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Mr Michael Callaghan  
PRRT Review  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Via email: [prrtreview@treasury.gov.au](mailto:prrtreview@treasury.gov.au)

Dear Mr Callaghan

Thank you for the opportunity to contribute to the Commonwealth Government's review of the Petroleum Resource Rent Tax (PRRT).

My Government is committed to working with industry and the Commonwealth Government to support the sustainable development of oil and gas activities in our region.

The Northern Territory is located near globally significant gas resources, including an estimated 30 trillion cubic feet of offshore gas reserves. The development of these resources will significantly contribute to Northern Territory and Australian economies and will also play an important role in providing energy security for our nation (with the Northern Gas Pipeline providing a connection to the eastern gas market) and many of our Asian neighbours. However development is not guaranteed, with new gas fields and LNG plants proposed in Africa, America and elsewhere in Australia, increasing competition for the market's attention and capital investment.

Ensuring the Northern Territory is a low-cost, globally-competitive oil and gas region is crucial to sustaining a robust oil and gas sector that can withstand market fluctuations and continue to generate positive economic benefits for the Northern Territory and Australia.

A jurisdiction's taxation regime forms a critical element of the feasibility for any oil and gas field. While recognising the importance of Australia receiving an appropriate return from our finite resources; this must be balanced with the need to support industry investment and growth. My Government is aware of interest from a number of offshore resource owners in commercialising their gas but has been advised that fiscal changes could impact the viability of these projects.


Ensuring that northern Australia achieves its full potential is critical to the economic prosperity of the whole of Australia. The Commonwealth Government's *Our North, Our Future: White Paper on Developing Northern Australia* provides a plan to realise northern Australia's great potential; a plan which has the resources and energy sector at its core.

All of the current offshore LNG production activity is based in Western Australia or the Northern Territory as is the \$80 billion worth of LNG projects under construction. As the attached map shows (Attachment A), there are numerous oil and gas discoveries in this region, placing northern Australia firmly at the centre of Australia's current and future growth in this important sector. It is therefore essential that the PRRT review is undertaken through the lens of developing northern Australia.

A critical mass of viable LNG projects are needed to develop Darwin as an oil and gas maintenance and operations hub attracting investment and creating jobs from original equipment manufacturers and international service companies and/or supporting the development of domestic LNG, micro-LNG and mini-gas-to-liquids processing plants. The Northern Territory stands ready to maximise the benefits from the next wave of LNG development; but it is essential that the Commonwealth Government provides an enabling environment.

I urge you to fully consider the views of the oil and gas industry currently assessing oil and gas developments in the offshore regions of northern Australia when completing this review. If you require any further details from the Northern Territory Government, contact can be made with Mr Michael Tennant, Chief Executive Officer, Department of Trade, Business and Innovation by phone 08 8999 5584 or email [michael.tennant@nt.gov.au](mailto:michael.tennant@nt.gov.au).

Yours sincerely



MICHAEL GUNNER  
20/2/17

