



**JERA Australia Pty Ltd**  
Level 9, Brookfield Place  
125 St Georges Terrace, Perth WA 6000  
Tel 61 8 6311 7610  
Fax 61 8 6311 7613

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Mike Callaghan  
Review of Petroleum Resource Rent Tax  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Email: [prtreview@treasury.gov.au](mailto:prtreview@treasury.gov.au)

3 February 2017

Dear Sir

### **Review of Petroleum Resource Rent Tax**

JERA Australia Pty Ltd (JERAA) welcomes the opportunity to provide some specific comments on the review of the Petroleum Resource Rent Tax (PRRT) regime as announced by the Treasurer on 30 November 2016.

#### **Background**

JERAA is an Australian company owned by JERA Co., Inc. in Japan.

JERAA acquired an interest in the Gorgon LNG project in 2009, and an interest in the Ichthys LNG project in 2012, and has committed to investments required in those projects.

These investments were undertaken based upon a stable and well understood Petroleum Resource Rental Tax (PRRT) regime. It is JERAA's view that the PRRT regime, combined with the broader Australian tax (direct and indirect) system and regulatory framework, works effectively and assists in facilitating investment in Australia's oil and gas industry. The current PRRT regime appropriately acknowledges the high risk of exploration activities, along with the complexities and costs of developing resources in Australia.

JERAA also recognises that all countries, including the Australia Government, undertake reviews and reform of their taxation systems from time to time. Firstly, JERAA requests that as part of any review, the Government adopt the principle that should any change or reform be considered, that it not be applied retrospectively.

JERAA would like to also highlight that should a material change to the existing PRRT regime be considered for all future projects, it could impact both the timing and or quantum of investment decisions within Australia. The Australian PRRT regime needs to be competitive with other international fiscal regimes, noting the very clear differences in exploration prospectivity and development complexity globally.

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We appreciate the Australian Government seeking our opinion and feedback on such an important and complex topic. We are also prepared to make ourselves available should you wish to discuss any of our observations and points further.

Yours faithfully

  
Hitoshi Nishizawa  
Managing Director