



PETER J. COLEMAN

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9 January 2019

Mr Geoff Francis  
Principal Adviser  
Corporate and International Tax Division  
The Treasury  
Sent by email: [prrt@treasury.gov.au](mailto:prrt@treasury.gov.au)

Dear Mr Francis,

### DRAFT EXPOSURE LEGISLATION – PRRT

Thank you for the opportunity to respond to the draft PRRT legislation. During the PRRT Review, the petroleum industry expressed concerns about retrospective changes which can undermine investment certainty, and we continue to share this concern as a matter of principle. However, the Review has now been under way for in excess of two years, and we believe that the changes announced by the Treasurer on 2<sup>nd</sup> November 2018 create the basis for restoring certainty to the industry.

As you know, Woodside is planning investment decisions in the next two years, to invest (with our joint venture partners) in excess of A\$40bn to develop the Scarborough Gas Field, expand our Pluto LNG facility, and to develop and pipe gas from the Browse fields to the North West Shelf Venture's Karratha Gas Plant. Regulatory and fiscal certainty will be essential as we undertake these decisions. Therefore, while there are some technical observations we will feed back via APPEA's response, we request that the Government introduce the legislation into Parliament at the next available Sitting and attempt to secure its passage.

We also understand that in 2019 the Treasury will commence a review into Gas Transfer Pricing (GTP) regulations, in consultation with industry. Woodside intends to actively participate in this process, which could significantly affect its projects. The GTP rules contain complex features, that were subject to a lengthy consultation period before they were put in place. In order to prevent this review from creating uncertainty for the investment decisions currently before us, we seek your confirmation that any changes that it recommends will be applied on a prospective basis, i.e. only to projects which apply for a Production Licence after the conclusion of the review.

In our review of the draft legislation, we noted that the decision to remove the PRRT from onshore developments will also remove it from the proportion of the Torosa Gas Field in the Browse Basin which is held under State jurisdiction. The Torosa field is the subject of an apportionment agreement between the Titleholders and the State and Commonwealth Governments which sets the proportions of petroleum recovered from the Torosa field that are taken to have been recovered from each title area. We propose to respect these proportions when allocating both costs and revenues across the boundary, thus ensuring that Field Development Planning is not artificially distorted by the different fiscal regimes.

We seek your confirmation that these arrangements will not be affected by the proposed PRRT legislation.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Peter Coleman", written over a light blue horizontal line.

**Peter Coleman**  
Chief Executive Officer and Managing Director