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the voice of australia's
oil and gas industry

Traditional industry, changing times

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APPEA

APPEA Tax Conference 2017





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The political/media environment today

- Soft support for mainstream political parties
- Proliferation of media channels
- Activism and populism self-reinforcing
- Self-absorbed voters
- Generational divide on social & economic issues
- Crashing trust in experts and institutions

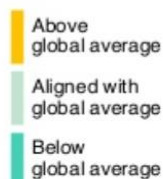


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1 in 2 Countries Have Lost Faith in the System

Percent of population who believe the system is not working



In 14 countries, the percent of population that has lost faith is above the global average

Systemic loss of faith restricted to Western-style democracies

	Global	France	Italy	Mexico	S. Africa	Spain	Poland	Brazil	Colombia	Germany	U.K.	Australia	Ireland	U.S.	Netherlands	Canada	Sweden	Argentina	Malaysia	Turkey	Russia	S. Korea	Indonesia	Japan	India	Hong Kong	Singapore	China	UAE
System failing	53	72	72	67	67	67	64	62	62	62	60	59	59	57	56	55	55	53	52	51	48	48	42	42	36	35	30	23	19
Uncertain	32	22	24	25	24	25	25	25	27	26	29	30	26	33	33	30	29	29	37	31	28	41	40	45	45	50	43	47	40

Source: 2017 Edelman Trust Barometer Q672-675, 678-680, 688-690.

For details on how the "system failing" measure was calculated, please refer to the Technical Appendix. The margin of error for the countries scores was added and subtracted from the global mean. Countries were considered above the global average if their score was higher than the global mean plus the margin of error. Countries were considered below the global average if their score was lower than the global mean minus the margin of error. All other scores were considered aligned.



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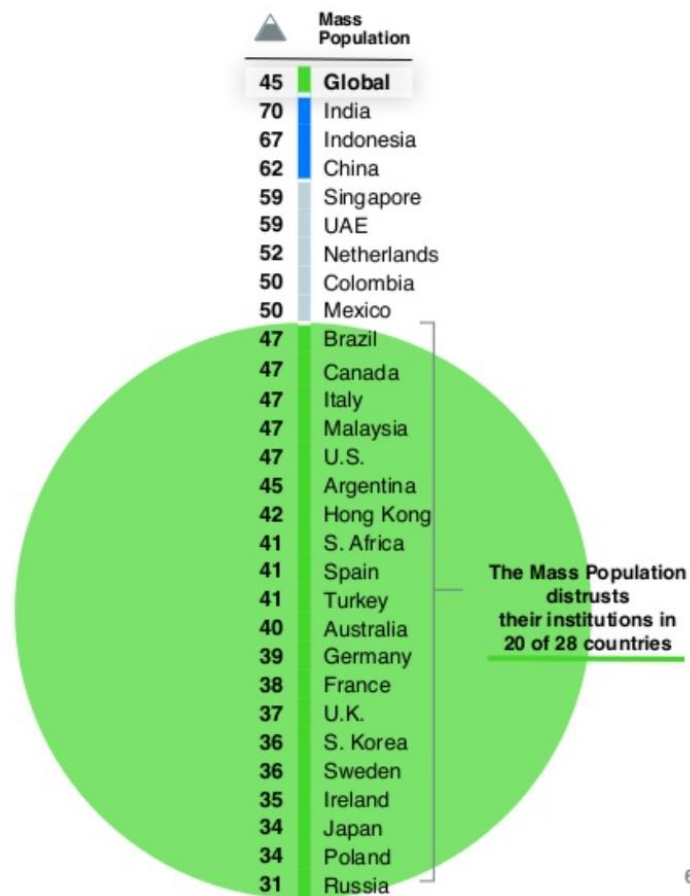
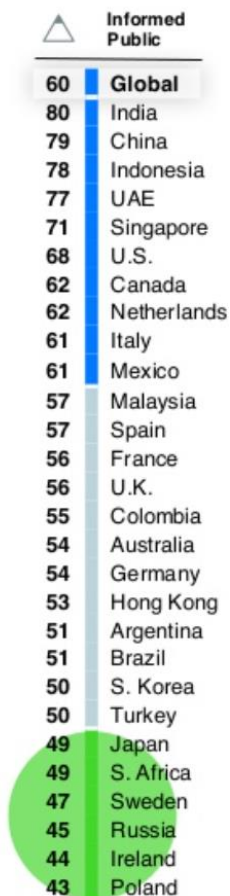
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Trust Index Mass Population Left Behind

Average trust in institutions,
Informed Public vs. Mass Population



Source: 2017 Edelman Trust Barometer.
The Trust Index is an average of a country's trust in the institutions of government, business, media and NGOs. Informed Public and Mass Population, 28-country global total.

