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New NOGA Levy is extreme

The voice of the oil and gas industry today labelled a new levy of \$0.48 per barrel on all offshore oil producers as over the top and extreme.

APPEA Chief Executive Andrew McConville said the proposed levy Laminaria-Corallina oil fields and associated infrastructure levy will see a number of offshore oil and gas companies footing a massive bill for a project they have never been involved in, never benefitted from and up to 3,500 kilometres away from their operations.

“To slug an entire industry \$0.48 per barrel and not put an end date on it is over the top,” Mr McConville said.

“Any levy is unreasonable in any form but one being so extreme will be a major disincentive for investment at a time when policy stability and certainty is critical.

“This is a terrible precedent and could have serious repercussions to Australia’s economy, to jobs and to our attractiveness as an investment destination when, as the global economy recovers, competition for investment capital will intensify.

“The government should systematically consider alternatives to reduce the costs of its own current management of the project, overall decommissioning costs and look at alternative decommissioning and cost recovery measures.

“The Government should not be washing its hands of this through a blunt instrument like a levy, but working constructively and collaboratively with industry to minimise costs and explore all options being put on the table to get the best and most economically efficient outcome for the environment, the industry and the community.”

“More broadly the industry remains committed to working with the government the sensible development of a new decommissioning policy framework.”

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