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10 April 2026

Select Committee on the Taxation of Gas Resources  
PO Box 6100  
Parliament House  
Canberra ACT 2600

To whom it may concern,

**RE: KDCCI SUBMISSION FOR THE TAXATION OF GAS RESOURCES**

**Introduction:**

The Karratha & Districts Chamber of Commerce & Industry (KDCCI) welcomes the opportunity to provide a submission to the Select Committee on the Taxation of Gas Resources.

KDCCI represents a broad cross-section of businesses operating in Karratha and the Pilbara region of Western Australia. Our 400 members span a small and medium enterprises, Indigenous businesses, service providers, and major contractors that collectively support one of Australia's most strategically important economic regions.

The Pilbara is central to Australia's national economic performance, with gas and resources sector underpinning exports, employment, and investment. The Pilbara is responsible for \$90 billion Gross Regional Product and 35% of Australia's exports.<sup>1</sup> Any changes to the taxation of gas resources must carefully consider the broader economic, social, and regional impacts.

**The Role of the Gas Industry in Regional Communities:**

Gas resource companies play an integral role in sustaining and developing regional communities such as Karratha. Beyond direct employment and production, these companies contribute significantly through:

**1. Local procurement and business development.**

Substantial spending with local suppliers supports the viability and growth of small and medium enterprises across the Pilbara.

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<sup>1</sup> Pilbara Development Commission, *Pilbara Economic Snapshot*, 5<sup>th</sup> ed, December 2025



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**2. Funding capability and capacity building programs.**

Industry-funded initiatives strengthen local businesses, enabling them to compete, grow and diversify.

**3. Support for Indigenous businesses**

Targeted programs have driven meaningful participation of Indigenous enterprises in the regional economy, contributing to long-term economic empowerment.

**4. Diversity and inclusion initiatives.**

Gas companies actively invest in workforce diversity, improving social outcomes and broadening economic participation.

**5. Community partnerships and events.**

Collaboration with organisations like the KDCCI enables the delivery of events, training, and programs that foster a thriving and connected business community.

**6. Direct community investment.**

Significant funding flows into education, health, housing, and social infrastructure, enhancing liveability in remote regions.

This investment ecosystem is critical to making Karratha and the broader Pilbara region not only economically productive but also liveable and attractive to workers and families.

**The Economic Importance of the Pilbara and LNG Sector:**

The Pilbara region is a cornerstone of Australia's export economy, particularly through liquefied natural gas (LNG). The success of LNG projects has:

- Generated substantial national income and government revenue
- Strengthen Australia's position as a reliable energy supplier to regional trading partners
- Supported thousands of direct and indirect jobs
- Enabled long-term infrastructure development in remote regions

There is currently approximately \$67.5 billion in future oil and gas investment across the Pilbara region.<sup>2</sup> This level of prospective capital highlights both the global significance of the region and the confidence investors have in Australia's policy and regulatory environment.

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<sup>2</sup> Pilbara Development Commission, *Pilbara Investment Snapshot*, 4<sup>th</sup> ed, November 2025



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Importantly, the presence of major gas projects is a key factor in attracting and retaining a skilled workforce in the Pilbara. Without this anchor industry, many regional communities would struggle to sustain population and services.

### **Considerations on Taxation Changes:**

KDCC acknowledges the importance of ensuring that Australia receives an appropriate return on its natural resources. However, any changes to taxation arrangements must be approached with caution.

The LNG sector is highly capital-intensive, with long project lifecycles and significant upfront risk. Stable and predictable fiscal settings are essential to maintaining investor confidence.

With \$67.5 billion in prospective oil and gas investment in the Pilbara, it is critical that policy settings do not undermine this pipeline. Uncertainty or abrupt changes to taxation frameworks risk:

- Delaying or cancelling future projects
- Redirecting global capital to competing jurisdictions
- Eroding investor confidence in Australia as a stable investment destination
- Reducing long-term government revenue

Put simply, we cannot afford to lose investor confidence in oil and gas projects due to tax reform that is perceived as unpredictable or uncompetitive.

