



Australian Government

**Department of Industry
Tourism and Resources**

LNG – Meeting the needs of importers and exporters

Mr John Griffiths

General Manager, Offshore Resources Branch



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Australian Government's Role In Resources Development

- Establishes macroeconomic environment
- Sets petroleum regulatory framework
- Removes impediments to industry development
- Makes resource rights available
 - Does not explore/ develop
- Reduces geological risk



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The Australian LNG Industry

- Important to Australia's economy.
 - North West Shelf trains 1-3 increased GDP by 1.24%, generated 80,000 jobs
- Exports \$3.2 bn in 2004/05
- Significant prospects for growth
- The industry is a driver for growth in other sectors
- Whole of Government approach required to address impediments
- LNG Action Agenda



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LNG Action Agenda – Key Action Areas and Outcomes

LNG Action Agenda Working Group identified seven key action areas

- Greenhouse gas emissions
- Taxation
- Customs and tariffs
- Australian industry participation
- Government approval processes
- LNG marketing and promotion
- Timor Sea jurisdictional issues



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What importers expect from Australia

Reliable Supply

- Strong gas reserves base
- Proven track record of reliability
- Experience in LNG production and operation
- Political and fiscal stability

Competitive Pricing

- China LNG contract

Safety & Security

- Enviably LNG safety record
- Maritime security response



What LNG importers can do

- Australian LNG exports mostly under long term contracts
- Degree of market certainty required for major projects to proceed.
 - Although this is changing - NWS Train 5
- Trade barriers minimal
- Contracting procedures need to be open and transparent
 - Role of Governments needs to be clear
- Need clear understanding of regulatory issues