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SUBMISSION TO SELECT COMMITTEE ON THE TAXATION OF GAS RESOURCES

Committee Secretary

Select Committee on the Taxation of Gas Resources

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AUSTRALIA

I thank the committee for the opportunity to contribute to this inquiry.

I will be brief. Australian gas belongs to Australians. When our gas is sold and sent overseas, the Australian people have a right to a portion of that revenue. Current taxation settings are plainly out of step with community expectations. As an elected representative, I have received hundreds of representations on this topic in recent weeks which describe the current system as broken, imbalanced and in need of reform. I have no doubt that committee members would have received similar representations. It is clear that the export of gas, which generates much revenue for the companies who engage in it, is not being taxed properly. A 25% tax on gas exports would better align with community expectations and go some way to addressing the billions of dollars in interest that Australia is paying on the national debt each year.

I won't tender details of the take from the Petroleum Resource Rent Tax relative to other taxes. I'm confident other submissions will do that. As a senator for Western Australia, I represent a state that exports more gas than any other. According to AEMO¹, WA has enough gas to satisfy domestic consumption and export demand for just over 100 years. WA's 15% gas reservation for domestic use is an important check on the instinct of business to make as much profit as possible by sending as much gas overseas as possible. A proposal for a similar reservation at the federal level was announced in December,

¹ AEMO (2017), WA Gas Statement of Opportunities.

but there has been little said about it since. If the Iran war has taught Australia anything, it is that we need to be prepared for disruptions of international supply chains. We are far less vulnerable, even on the east coast, to gas shortages than we are to petrol shortages, but we can no longer afford to be lax about having domestic contingencies for any of the key resources that keep our country going.

Recommendations

- 1. That the Australian Government implement a 25% tax on gas exports.**
- 2. That the Australian Government expedite the implementation of an Australia-wide domestic gas reservation policy.**