Conservation Council of WA (ABN 35982476107)
PO Box 883, West Perth, WA, 6872
T 08 6558 5155 | **E** conswa@ccwa.org.au

Select Committee on the Taxation of Gas Resources

By email: gastaxation.sen@aph.gov.au

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Submission by the Conservation Council of WA

13 April 2026

The Conservation Council of WA (CCWA) is the state's foremost non-profit, non-government conservation organisation representing close to 100 environmental organisations across Western Australia, with tens of thousands of engaged individuals state-wide. This broad collective of like-minded groups and individuals creates a vibrant and passionate community, dedicated to the conservation of our unique and diverse state.

CCWA has been a prominent and forthright voice for conservation for more than 50 years working directly with the government, media, industry, community groups, and political parties to promote a more sustainable WA and to protect our natural environment.

Background

On 30 March 2026, the Senate established a Select Committee on the Taxation of Gas Resources (the committee) for inquiry and report by 7 May 2026. Information about the inquiry, including the Terms of Reference, is available at the committee's webpage.

The committee invites CCWA to make a submission to this inquiry.

CCWA presents the following points as feedback to the terms of reference:

The tax treatment of Australian oil and gas resources, including any proposals for changes to the tax treatment of gas production and export

1. Australia's current tax treatment of oil and gas companies is extremely lenient and unfairly so.

2. Australia's corporate tax receipts[1] show that oil and gas companies consistently pay zero company tax. Data from 2023/24 shows companies such as Woodside, Chevron, SANTOS, BP and

[1] Corporate Tax Transparency: https://data.gov.au/data/dataset/corporate-transparency

INPEX paid an average of 7% tax on their total income. BP REGIONAL AUSTRALASIA HOLDINGS PTY LTD reported a total income of $28.6bn while paying just $275 million in tax - less than 1% of its total income. INPEX paid less than 5% tax on $7.6bn total income across INPEX ALPHA, INPEX AUSTRALIA and INPEX HOLDINGS AUSTRALIA.

3. For ten straight years Santos has paid zero corporate payments from a total of nearly $47 billion in sales. Across the five financial years from 2015-16 to 2019-20, Chevron paid $0 corporate tax on over $37 billion of total income. In financial year 2020-21, it paid a total of $30 corporate tax on over $15.8 billion of total income.

4. In comparison, Australian company tax rates during the same period were 25-30%, and individuals paid a minimum of 16% and a maximum of 45% income tax.

5. Australia's current Petroleum Resource Rent Tax (PRRT) allows companies to avoid paying appropriate 'rent' on the resources they take from Australian soils and seafloors. While the PRRT is levied at 40% of a project's PRRT taxable profit, deductions for capital expenditures increase in value each year. The deductions used in a year are not capped so no PRRT is paid until all the capital deductions are exhausted.[2] The Henry tax inquiry in 2009 said the uplift rates overcompensated investors and a 2013 ACIL-Tasman report for the Federal Resources Department described the selection of some of the uplift rates as arbitrary.

6. With numerous categories of deductions, the PRRT system is not simple, and the tax effect of various expenditures varies widely. Cost blowouts have increased the pool of deductions, and schedule delays give the deductions more time to escalate, while uplift rates allow deductions to increase in value over time. Revenue raised can be hugely affected by the transferability of deductions between projects, the order of deduction, and how the gas price is determined.

7. 2023/24 corporate tax data shows that Chevron and INPEX paid no PRRT, while reporting $19.4bn and $7.6b in income, respectively.

8. Data from APPEA's Financial Survey[3] shows that while the revenue from oil and gas sales have skyrocketed over the last 25 years (increasing by 1163% from 1987/88 to 2020/21), revenue received by the Australian government from PRRT, Production Excise, Corporate Taxes and Fees has remained relatively the same (increasing by just 42% over the same time period). It is estimated that the PRRT will generate $4 billion less than government forecasts predicted in 2023.[4]

[2] PRRT: Australia's gas tax that does not work, https://www.boilingcold.com.au/prrt-australias-gas-tax-that-does-not-work/
[3] APPEA Oil and Gas Industry Financial Survey: Results from 1987-88 to 2020-21 https://energyproducers.au/wp-content/uploads/2022/12/Historical-Summary-2020-21.pdf
[4] Evans, 2025. Reworked Petroleum Resource and Rent Tax raising $4 billion less than first thought: https://www.abc.net.au/news/2025-06-05/offshore-gas-profit-tax-raising-less-than-forecast/105365962

