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24 July 2025

The Hon Dr Jim Chalmers MP  
Treasurer  
House of Representatives  
Australian Parliament House  
CANBERRA ACT 2600

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

**RE: Economic Reform Roundtable - Consultation**

Dear Treasurer

On behalf of INPEX, we welcome the Federal Government's initiative to establish an Economic Reform Roundtable to boost Australia's productivity and competitive position in evolving global markets.

Australia remains a key investment destination for INPEX, and we are committed to maintaining gas production across 40 years at Ichthys LNG through exploration and acquisitions – including new gas fields, such as Cash Maple, as well as decarbonisation through the proposed Bonaparte CCS project and our renewable energy investments through Potentia Energy.

There are four key areas we consider imperative to help drive productivity and resilience for Australia and for the resources sector:

- Recognising the important role of natural gas in energy security and the energy transition of Australia and the Indo-Pacific region;
- Recognising and providing greater support for carbon capture and storage (CCS) to support emission reductions and Australia's net zero targets;
- Driving productivity through policy certainty and regulatory efficiency; and
- Strengthening workforce planning and supporting constructive industrial relations.

### **Energy security, the energy transition and the Future Gas Strategy**

While technology innovation and artificial intelligence (AI) have a role to play in productivity, we note that industry will likely adopt these practices as a matter of course. However, we encourage the Government to ensure ample energy security to provide industry with the confidence to enable this innovative technological step change, while also supporting the nation's net-zero targets.

We firmly believe Australia's LNG industry – through its provision of natural gas and CCS – will have a critical role in supporting 2050 net-zero targets and continuing to provide energy security in the broader Indo-pacific region. We note this is already being reflected in Japan, which released the 7<sup>th</sup> Strategic Energy Plan earlier this year, highlighting the need for greater energy and LNG supply due to a significant shift in the country's power demand outlook (+30% to +50% increase by 2050) driven by increased electricity demand from semiconductors, data centres and AI.

INPEX welcomed the release of the Federal Government's Future Gas Strategy in 2024 and its recognition of gas as essential in underpinning Australia's – and the region's – energy security and net-zero energy transition. However, strategy implementation is crucial, as is policy consistency. We look forward to more tangible outcomes of the Future Gas Strategy being implemented and encourages the government to continue to make clear, coordinated signals on the role of gas, carbon capture and storage and renewables in national emissions reduction targets.

### **Carbon capture and storage (CCS)**

CCS is a safe and proven decarbonisation technology - essential for achieving Australia's emissions reductions targets and helping underpin the energy transition in supporting cleaner energy production. CCS is also the only feasible technology currently available to deliver deep emissions reductions in many hard-to-abate industries vital to the Australian economy.

INPEX notes CCS and CO2 imports are a potential new industry for Australia. Many large Asian economies such as Japan and Korea, are seriously looking to CCS as a solution to reduce their carbon emissions and given their geographical limitations will need to look to international partners. However, in this Australia is competing to be a regional CCS hub leader with countries such as Malaysia. To attract meaningful investment into CCS projects – especially at scale and in an environment where CCS is still commercially emerging and capital-intensive – several key enablers are needed.

We encourage the government to consider:

- i. **Developing a National CCS Strategy** – A national strategy will better signify – to other countries and importers – Australia's commitment and support of an Australian CCS industry. Western Australia and South Australia already have action plans in place.
- ii. **Supporting shared infrastructure access** – CO2 imports will require the realisation of common-use infrastructure, including storage hubs, pipelines etc., such as the proposed Middle Arm Sustainable Development Precinct in Darwin. These hubs and the associated enabling infrastructure including jetties and associated harbour dredging are critical to establishing a CO2 import industry for Australia.
- iii. **Advancing market readiness** – INPEX acknowledges government efforts to progress transboundary CO2 policy and bilateral discussions. Continued prioritisation will help accelerate CCS value chain development with key partners like Japan.
- iv. **De-risking CCS investment** – Given the high upfront costs and risk of CCS, we encourage the government to explore support mechanisms including direct funding supports. Similar approaches are already in place in jurisdictions such as the UK, Canada, Japan and Norway.

