

8th November 2021

Submission to the Inquiry into the Oil-Field Levy Bills

Dear Inquiry.

I support the Bill. It reflects an important principle that companies should be accountable for the costs of their operation. That is, they should not be able to use our land and natural resources (which often have their own environmental costs that should be accounted for e.g. carbon emissions) and making a profit without paying for the costs of their operation across the whole cycle. Critically, this includes the decommissioning and recovery phases of their operation.

Being at the end of the cycle (beyond the time their operations are economically productive), there is an incentive for companies to take their profits and run, so to speak. This leaves the costs to be borne government, the public and/or the environment. Either way, these outcomes unsatisfactory and should be prevented. It is important that decommissioning and recovery are completed, so the government should support where that is necessary (to avoid environmental harm). However, rather than taking on all the costs (which must be supported by the taxpayer and diverts resources from other endeavours) - businesses should be responsible for the full costs of decommissioning their operations and supporting the recovery of the local environment.

While this is a temporary levy, I would support this tool being adopted again wherever the government foresee the need to recoup costs of decommissioning and recovery – or even made into a permanent mechanism and provide oversight and accountability of companies for the costs of their operation.

Thank you for considering my submission.

Benjamin Cronshaw.