

Dear Committee,

Thank you for the opportunity to submit to the Select Committee on the Taxation of Gas Resources.

My name is Ketan Joshi. I am an independent analyst and climate advocate based in Oslo, Norway. I am affiliated with The Australia Institute as a Senior Research Associate, among my various contracts and clients, but am writing this submission as a private individual. I previously worked in Australia in the renewable energy industry and for government agencies such as ARENA and the CSIRO in communications roles (2010 to 2019). In 2019 my family relocated to Norway, and I have continued my work as a climate advocate.

Generative AI was not used in the process of creating this submission, due to inaccuracy, ethical and environmental concerns.

This brief submission will address items:

e. alternative tax arrangements for oil and gas production and export that other countries have put in place, and the revenue implications if those arrangements were adopted in Australia;

g. any other related matters.

This submission will argue that Norway's taxation of oil and gas extraction has served as a useful step towards the goals of climate action and fossil fuel phase-out, with the vital caveat that that benefit has been a 'launching pad' for broader civil society efforts and legal cases pushing back against the government's expansionist agenda, and that much care is required to avoid the long-term task of fossil phase-out remains central.

The goal is the wind-down of Norway's oil and gas extraction, to avoid the harms caused by both the extraction and eventual use of dangerous fossil fuel products. Making the fossil fuel industry pay for its pollution is a vital first step, but Norway has failed to take this project as far as it needs to go, and is even starting to take backwards steps.

Norway's fossil fuel revenues help partially wrangle fossil fuel companies

Norway has access to some of the most significant oil and gas reserves in the world, and as such, we have grown into a fossil fuel exporter disproportionate to our population. In

terms of exported emissions, we retain 2nd place in the world for tonnes of exported climate damage per person¹.

While we here in Norway bear a moral burden of the financial cost and mortality from the use of those fossil fuels, we also reap disproportionate rewards from their sale, thanks to the early establishment of a sovereign wealth fund and continued relatively high taxation of the fossil fuel industry.

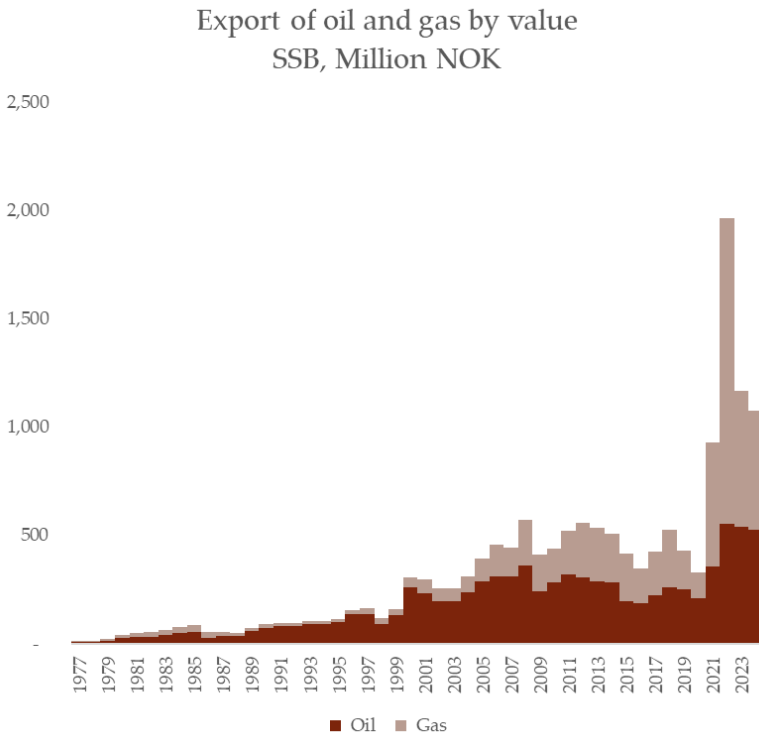
The offshore petroleum sector in Norway sees both an ‘ordinary corporate income tax (22%), and what is known as a ‘special petroleum tax’. Oxfam states this yields an effective marginal rate of 78% on resource rent². As Oxfam state, “It is possible to apply such a tax using familiar tax forms (corporate income tax), align the tax base with net profit, and apply it within a high-rent industry”.

To some degree, this cash has provided cushioning not only for Norway’s highly generous welfare state (one I personally benefit from on a daily basis), but notable policies such as tax cuts for electric passenger car.