### **Policy certainty and regulatory efficiency**

As the largest Japanese investor in Australia, INPEX consistently calls on government to provide clear and stable policy settings, conducive to a positive investment environment.

Long-term productivity relies on a stable policy environment and a regulatory system that is transparent, timely, and navigable. Efficient government approvals are critical for economically marginal, yet strategically significant projects such as the Ichthys backfill development and the proposed Bonaparte CCS Project. This includes:

- providing clear and streamlined approvals pathways for environment plans;
- committing to regular exploration acreage releases;
- avoiding new industry levies;
- offering targeted incentives for innovation and sustainable practices; and

- actively supporting carbon capture and storage

However, approval delays are undermining project viability and Australia's energy export competitiveness. We believe there is opportunity for the Australian Government to streamline and better harmonise cross-jurisdictional and cross-agency processes for major project approvals, environmental assessments, and infrastructure coordination. Reducing duplication and improving alignment will enhance investment certainty, accelerate decision-making, and support sustained private investment in decarbonisation technologies and energy projects.

INPEX encourages the Australian Government to consider opportunities to streamline environmental and regulatory approvals across federal, state, and territory governments, and implement fit-for-purpose energy policies. Reforms to the Offshore Petroleum and Greenhouse Gas Storage Act, most notably consultation process regarding "relevant people" and the Environmental Protection and Biodiversity Conservation Act are also crucial to clarify approval processes and strengthen investor confidence.

The Bonaparte CCS project has already experienced a 12-month delay due to the complicated consultation process under the OPGGSA, following the unsuccessful legal action by the Environment Defenders Office against the Barossa Gas Project. There are almost 100 approvals required to develop and commence CO<sub>2</sub> injection into the reservoir, delays or challenges in securing these would have significant schedule threats and productivity impacts. Please note that every one-year delay of the project sees a deferral of our ability to abate 2.5 - 3.0 mtpa of emissions.

INPEX strongly encourages the Government to consider streamlining CCS related approvals through: (i) integrating the Sea Dumping Act requirements (for all CCS activities) into the Offshore Petroleum Greenhouse Gas Storage Act (OPGGSA); and (ii) through enabling NOPSEMA with the approvals authority to be the primary Commonwealth agency for all environment-based approvals. This would establish a one point of government contact for CCS approvals, while also maintaining the high standard of environmental protection of the marine environment.

### **Workforce planning and constructive industrial relations**

Access to a skilled and adaptable labour workforce remains one of the most significant constraints on productivity across the sector. Large-scale projects such as Ichthys LNG and Bonaparte CCS require expertise in a wide variety of fields including, for example, engineering, marine operations, compliance, data management, and environmental science.

INPEX's ongoing operations generate sustained demand for vocational training and upskilling programs in northern Australia and other regions. Investment in renewables and CCS further expands the need for talent development across emerging energy transition roles.

Strategic collaboration between industry and government on workforce planning is essential to addressing skill shortages and supporting transition outcomes for local communities. Continued underdevelopment in this sector poses risks not only to INPEX and the LNG industry, but to Australia's export-reliant economy.

INPEX continues to engage constructively on industrial relations (IR) reforms and remains committed to compliance across workforce and facilities. Modern, balanced workplace relations are vital to enhancing productivity and sustaining project momentum and timelines. Conversely, uncertainty and fragmentation in IR frameworks can lead to delays, disputes and increased costs.

Thanks to high living standards, Australia's labour cost is among the one of the highest in anywhere in the world where we operate. We urge the Australian Government to be mindful of unexpected consequences which could undermine Australia's competitiveness.

Thank you for the opportunity to provide our views on priority policies and reforms for the government to consider as part of its economic reform roundtable process. I also wish to express my appreciation for participating in Minister King's resource sector roundtable on productivity and resilience, held in Perth on 17 July. INPEX is proud to be part of these discussions, and we remain committed to Australia.

Yours sincerely,

A handwritten signature in black ink, appearing to be '村山 徹博' (Murayama Tetsu).

Tetsu Murayama

Managing Director, Country Chair Australia