Response to invitation to comment on ABC article

As Australian Energy Producers explained in our submission to the Senate Select Committee Inquiry into the Taxation of Gas Resources, Norway co-invests and participates in its oil and gas industry, while Australia relies on the private sector.

In Australia, private investors finance large-scale oil and gas projects (more than A$400 billion since 2010) and private shareholders – not taxpayers – bear the significant costs and commercial risks associated with oil and gas exploration and development, including subsurface uncertainty.

In contrast, the Norwegian state owns holdings in a number of oil and gas fields, pipelines and onshore facilities through its State's Direct Financial Interest (SDFI). This portfolio is managed by the state-owned company, Petoro, which holds ownership interests in approximately 30% of Norway's oil and gas reserves. The SDFI accounts for a significant share of national production (typically up to 25%) (see *Norwegian Petroleum: Historical Production* and *Petoro: Reports*).

Further, the Norwegian state owns 67% of Equinor which operates approx. 70% of total oil and gas production on the Norwegian Continental Shelf.

Norway actively funds its share of capital expenditure, operating costs, exploration and risks (dry wells, cost overruns, price volatility) through its SDFI equity stake, in return for a corresponding share of revenues.

Norway further complements this state co-investment with supportive tax rules for private companies, including immediate expensing of investments and cash refunds for the tax value of losses (at 71.8% of the special tax base).

In contrast, Australia has no equivalent direct equity stake or ongoing capital calls on taxpayers. And because Australia does not refund losses or fund projects upfront, the tax benefits for companies operating here are later, smaller and less certain.