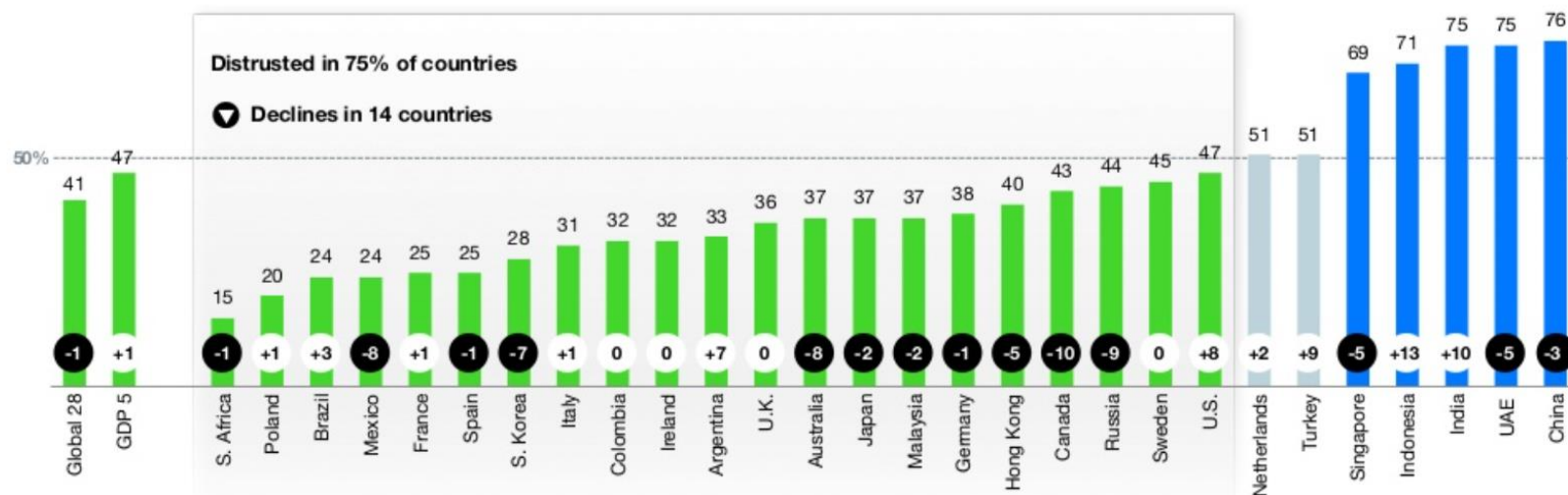


Trust in Government Further Evaporates

Percent trust in government, and change from 2016 to 2017

Distrust Neutral Trust

- + Y-to-Y Change



Source: 2017 Edelman Trust Barometer Q11-620. [TRACKING] [GOVERNMENT IN GENERAL] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal." (Top 4 Box, Trust) General Population, 28-country global total.

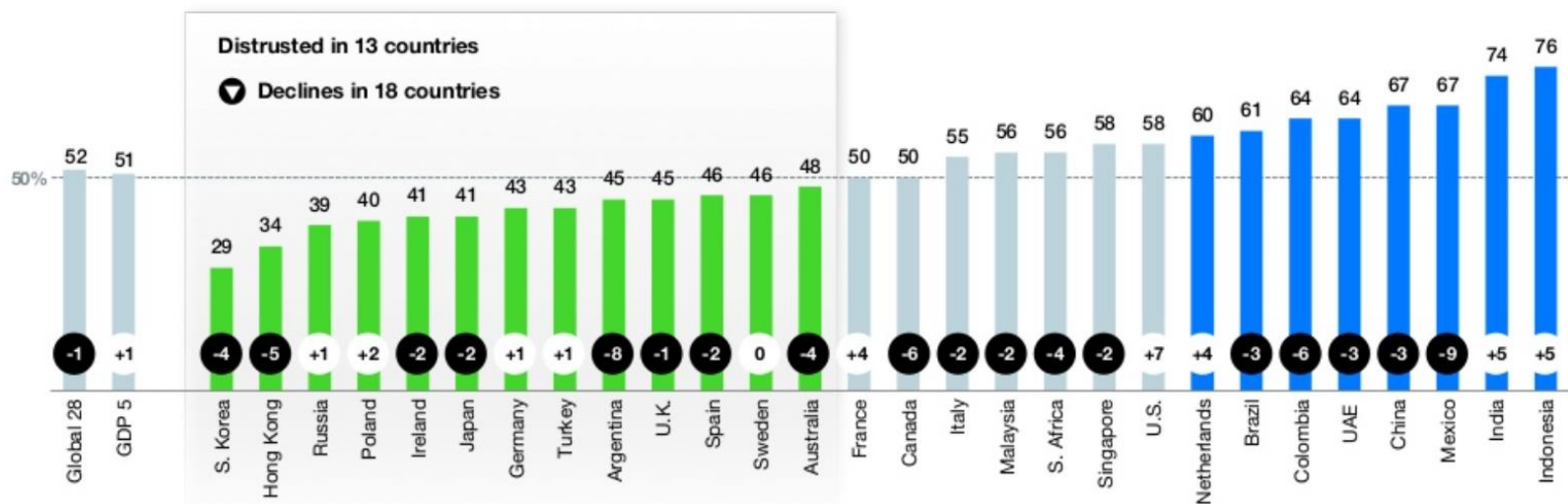
GDP 5 = U.S., China, Japan, Germany, U.K.

Business on the Brink of Distrust

Percent trust in business, and change from 2016 to 2017

Distrust Neutral Trust

● + Y-to-Y Change



Source: 2017 Edelman Trust Barometer Q1 1-620. [TRACKING] [BUSINESS IN GENERAL] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal." (Top 4 Box, Trust) General Population, 28-country global total.