Changes to taxation policy are not abstract – they have direct consequences for regional communities. Reduced investment or operational activity would likely result in:

- Lower local procurement spending
- Fewer business opportunities for SMEs
- Reduced funding for community programs
- Challenges maintaining population and services

### **Gas Prices, Global Uncertainty, and Market Stability:**

Global energy markets remain volatile, influenced by geopolitical tensions including the conflict in the Middle East. In this context, Australia's LNG sector plays a critical role in:

- Supporting energy security for regional partners
- Contributing to stability in global energy supply
- Proving economic resilience domestically



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Policy settings that undermine the sector's viability risk exacerbating global insecurity and reducing Australia's strategic influence.

#### **Impact on Households, Businesses, and Government Revenue:**

KDCCI recognises the significant cost of living pressures being experienced across Australia, particularly in southern-eastern population centres where many national policy decisions are shaped and influenced.

However, it is critical to emphasise that cost of living pressures in the Pilbara are often significantly higher and more acute than in metropolitan areas. The median rental price is approximately \$1,000 per week.<sup>3</sup>

Regional communities such as Karratha face:

- Higher costs for housing, utilities, and insurance
- Increased freight and supply chain expenses impacting everyday goods
- Workforce attraction and retention challenges that drive up wages and business costs

As a result, both households and businesses in the Pilbara experience compounded cost pressures, despite living in a region that contributes disproportionately to the national economy.

At the same time, the gas industry plays a vital role in offsetting these challenges by:

- Supporting higher incomes and employment opportunities
- Investing in community infrastructure and services
- Driving economic activity that sustains businesses

The gas industry also contributes significantly to government revenue, which supports essential services and cost of living relief measures nationwide.

However, it is important to recognise that:

- Sustained revenue depends on ongoing investment and production
- Overly burdensome taxation may reduce the overall revenue base over time
- Regional businesses rely on the economic activity generated by the sector

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<sup>3</sup> Pilbara Development Commission, *Pilbara Half Yearly Housing & Land Summary*, June 2025



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A balanced approach is required. An approach that both addresses the national cost of living concerns without undermining the industries that sustain regional Australia and fund government services.

### **Recommendations:**

To support evidence-based policy development and ensure that any changes to gas taxation do not have unintended consequences for regional economies, KDCCI recommends that the Committee:

1. Undertake comprehensive economic impact modelling prior to any policy change, including assessment of:
  - Regional employment and contractor ecosystems
  - Domestic gas and electricity costs for industry
  - Investment timing and project pipeline certainty
  - Competitiveness of emissions-intensive, trade-exposed industries
  - Flow-on impacts to small and medium enterprises in regional communities
2. Assess the cumulative impact of existing and proposed regulatory settings on the international competitiveness of Australia's LNG sector, particularly relative to other global investment destinations.
3. Explicitly consider regional economic resilience and liveability as part of any taxation reform, recognising the disproportionate role resource projects play in sustaining remote communities such as those in the Pilbara.
4. Engage directly with regional stakeholders, including business chambers, Indigenous enterprises, and local suppliers, to ensure policy settings reflect on-the-ground economic realities.

These measures would support a balanced approach that ensures an appropriate return on Australia's natural resources, while safeguarding regional economies, investment certainty, and long-term national prosperity.

### **Conclusion:**

The gas industry is foundational to the economic and social fabric of Karratha and the broader Pilbara region. Its contributions extend far beyond taxation revenue, underpinning local businesses, community development, and regional liveability. With \$67.5 billion in prospective oil and gas investment tied to the Pilbara, maintaining investor confidence must be a central consideration in any reform process.



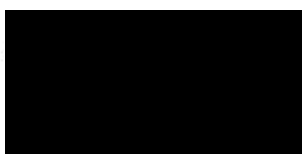
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KDCCI supports a balanced approach to resource taxation. However, this must be underpinned by robust economic modelling, genuine regional engagement, and careful consideration of the cumulative impacts on investment, competitiveness, and community sustainability.

Policy settings should enable continued investment and regional development, not introduce uncertainty that risks undermining one of Australia's most significant economic drivers.

Should you require any additional information, please feel free to contact me  
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Yours sincerely,



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