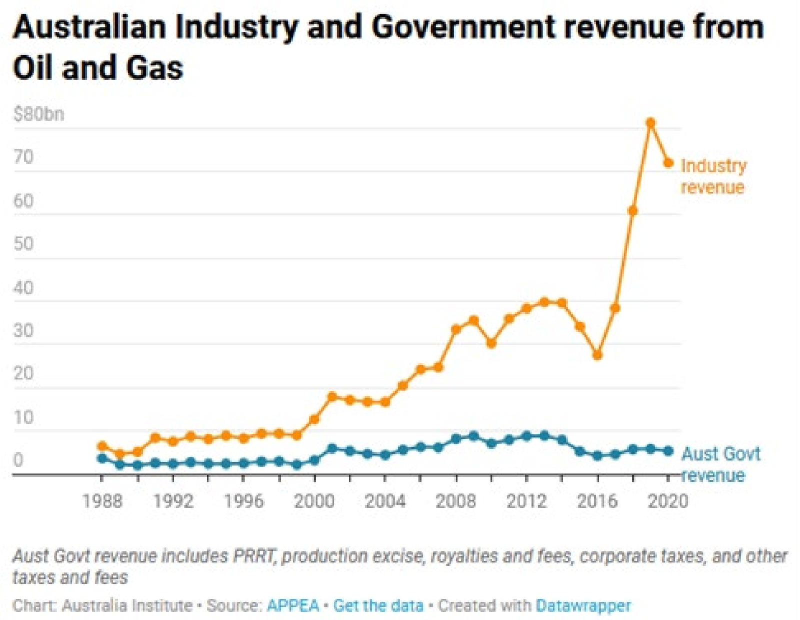

Figure 1: Australian industry and government revenue from oil and gas.

9. Despite these tax breaks, State and Federal Governments provided $14.9 billion worth of subsidies to fossil fuel producers and major users in 2024–25.[5]

10. CCWA notes that a significant share of decommissioning costs for offshore oil and gas projects are effectively paid for by the taxpayer under the PRRT rebates for Abandonment, Decommissioning and Rehabilitation Expenditure (ADRE). An oil and gas company can offset all decommissioning expenditure against its PRRT liability, therefore reducing the amount of tax paid. CCWA does not support ADRE rebates under the PRRT.

11. Australia's current tax treatment of fossil fuel companies under corporate tax, PRRT, and subsidy systems is broken, allowing too many loopholes, workarounds and exemptions to create meaningful return from Australia's natural resources.

Changes to the tax treatment of gas production and export

12. CCWA supports a flat tax rate on gas exports in Australia. A flat 25% gas export tax, as proposed by the Australian Council of Trade Unions (ACTU), would generate up to $17 billion per year. At present the PRRT generates less than $2 billion per year. However, 25% is a minimum considering this rate is equal to the lowest tax rate for companies and individuals in the country. CCWA would support a flat tax rate of 50% and over on gas exports from Australia.

13. The PRRT is designed as a "super-profits" tax, with companies paying PRRT only once profits reach a certain threshold. As highlighted, the PRRT is not fit for purpose, allowing for companies to avoid paying rent. A windfall tax would be open to the same exploitation. A flat tax would provide a

[5] Australia Institute Fossil fuel subsidies in Australia 2025 https://australiainstitute.org.au/wp-content/uploads/2025/03/P1669-Fossil-fuel-subsidies-2025-Web.pdf

consistent measure for government and industry to plan for.

14. The current objections to proposals to increase tax revenue from companies making huge profits from the fuel crisis do little more than demonstrate the industry's unwillingness to be treated in line with every other business, industry or person in Australia when it comes to making a fair, reasonable and proportional contribution to the economy.

The expected outlook for gas and oil prices in response to the conflict in the Middle East, including the impact on Australia, Australia's regional trading partners and the Pacific;

15. Gas and oil prices are subject to many variables and will remain uncertain into the future, subjecting Australians to cost-of-living uncertainties. The latest global conflict has again laid bare the fragility of fossil fuel supply chains and shown how vulnerable Australia, and most countries, are to disruptions. During these times, oil and gas companies capture windfall profits while Australians see their disposable incomes decrease.