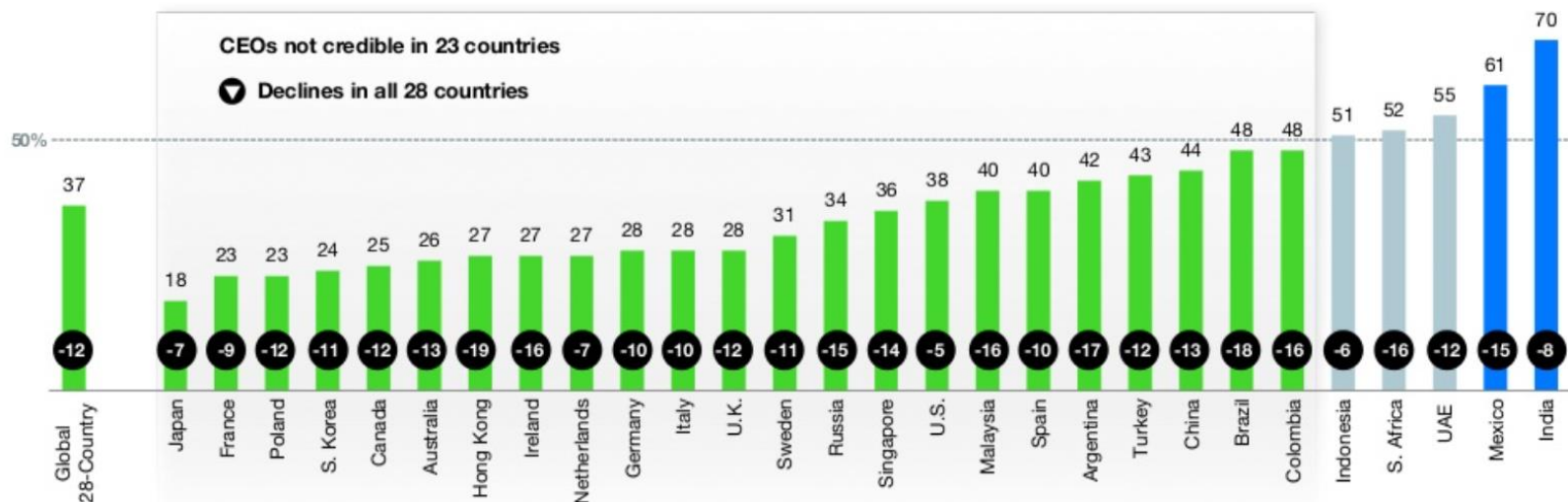
GDP 5 = U.S., China, Japan, Germany, U.K.

All-time Low for CEO Credibility

Percent rate CEOs as extremely/very credible, 2016 vs. 2017

■ Distrust ■ Neutral ■ Trust

● + Y-to-Y Change



Source: 2017 Edelman, Trust Barometer Q130-747 Below is a list of people. In general, when forming an opinion of a company, if you heard information about a company from each person, how credible would the information be—extremely credible, very credible, somewhat credible, or not credible at all? (Top 2 Box, Very/Extremely Credible) General Population, 28-country global total, question asked of half the sample.

GDP 5 = U.S., China, Japan, Germany, U.K.

Trust in Media Plunges to All-Time Lows

Percent trust in media, and change from 2016 to 2017

■ Distrust
 ■ Neutral
 ■ Trust

- + Y-to-Y Change



Source: 2017 Edelman Trust Barometer Q1 1-620. [TRACKING] [MEDIA IN GENERAL] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal." (Top 4 Box, Trust) General Population, 28-country global total.

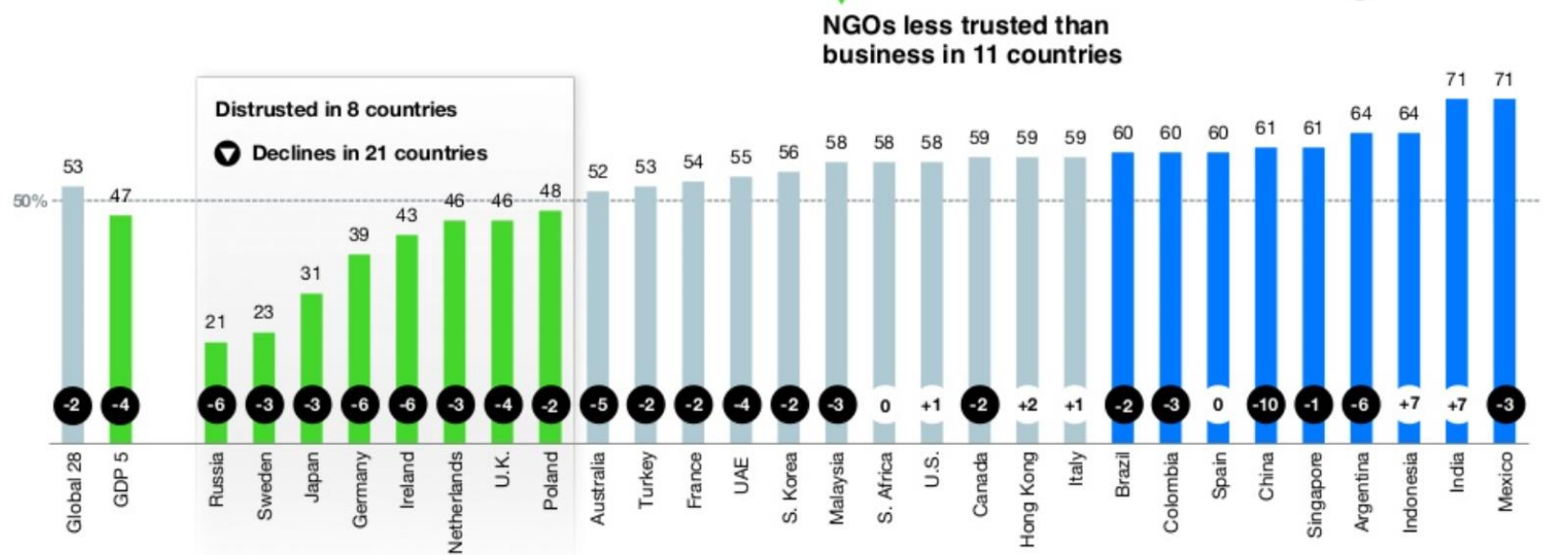
GDP 5 = U.S., China, Japan, Germany, U.K.

