

State Of The Industry 2010

APPEA has released its State of the Industry report, in which it states ensuring strong future investment in oil and gas production and exploration will require improved regulatory efficiency, an internationally competitive fiscal regime, and a thoughtfully designed climate change policy.

APPEA Chief Executive Belinda Robinson said the economic and environmental benefits of Australia's gas resources are not yet fully appreciated.

"What we are achieving today flows from the policies of yesterday", Robinson said. "We face an increasingly competitive marketplace and need to acknowledge our investments and successes of tomorrow will be determined by the policy, regulatory, and fiscal settings we develop today.

"This report suggests there is a degree of complacency around the capacity of this industry to continue to underpin Australia's



APPEA Chief Executive Belinda Robinson

economic wellbeing and that the factors driving declining levels of exploration and oil production cannot be ignored."

APPEA said a particular concern is Australia's declining oil production and exploration, with Australia today having a trade deficit in petroleum products of \$16 B per annum, which it said, without major new discoveries, will grow to around \$30 B per annum by 2015.

APPEA stated, with the Australia underexplored, new incentives are required if it is to attract exploration investment.

The report also states tax and climate policies should be designed to ensure the oil and gas industry meets its potential in helping reduce greenhouse gas emissions.

"Gas offers the cleanest viable source of large-scale baseload and peaking power, yet Australia's tax regime disadvantages gas against coal, while subsidies and renewable energy targets disadvantage gas against renewable energy", Robinson said. ■