16. Oil and gas prices are set to continue increasing in the short-term if war in the Middle East continues and the Strait of Hormuz remains shut. Wood Mackenzie notes that "With a geopolitical stalemate, a war drifting on, and inventory outside the Gulf dwindling, prices across the entire crude and product complex will push up. We continue to believe that US$150/bbl Brent, and perhaps even higher, is increasingly probable in the coming months"[6], while Macquarie warns that oil could reach a record high of USD 200 per barrel if war in the Middle East lasts until June.[7]

17. In times of crisis, mass inflation, or uncertainty, the way to secure our energy needs and hold some control over price impacts and cost-of-living pressures is to own the resources that are subject to large and unforeseen price hikes. A gas tax would be a way of taking some ownership of those energy resources (and distributing the benefits). Countries with resource tax regimes that benefit their citizens are less vulnerable to price shocks, as tax receipts from exports increase. Currently in Australia, we are left paying more for our energy as we continue to under tax our gas exports.

18. The volatile nature of fossil fuels, combined with the second global energy crisis in four years, is already serving to speed up the renewable energy transition. In New Zealand, plans to build an LNG import terminal are now in doubt due to the price of gas.[8] In Vietnam, Vingroup is no longer planning to build the country's largest LNG-fired power plant, citing the risk of the fuel becoming

[6] Wood Mackenzie. The energy crisis is coming to the boil: https://www.woodmac.com/blogs/the-edge/the-energy-crisis-is-coming-to-the-boil/?utm_medium=email&_hsenc=p2ANqtz-9ScV0R2NSUox083P-PbzrSC3c2oAbYxSzi5cS6SdXtAbsFdpYlvjedGyb52E0twcIOP-wCQXm3g1zbcS_UPOL504jHbg&_hsmi=132508012&utm_content=132508012&utm_source=hs_email#:~:text=We%20continue%20to%20believe%20that%20US%24150/bbl%20Brent%2C%20and%20perhaps%20even%20higher%2C%20is%20increasingly%20probable%20in%20the%20coming%20months.

[7] Brace for $200 Oil if War Lasts Until June, Macquarie Warns: https://www.bloomberg.com/news/articles/2026-03-27/brace-for-200-oil-if-the-war-lasts-till-june-macquarie-warns?taid=69c617c6f7ed800001b2269d&utm_campaign=trueanthem&utm_medium=email&_hsenc=p2ANqtz--wPVpRMknodP_DmLZfGqmKoS0EUqsJFBv8Sgpyq1kMS7Maj0PxuB7IVPbHW2SMwjTyRkU1HmDS5qwAEs4nysi7_cNBdQ&_hsmi=132508012&utm_content=132508012&utm_source=hs_email

[8] LNG binned? New terminal looks doubtful, ministers consider options amid skyrocketing gas costs: https://www.nzherald.co.nz/nz/politics/lng-binned-new-terminal-looks-doubtful-ministers-consider-options-amid-skyrocketing-gas-costs/premium/GMMZTKV4YRFCTIFRFFJQZWC5SE/?utm_source=cbnewsletter&utm_medium=email&utm_term=2026-04-07&utm_campaign=DeBriefed+Countries+revive+energy-crisis+measures+Record+UK+renewables+Plug-in+solar+savings

too expensive and instead planning to embark on a renewable energy project.[9]

19. Even prior to the war in the Middle East, the Global LNG Outlook 2024-2028[10] presented a lacklustre demand growth and an excess of new export capacity as indicators that LNG markets will soon be in oversupply. The outlook also notes that combined imports in Japan, the Republic of Korea, and Europe fell in 2023 and will likely continue to fall through to 2030.

20. China's clean energy transition is reshaping global energy economics as its renewable energy deployment continues at an unprecedented rate. China is rapidly scaling up solar and wind power, electrification, transmission grids and storage capacity, which will significantly reduce its reliance on gas-fired power plants to meet peaks in electricity demand.[11] India has no plans to build any new gas-fired power capacity through 2032, as gas' share of the power sector has fallen dramatically since 2016.[12] Renewables are driving the Philippines' energy transition, as coal-fired generation falling in the first half of 2025, growth in renewables has rapidly outpaced LNG.[13] Independent assessments suggest that Japanese and Korean energy security could be enhanced through the greater deployment of solar, wind and battery storage and nearly eliminating coal and LNG imports.[14]

21. In 2024/5, Australian gas made up 40% of Japan's energy imports.[15] In the same period, Japan made more than $1 billion on-selling Australian gas. Despite falling domestic demand, the Japanese Ministry of Economy, Trade and Industry (METI) is committed to developing a regional LNG market. Its 2020 New International Resource Strategy sets a handling target for twice as much gas as the country is expected to need by 2040 – meaning almost 50% of the gas Japan "needs" will be on sold across southeast Asia for huge profits[16]. As fuel prices remain variable and unstable due to conflict, Japan will continue to make money from Australian gas. A gas tax will not change this, rather it will allow a fairer distribution of profits from natural resources Australians own, and will allow investment in a future that is not reliant on fossil fuels.