Trust in NGOs Declines

Percent trust in NGOs, and change from 2016 to 2017

Distrust Neutral Trust

● + Y-to-Y Change



Source: 2017 Edelman Trust Barometer Q1 1-620. [TRACKING] [NGOs IN GENERAL] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal." (Top 4 Box, Trust) General Population, 28-country global total.

GDP 5 = U.S., China, Japan, Germany, U.K.

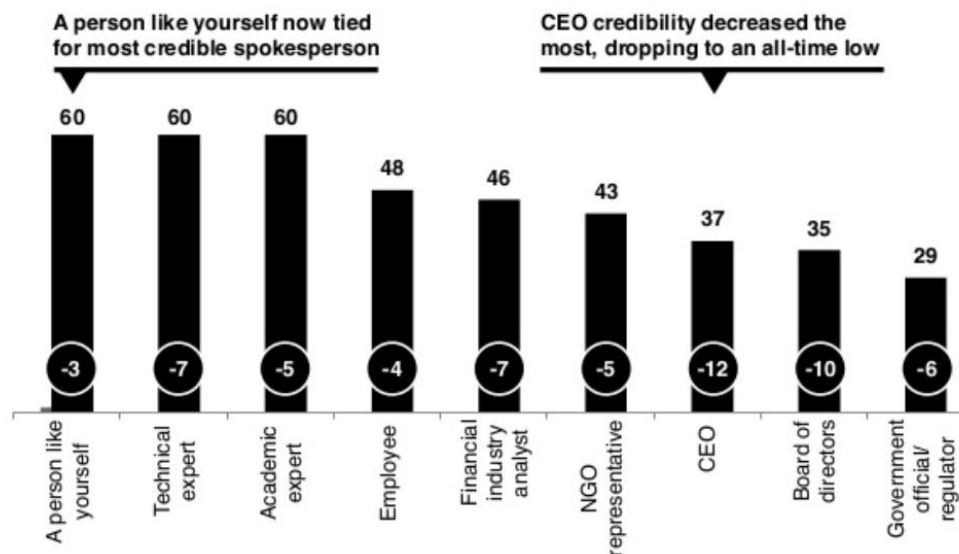
Peers Now as Credible as Experts

Percent who rate each spokesperson as extremely/very credible, and change from 2016 to 2017

● + Y-to-Y Change

“People in this country have had enough of experts.”

– Michael Gove,
Member of Parliament, U.K.



Source: 2017 Edelman, Trust Barometer Q130-747 Below is a list of people. In general, when forming an opinion of a company, if you heard information about a company from each person, how credible would the information be—extremely credible, very credible, somewhat credible, or not credible at all? (Top 2 Box, Very/Extremely Credible) General Population, 28-country global total, question asked of half the sample.

