

**25 March 2021****The oil and gas industry can be a key plank to COVID-19 economic recovery and reducing Australia's emissions**

Natural gas and the jobs it can create has the potential to be an economic and environmental strength for Australia but only with the right regulatory environment and if the misinformation stops, APPEA Chief Executive Andrew McConville warned today.

Using his keynote address at the Australian Domestic Gas Outlook conference, Mr McConville said there was an enormous opportunity to create thousands of jobs and help Australia reach zero net emissions by 2050.

"Sadly, vested interests have spread misinformation on gas and it is time to set the record straight because the fact is demand in South East Asia for gas is forecast to double by 2040 and we need to be able to capitalise on that," Mr McConville said.

"If we get this right, then the prize for Australia is immense. We need to be bold again in Australia and get the policy settings right for investment.

"In the first decade of the new millennium, decisions were made that meant policy stability and more than \$450b was invested in Australia's oil and gas industry and tens of thousands of jobs created.

"This year's federal budget is an opportunity to pull the right levers and get fiscal settings right."

Mr McConville said APPEA is calling for the Government to make a number of reforms in this year's Federal Budget to improve the investment environment:

- Make it clear that salary and wage costs are immediately deductible.
- Improve investment allowances to attract investment.
- Remove barriers to business project restructuring through providing tax asset rollover relief.
- Amend the Petroleum Resource Rent Tax (PRRT) Assessment Act to link a petroleum project to a production licence where a production licence may revert to a retention lease.
- Close out the PRRT Gas Transfer Pricing Review without change.

"Make these changes and the jobs will flow," he said.

"A recharged oil and gas industry will stimulate growth in other industries and every additional person employed in oil and gas can support up to 10 other jobs and innumerable small businesses.

"A recent EY report, commissioned by APPEA, showed under the right investment settings, the oil and gas sector could provide a \$350 billion boost to the economy and more than 220,000 jobs over the next two decades."

Mr McConville also outlined how natural gas will be vital in reducing Australia's emissions and supporting a cleaner energy mix.

"Using more natural gas in Australia's power generation and resource processing can further reduce emissions," he said.

"Natural gas plants are more reliable and longer lasting than battery storage and produce much lower levels of noxious substances such as sulphur dioxide, nitrogen oxides and fine particle emissions compared to coal."

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