



Media Release

Senator Alan Eggleston

Liberal Senator for Western Australia

Customers will pay for Rudd's excise tax on gas

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Only a week after announcing that the cost of Kevin Rudd's Emissions Trading Scheme will drive up gas prices, Woodside has now indicated that they will also be passing on the \$2.5 billion excise tax bill to their customers.

The excise tax was announced by Kevin Rudd as a budget measure earlier this year, and is expected to put even greater pressure on an already straining gas industry in Western Australia.

WA Liberal Senator Alan Eggleston said no company could absorb \$2.5 billion in additional taxes without passing this cost onto its customers.

"It is inevitable that this huge additional tax will have to be passed onto Woodside's consumers, both locally and overseas," Senator Eggleston said.

"The biggest losers in Kevin Rudd's excise scheme will be Western Australia's domestic gas consumers."

Senator Eggleston said the cost of power in WA will rise with inevitable flow on in many areas from domestic and industrial consumption, to public services such as hospitals.

"Australia's reputation for being a reliable 'sovereign risk' nation where agreements with the government would be respected, has been compromised by the Rudd Government changing arrangements with the North West Shelf Joint Venture,"

"This means Australia's reputation and competitive advantage in attracting large resource investment will be undermined."

"As a result, resource companies such as Northwest Shelf Joint Venture partners and Woodside are more likely to take future investments offshore to competitors such as Qatar, Indonesia and Nigeria."

"The effect this excise tax will have on Australian industry and the price of consumer goods could be serious." Senator Eggleston said.

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