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Oil and gas one of Australia's top value-adding industries

Oil and gas has been identified as one of Australia's highest value-adding industries in a new analysis that highlights the sector's growing importance to the national economy.

The analysis, by PwC, shows that for every dollar of production, the oil and gas sector adds 70 cents of value-add compared to an average of 49 cents for all other industries.

The PwC report finds the oil and gas industry's annual contribution to Australia's economic output is expected to more than double from \$32 billion in 2012-13 to \$67 billion by 2029-30.

This equates to around 2.6 per cent of GDP, an increase of more than 0.5 percentage points in the industry's current contribution to the national economy.

The PwC analysis is included in a submission by the Australian Petroleum Production & Exploration Association (APPEA) to the Australian Government's Energy Green Paper.

APPEA Chief Executive David Byers said the analysis showed why encouraging investment in the oil and gas sector should be a key focus for the Government.

"The analysis demonstrates that growth in the oil and gas industry will be higher than the rest of the Australian economy over the next decade providing a substantial boost to national income and to taxation revenue," he said.

"This is further evidence that natural gas is one of Australia's great strengths with a higher relative contribution to the economy than almost every other industry.

"It is crucial, therefore, that calls for policy interventions that seek to force non-commercial outcomes continue to be resisted.

"Gas reservation, for example, would simply divert resources from one of the economy's most valuable sectors to less efficient sectors."

Mr Byers said that governments must focus on a long-term, market-based energy policy.

He said the Energy White Paper needed to focus on efficient and competitive markets, developing new energy sources to ease demand/supply constraints, regulatory reform and the need to remove unnecessary barriers to continued investment in oil and gas production.

"Australia's abundant reserves of natural gas make it possible to meet our own and much of the region's growing energy needs, particularly cleaner energy needs, over the coming decades.

"But we cannot take the industry's success for granted. The policies developed through the White Paper process must ensure that Australia's oil and gas explorers and producers are not disadvantaged against the producers of other energy sources here in Australia or overseas."

Copies of the PwC analysis and APPEA's submission to the Energy Green Paper can be [found here](#).

Media Contact: Kieran Murphy – 0408 151 922 – kmurphy@appea.com.au