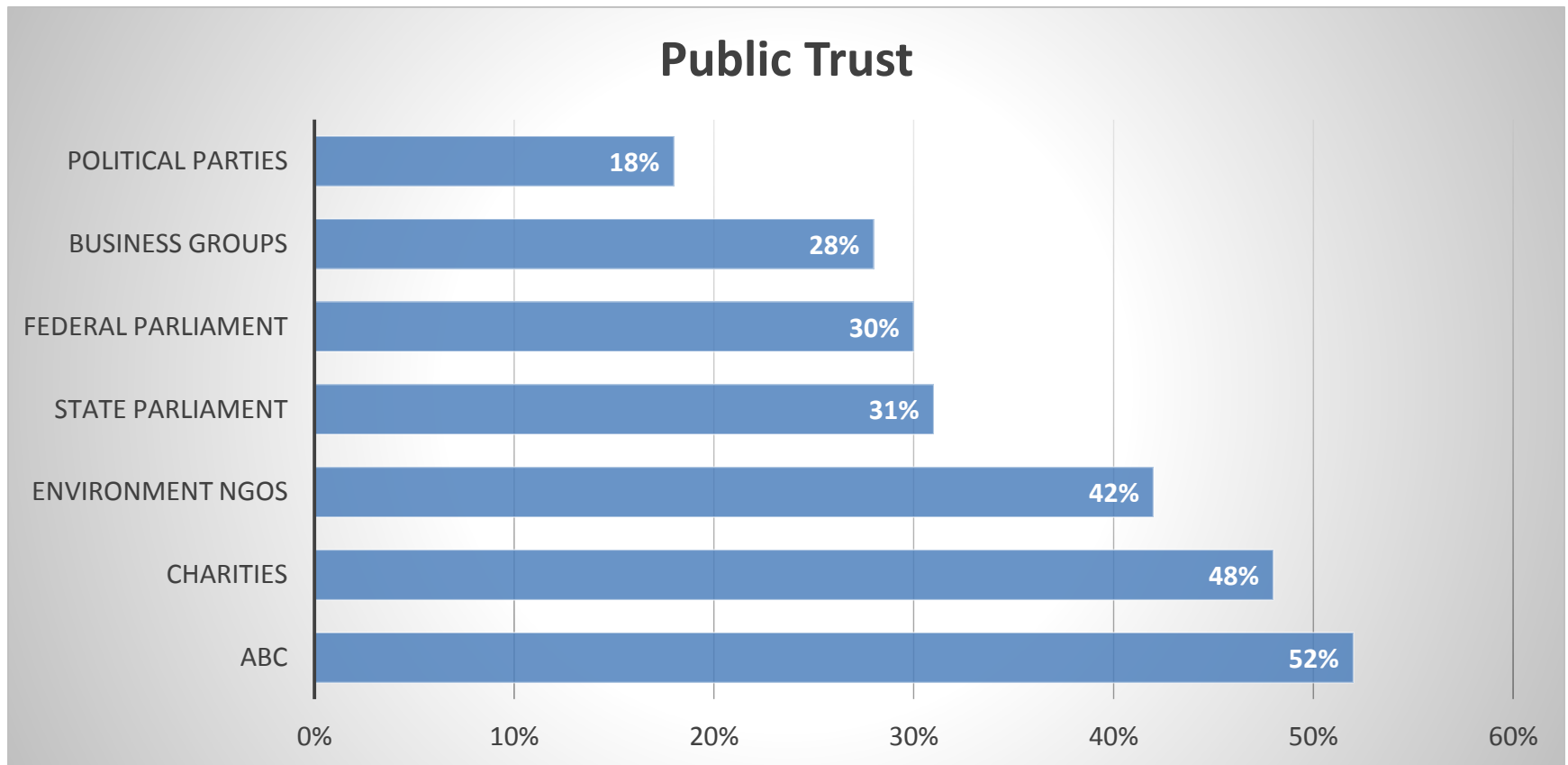


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What about Australia ?

