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Budget highlights oil and gas role in rebuilding economy

Tonight's Federal Budget has reaffirmed the importance of increasing investment into the Australian economy and the vital and significant contribution the Australian oil and gas industry will play in supporting Australia's economic recovery as it emerges from the COVID-19 pandemic.

APPEA Chief Executive Andrew McConville said the 2020 Budget acknowledged investment is a central pillar to recovery and the oil and gas industry has a clear plan to support the government in driving job creation, skills development and promoting domestic spending and investment across all industries.

"The Budget, together with the government's previous announcements on energy and technology, recognises the pivotal role of Australia's oil and gas industry in providing energy security for homes and businesses and making a sustained contribution to government revenues," Mr McConville said.

The oil and gas industry has invested more than \$350 billion in the Australian economy over the past decade, has contributed to government revenue through the payment of \$71.6 billion in tax payments and levies and supports 80,000 jobs.

"Tonight's Budget is another important step in helping unlock the next wave of investment that will underpin Australia's economic recovery out of the COVID-19 recession," Mr McConville said.

"The announcement to introduce an investment allowance for businesses is a positive step. It will help to improve capital availability and investment, growth in wages and GDP in the same way as a company tax cut, while also raising national income. These initiatives coupled with personal tax cuts will help kickstart the domestic spending needed to repair the economy.

"Like many industries, Australia's oil and gas sector has faced some tough conditions through the pandemic. Despite these challenges, the sector stands ready to provide reliable and secure energy for homes and manufacturing businesses, generate jobs through exploration and new operations, provide taxation revenue to build schools, roads and hospitals – all of which will help strengthen our economy.

"The right fiscal settings combined with stable, efficient regulation will encourage investment, create jobs and support businesses across all industries.

"We look forward to working collaboratively with government to continue projects and pursue exploration to help kick start Australia's COVID-19 economic recovery."

Read APPEA's [Powering Australia's Recovery](#) document.

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