

QLD NEWS

‘No surprises’ : Japan’s growing fears over Aussie coal and gas taxes

Spooked Japanese companies are worried about “drastic” changes to Australia’s coal and gas policies.



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Spooked Japanese companies want “no surprises” going forward after “drastic” changes to Australia’s coal and gas policies, with boardrooms becoming worried about sovereign risk for the first time, the nation’s outgoing ambassador has warned.

Ambassador Shingo Yamagami said while there were strong ties between the two nations – and directly with Queensland – but there were growing concerns from businesses about investing.

It is not limited to coal and gas, with fears policy stability could spread to other export growth areas like hydrogen and ammonia.



Outgoing Japanese Ambassador Shingo Yamagami. Picture: NCA NewsWire / Gary Ramage

Last year, Queensland [raised the top royalty rate 15 per cent to 40 per cent](#) without prior consultation, a move which Mr Yamagami has previously said [sent “shockwaves” through Tokyo’s stockmarkets.](#)

Mr Yamagami said he had conveyed to Premier Anastacia Palaszczuk and Treasurer Cameron Dick last year the concerns of Japanese businesses.

“I understand that they are in the middle of consultations still. We’re waiting for good news,” he said.

“As far as future co-operation is concerned, we do not want to see any surprises. That is crucial in ensuring mutual trust,” he said.

“My impression is both the Premier and Treasurer are aware of the importance of trade and investment ties between Queensland and Japan.

“We are waiting for them to address this concern shared by Japanese business people.”

He said 70 per cent of Japan’s coal came from Australia, as well as 40 per cent of

its gas.

“We have long relied on Australia to be a stable, reliable source of energy resources to Japan. This is why we have to speak out,” Mr Yamagami said.

“Because of recent measures taken by the federal government on gas policy and coal policy taken by Queensland ... there’s a growing concern on the part of Japanese business people.

“Possibly for the first time this word sovereign risk is coming to the lips of Japanese business leaders, it is being discussed in boardrooms in Tokyo. It is as serious as that.”



Outgoing Japanese Ambassador Shingo Yamagami. Picture: NCA NewsWire / Gary Ramage

He said this had impacts into other areas of potential growth between Queensland and Japan, such as hydrogen production.

“In order to proceed with hydrogen and ammonia projects, you need a massive amount of investment,” he said.

“In order to do that, Japanese companies need to make sure the investment environment in Queensland will remain the same. Reliable, no surprises, no changes. That’s critical.”

Mr Dick has previously stressed that the state’s relationship with Japan was “strong, valuable and important”, but that the [resources belonged to the people of Queensland](#).