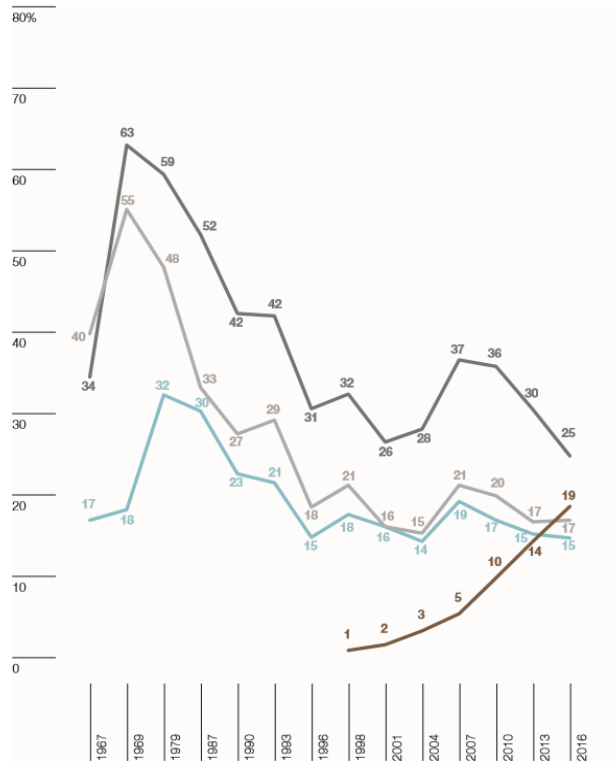
Trust deficit – especially for business



Disengaged voters tune out

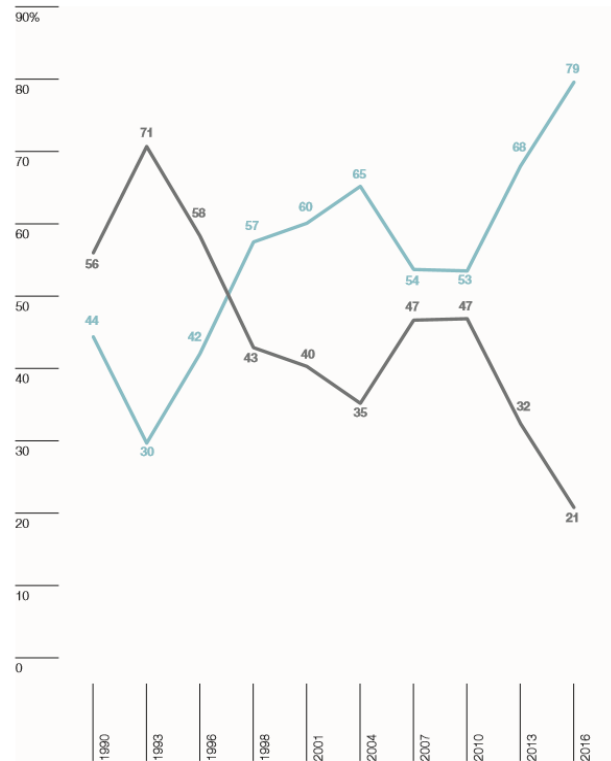
Followed the election in the mass media

— Television
— Radio
— Newspapers
— Internet



Watched the leaders' debates

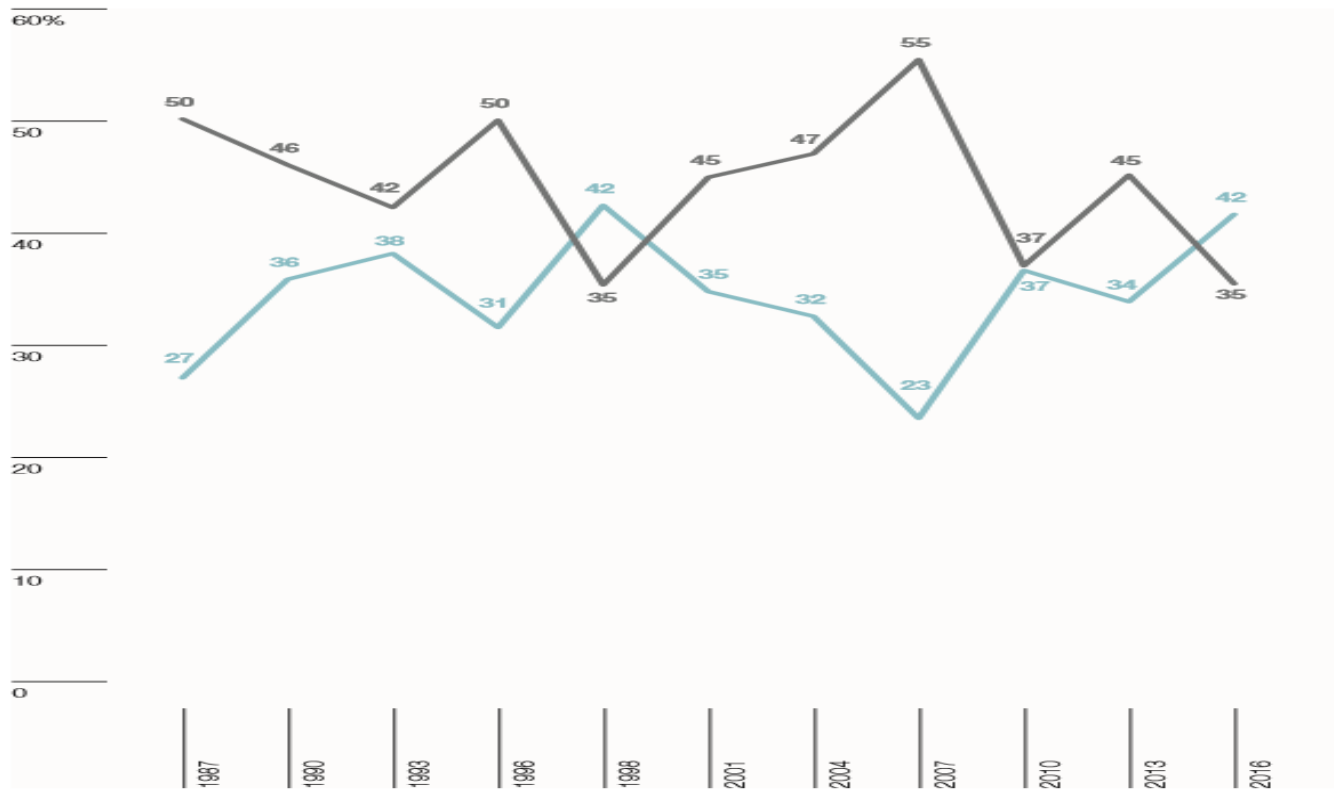
— Watched debate
— Did not watch debate



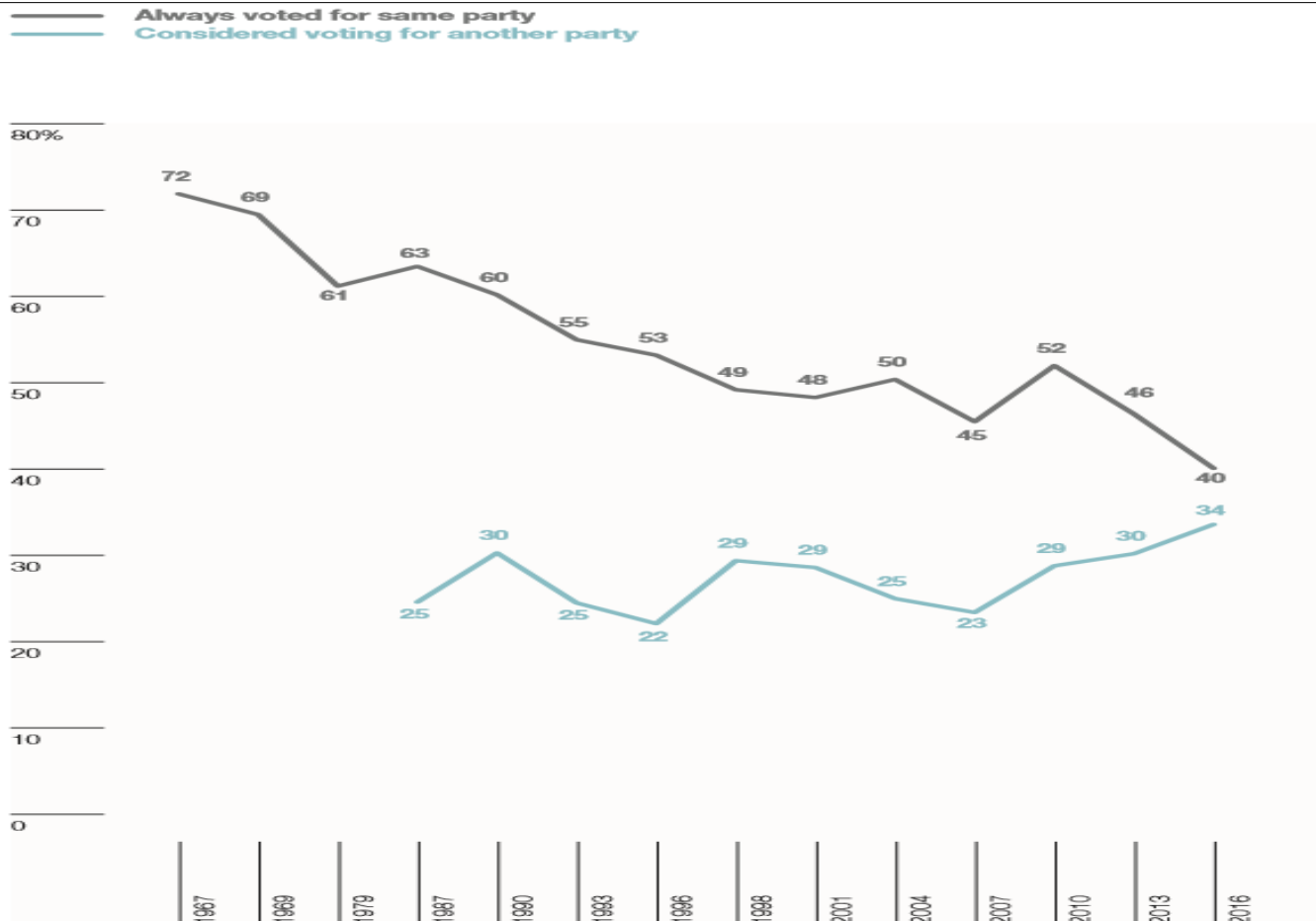
Disengaged voters decide late

Timing of the voting decision

— A long time ago
— During the election campaign



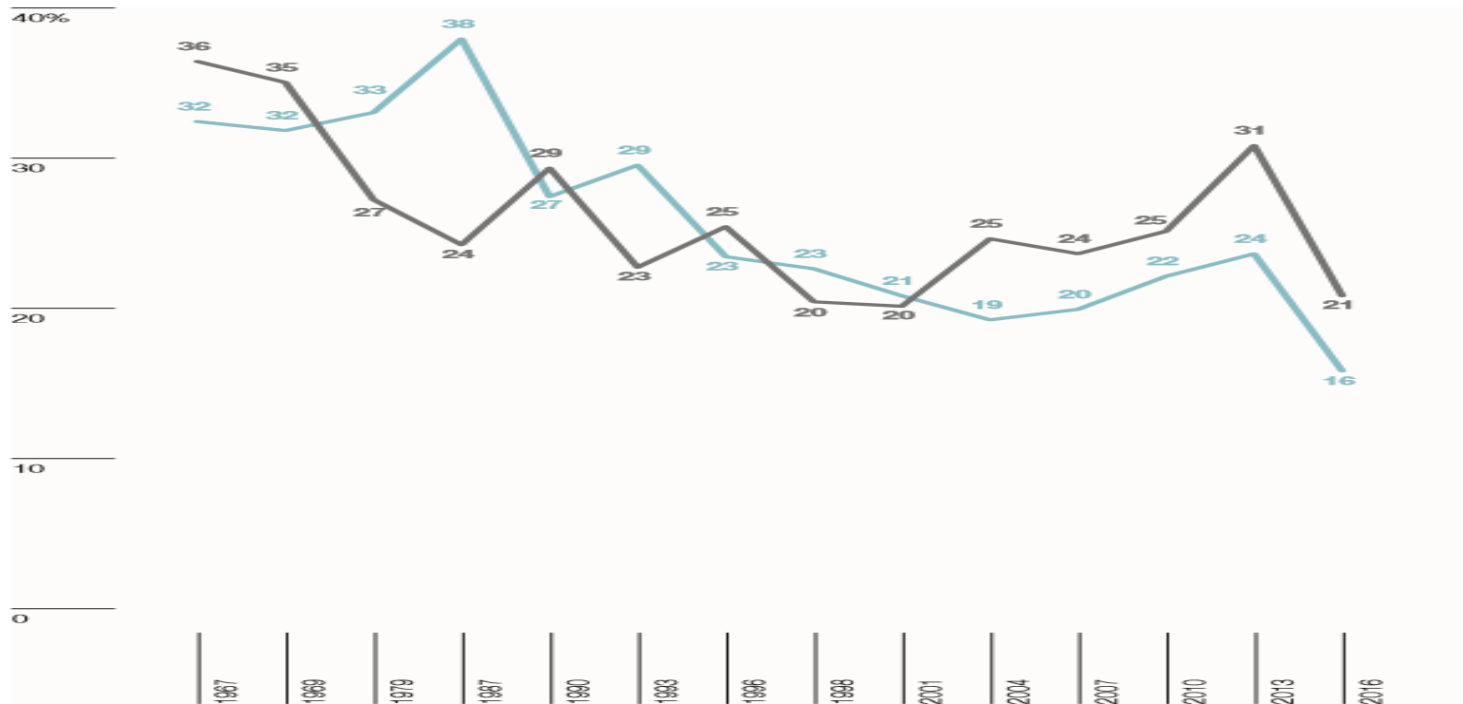
Hollow parties



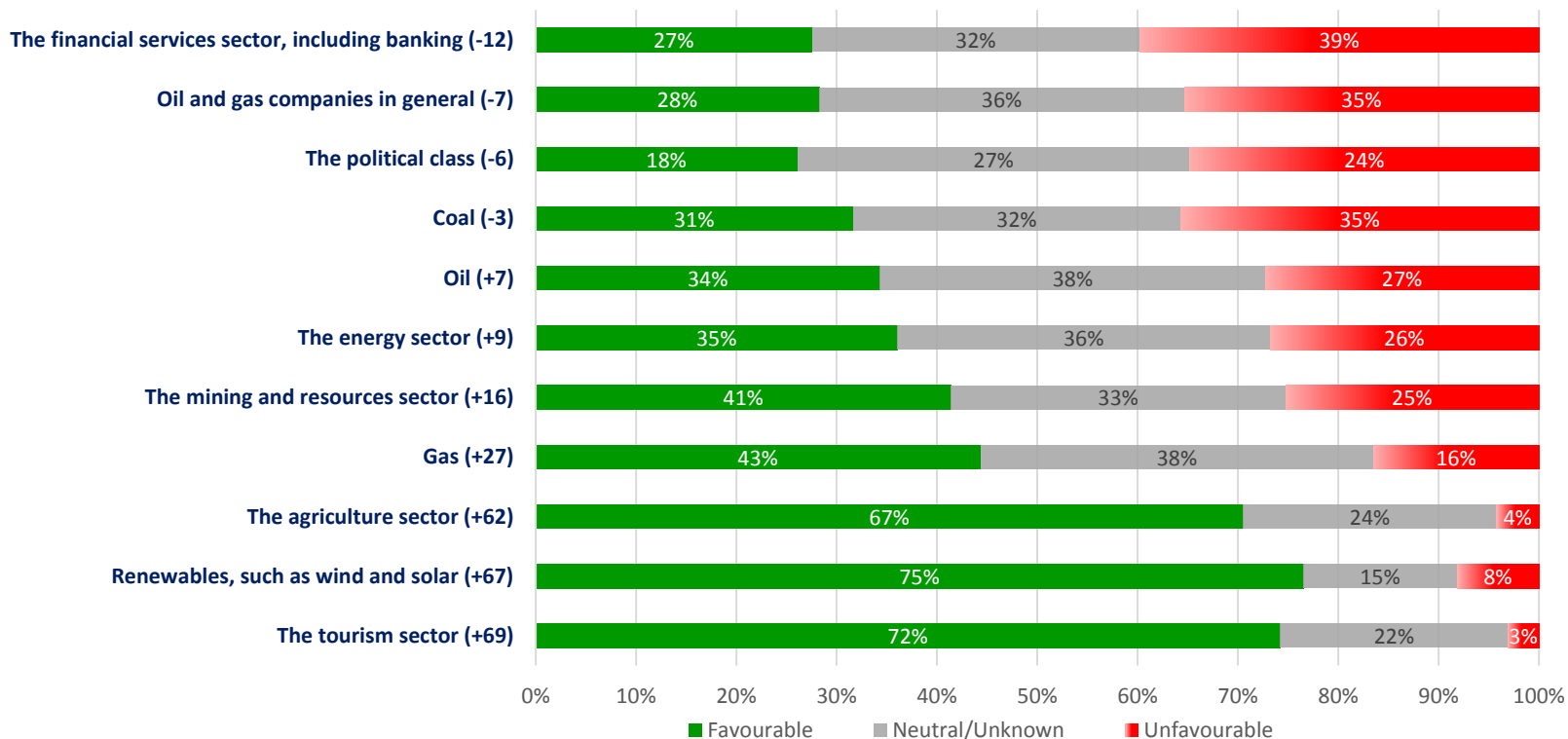
True blue – or red – no longer

Lifetime voting

— Stable Liberal-National
— Stable Labor



Sentiment towards oil and gas industry



Some issues close to home

- 75% support domestic gas reservation
- 25% support banning coal seam gas operations on farm land
- 64% believe big business doesn't pay enough tax
- 60% believe making multinationals pay more tax would be good for the economy – only 13% disagree
- 55% believe it is harder than ever for governments to control the influence of multinational corporations

What should we do ?

- Continue with the traditional model
 - Influence policy makers in traditional ways through data, analysis and advocacy
- AND
- Bypass the politicians and hostile media through new channels
 - Mobilise third party supporters
 - Change our business practices to align with community expectations
 - Stress shared values as well as economic benefits
 - Emphasise the points where we connect with people

One view of advocacy

A successful advocacy campaign doesn't make friends

It makes enemies

It points the finger,

Names names and starts a fight

It tells us who is responsible and how to fight back

It tells us which side we're on

- Public Media Centre