

Supplementary Questions from Senator Bragg:

1. What is the investment climate like for gas projects in Australia at the moment?

Response:

We refer the Senator to answers provided by Australian Energy Producers in response to industry wide questions.

2. How does Australia's investment climate compare to the US or Canada?

Response

We refer the Senator to answers provided by Australian Energy Producers in response to industry wide questions.

3. Do you agree that reform is required to ensure Australia is able to increase its gas supply?
 - a. By extension, if the Government were to continue on their current trajectory of undermining investment instead of encouraging it, would you expect that future tax collection from projects would decrease as no new projects come online?

Response

We refer the Senator to answers provided by Australian Energy Producers in response to industry wide questions.

4. The Coalition has put forward a number of simple reforms that would assist in bringing more gas supply online at a time when we are staring down the barrel of gas shortages only a couple years away - this was reported in the media. In your view, have any of the reforms called for in the Coalition's letter been implemented and actioned by the government?
 - a. By your assessment, would "Urgently reforming the Offshore Environment Regulations under the Offshore Petroleum and Greenhouse Gas Storage Act to provide clarity on consultation requirements and restart offshore gas investment" help increase gas supply?
 - i. Were you concerned to see the Government vote against considering its own bill, which had bipartisan support in the last sitting week, despite what now appear to be empty promises of progressing these reforms with urgency?
 - b. Would "Preventing the abuse of 'stop the clock' provisions, which are being used by regulators to effectively circumvent statutory timeframes for approvals under the EPBC Act and OPGGS Act" help get more gas supply into the market quicker?
 - i. Is it your understanding that the "Nature Positive Plan" and an EPA decision making body would achieve this streamlining and faster approvals, or are you not only concerned with the secretive and exclusionary consultation process, but also the content of the proposals and how it may grind approvals to a standstill?
 - c. Would "Carving out all existing project applications, including those submitted but not yet approved, from any future EPA process so as not to move the goalposts on industry yet again" help boost investor confidence?
 - d. Would "Removing bans from IR&D Act section 3 instruments supporting the extraction of natural gas", which was used by the previous Government to fund programs like the Strategic Basins Plan, bolster investor confidence that the Government was actually supportive rather than against gas?

Response

Shell is participating in Departmental processes to clarify consultation requirements for offshore petroleum and greenhouse gas storage regulatory approvals.

5. Of the \$2.4 billion of revenue the Government booked in last year's budget as revenue in the forward estimates from PRRT changes, are you able to estimate the proportion of that revenue that will be an additional tax impost on industry (i.e., new revenue) versus that revenue that will just be tax that is paid sooner than it otherwise would have (i.e., bring forwards)?

Response

We refer the Senator to answers provided by Australian Energy Producers in response to industry wide questions.

6. Is it expected by your members that their PRRT liabilities will increase, decrease, or stay the same over the medium term as a result of this legislation?

Response

Under the proposed Bill, Shell begins to pay PRRT in relation to the year commencing 1 July 2024 and expects to pay approximately AUD 590 million (High scenario), AUD 470 million (Medium scenario), AUD 300 million (Low scenario), in relation to the first 4 income years.

Please also note that in addition to commodity prices, PRRT is highly sensitive to a range of other economic inputs such as exchange rates and actual rates of production.

7. Were the Government to confirm this estimate of the proportion of new revenue to revenue brought forward, as a whole for industry, would you have concerns with this information being public?

Response

We refer the Senator to answers provided by Australian Energy Producers in response to industry wide questions.