The high fossil fuel price impacts of conflict, such as Russia’s violent invasion of Ukraine, has resulted in significantly higher revenues in recent years:

¹ <https://dashboards.sdgindex.org/explorer/?metric=co2-emissions-embodied-in-fossil-fuel-exports>

² <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621775/bp-how-to-increase-taxes-on-fossil-fuel-profits-19122025-en.pdf;jsessionid=9C50EF41395F081C5456ACE40641D95F?sequence=>



Source: SSB³ / Author analysis

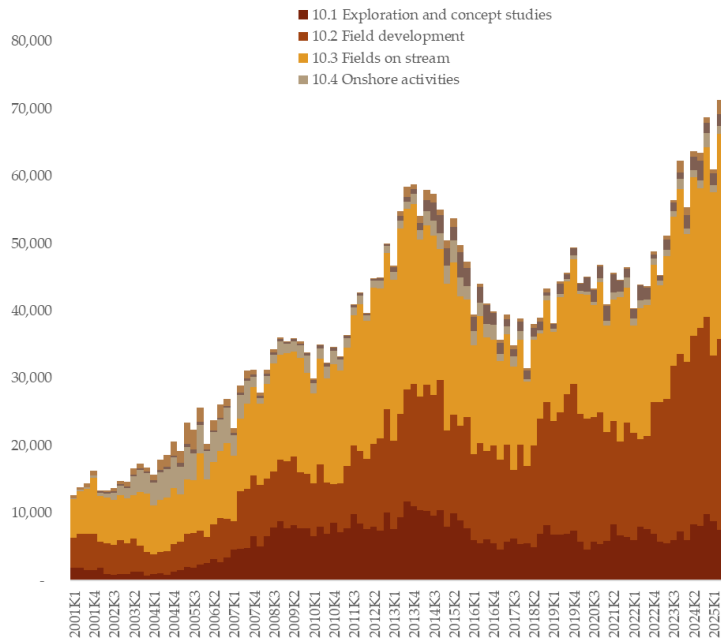
What this shows is that taxing fossil fuels is basically compulsory for any modern petrostate that is even considering the project of decoupling from fossil fuels at every level. But it is a first step, and must be followed by a continued project of anti-fossil fuel activism.

Part 2 – After tax: the ongoing fight to decouple from fossil extractivism

Rather than moving away from fossil fuel extraction due to the immense harms caused by fossil fuels, Norway's government has chosen to double down. My own data shows that Norway's investments into fossil fuel extraction has risen significantly over the past few years, driven by obscenely generous subsidies granted to the industry during COVID19

³ <https://www.ssb.no/natur-og-miljo/faktaside/miljo>

Accrued investments. Extraction of crude petroleum and natural gas, and pipeline transportation (NOK million)
SSB 09602

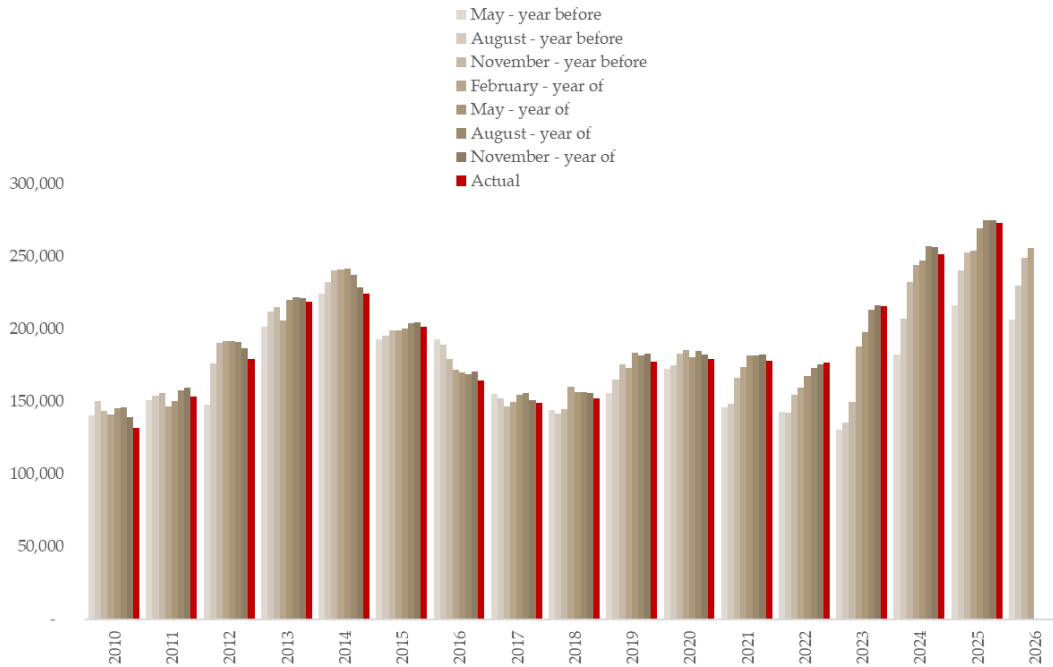


Source: SSB 09602 / Author analysis

The levels of investment in fossil fuels are so high in Norway that each year, the government's own forecasts massively understate what ends up being the actual investment in fossil fuels for that year. This has been the case for 2-3 years in a row now, as my own analysis shows:

