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BUDGET CONFIRMS GAS CENTRAL TO THE ECONOMY AND EMISSIONS REDUCTION

Tonight's Federal Budget has confirmed the enduring and significant economic contribution of Australia's oil and gas industry to our economy, as well as lighting the path forward for its role in a cleaner energy future.

Australian Petroleum Production & Exploration Association (APPEA) Chief Executive Andrew McConville said the Budget has reaffirmed the long-term role of the oil and gas industry in Australia's economy and lower emissions future.

"As noted by the Treasurer in his 2022-23 Federal Budget speech, Australia is on a pathway to net zero emissions by 2050.

"Measures such as expanding the patent box concession for low emissions technology innovations, \$300 million additional funding to support low emissions LNG, hydrogen production and associated carbon capture and storage infrastructure can help us continue to contribute to that pathway," he said.

"Additionally, improvements to environmental regulation and planning for new infrastructure are all important to facilitating ongoing investment that will deliver more secure supply and cleaner energy.

Mr McConville said also APPEA recognised the need for the Government to focus on inflationary pressures, cost of living and housing affordability.

"However, there are some practical changes that would have further cemented Australia's role as an energy leader by helping to attract global capital and capitalise on our competitive advantage.

"We would like to have seen temporary investment allowances announced previously to be expanded in scope and be made a permanent feature of the taxation landscape as part of a longer-term reset of investment policy. This would have complemented our own investments and benefited the economy more broadly.

"Incentivising investment can stimulate growth in capital availability, wages, and GDP in the same way as a company tax cut, while also raising national income. We will continue to work with whoever is in government to get the settings right to ensure Australia is best placed to maximise our competitive advantages in energy security and decarbonisation," he said.

The industry announced investments of more \$27 billion last year in new Australian supply, technology and decarbonisation initiatives.



“The return on our previous investments are clear to see. The industry is forecasted to contribute \$76 billion in oil and gas exports for 2021-22 and tonight’s Budget papers also show government receipts from the PRRT being have been revised up by \$1.0 billion in 2022-23, and by \$4.0 billion over the 4 years to 2025-26 and this strong contribution is expected to continue.

“This Budget shows gas is being recognised as central to Australia’s cleaner energy future as the industry decarbonises to net zero by 2050 while ensuring national energy security.”

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