contribution to Australia of the Oil and Gas Industry*, which shows through a selection of case studies that more than \$29 billion has been spent with Australian-based businesses as part of the current wave of oil and gas investment.

It describes how oil and gas companies are using and expanding Australia's oil and gas services expertise and capability and are contributing to employment and training; research, development and technology; community infrastructure and social investment; and environmental research and conservation.

The latest research from the RBA can be found at www.rba.gov.au/publications/rdp/2013/2013-02.html and *The Wider Contribution to Australia of the Oil and Gas Industry* report can be found at www.appea.com.au/policy/submissions-a-reports/2012.html.

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The Australian Petroleum Production & Exploration Association represents the upstream oil and gas industry in Australia. APPEA member companies produce around 98 per cent of Australia's oil and gas.