Previous forecasts and **actuals** for total fossil fuel investment in Norway

SSB 07155, Extraction of oil and natural gas / Pipeline transport - Feb 2026 edition



Source: SSB 07155 / Author analysis

While Norway is rightly seen as a bastion of democracy globally, our great shame is not aligning the fossil fuel industry to the wishes of the public. There is growing support for a major cutback on fossil fuel exploration, as found in a recent report by campaign group Oil Change International⁴. Yet we continue to spend unreasonable volumes of money subsidising the fossil fuel industry.

In more recent years, the narrative has shifted towards the idea of Norway’s gas as a quasi-heroic war program, replacing Europe’s reduced Russian gas imports with clean, democratic and acceptable fossil fuels from our state. However this has coincided with a massive and crippling increase in the cost of those fossil fuels, meaning Europeans paying obscenely high energy bills probably do not really feel ‘saved’ by Norway. Europeans sent just under 150 euros per person to Norway (and the same to the US)⁵. However, if the EU had simply aligned with its climate goals, it could’ve eliminated the need for that gas rather than replacing Russian gas with American and Norwegian gas.

⁴ <https://oilchange.org/publications/voters-want-norway-to-cut-back-on-oil-exploration/>

⁵ https://energyandcleanair.org/wp/wp-content/uploads/2026/01/CREA_EU-CO2-emissions-fossil-fuel-imports_2025.pdf#page=13

As Oil Change International wrote⁶,

“Norway has approved the most oil and gas projects in the North Sea since signing the Paris agreement, and the country’s planned expansion to 2050 is equal to the lifetime emissions of [19 coal-fired power plants](#) or 60 years of domestic emissions”

Though a few years old now, I provide a more detailed account of Norway’s climate hypocrisy here: <https://ketanjoshi.co/2024/02/26/why-norway-craves-the-worst-case-climate-outcome/>

I have also worked with cultural advocacy group Klimakultur here in Norway to explore how “petroganda” has spread through the community. Equinor provides sponsorships, for instance, to universities, science museums and school education.

The broad feeling that we “need” oil and gas revenues to fund the state has been shown to be false. Indeed, an analysis by the Norwegian Climate Foundation found that cutting off new oil and gas exploration would barely make a dent in our gargantuan sovereign wealth fund⁷. And separate analysis the Australian Centre for Corporate Responsibility shows that state-owned Equinor is not exactly doing a great job at returning value to the state⁸.

While Norway has always been right to tax its fossil fuel industry, we have been wrong – so badly wrong – to both cling on to it and try to expand it as the world lurches quickly away from the dangerous products we sell. We have taken a valuable first step, but failed to take the next one.

Conclusion and considerations for Australia

I believe Norway’s relationship with fossil fuels and climate action should be considered only partial inspiration for other countries to replicate. Our taxation of the fossil fuel industry is clear something to be envied, and ought to be replicated in Australia. My friends and colleagues at The Australia Institute make this point repeatedly. **Heavy taxes on tobacco were enacted with the explicit goal of killing off that deadly industry, and that is how it should be for fossil fuels.**

Richard Denniss, co-CEO of The Australia Institute, has also strongly highlighted in public talks the need to very persistently highlight the fact no country truly needs to be

⁶ <https://oilchange.org/news/norways-climate-proposal-is-hypocrisy-dressed-up-as-climate-leadership/>

⁷ https://api.klimastiftelsen.no/wp-content/uploads/2024/09/Siste-versjon_leting-etter-olje-og-gass.pdf

⁸ <https://www.accr.org.au/research/the-road-not-taken-equinor%E2%80%99s-alternative-to-international-oil-and-gas-growth/>

desperately clinging to a dying industry to keep itself alive⁹. We should be talking openly, regularly and brazenly about the need to both aggressively tax the fossil fuel industry while clamping down on it and managing its decline. It is strange and absurd to hitch a country's fate to the sale of a product that cooks our life support systems.

It is my personal view that a broad, strong and democratic understanding that every country in the world needs to wind down its fossil fuel production in a controlled manner is a vital partner to the act of massively increasing taxation on fossil fuels. This hasn't always been the easiest argument to make, but the catastrophic and crippling impacts of America's deadly attacks in the Middle East should make this argument easier to prosecute than ever.

⁹ <https://www.youtube.com/watch?v=aDecv1cVdJY>