22. A backlog in gas turbine manufacture provides additional challenges to LNG demand in Asia. Delays of up to eight years extend the opportunity for low-cost renewables to increase market share and reduce the need for LNG imports.[17]

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[9] Exclusive: Vingroup proposes scrapping LNG-powered plant plan for renewables amid Iran war, document shows: https://www.reuters.com/sustainability/climate-energy/vingroup-proposes-scrapping-lng-powered-plant-plan-renewables-amid-iran-war-2026-03-31/?utm_source=cbnewsletter&utm_medium=email&utm_term=2026-04-07&utm_campaign=DeBriefed+Countries+revive+energy-crisis+measures+Record+UK+renewables+Plug-in+solar+savings

[10] IEEFA (2024). Global LNG Outlook 2024-2028. [online] ieefa.org. Available at: https://ieefa.org/resources/global-lng-outlook-2024-2028.

[11] Ieefa.org. (2025). Understanding the competitive landscape for China's LNG market. [online] Available at: https://ieefa.org/resources/understanding-competitive-landscape-chinas-lng-market.

[12] Ieefa.org. (2025). Can LNG displace coal demand in India? [online] Available at: https://ieefa.org/resources/can-lng-displace-coal-demand-india

[13] Ieefa.org. (2025). Clean energy is driving coal's decline in the Philippines, not LNG. [online] Available at: https://ieefa.org/resources/clean-energy-driving-coals-decline-philippines-not-lng.

[14] Bowen (2025). Toward Comprehensive Green Security for Asia and the Pacific - AsiaPacific4D. [online] Available at: https://asiapacific4d.com/idea/green-security/.

[15] IEEFA, Australian Gas and LNG Tracker https://ieefa.org/australian-gas-and-lng-tracker

[16] Influence Map (2026), Corporate Japan's Role in Promoting Australian Fossil Fuels [online] Available at: https://influencemap.org/briefing/LNG-briefing-34341

[17] Ieefa.org. (2025). Global gas turbine shortages add to LNG challenges in Vietnam and the Philippines. [online] Available at: https://ieefa.org/resources/global-gas-turbine-shortages-add-lng-challenges-vietnam-and-philippines

The impact of this outlook on the profitability of Australian liquefied natural gas exporters and on the stability and reliability of global energy markets;

23. Analysis shows that five leading oil and gas companies have profited by nearly half a trillion US dollars since Russia's invasion of Ukraine.[18] Companies exporting gas from Australia made windfall profits of nearly $100 billion from 2022-2024.[19]

24. Global gas prices have more than doubled since the start of 2026. Oil and gas companies are again to set to benefit from global conflict, with Rystad estimating that US petroleum companies are set to gain an additional $63 billion in profits as a result of the war.[20]

25. It is estimated that a flat tax of 25% would generate $17 billion in taxes annually.

The impact of this outlook on households, businesses and government revenue;

26. Since LNG exports from Queensland began in 2015, wholesale gas prices have tripled, and electricity prices have doubled on the east coast of Australia.[21]

27. Australians were already experiencing significant cost of living pressures prior to the war in the Middle East. Since the COVID-19 pandemic, real living standards of Australian workers have declined, as costs increase faster than wages and incomes, driven by corporate profits and business pricing.[22] This has resulted in a growth in poverty and impacted Australians in numerous ways, including delayed medical treatment, increased rent and mortgage repayments, cutting back on living expenses, and acute financial stress.[23]

28. The cost of fuel has increased significantly since the war, with far reaching consequences, including: the ability to truck goods around the country, people's access to employment, demand drop for small businesses, rising costs for food growers, and a drop in consumer confidence. The surge in oil and gas prices has led to an increase in the prices paid for goods and services and could flow on to electricity markets. This inflation could lead to an increase in interest rates, placing more cost-of-living pressures on Australians and pushing mortgage repayments out of reach for some. Australia's economy could be further impacted by local retailers being more exposed to this energy shock after failing to bring product inventories back to pre-pandemic

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[18] Oil supermajors' profits reach nearly half a trillion dollars since Russia's Ukraine invasion https://globalwitness.org/en/campaigns/fossil-fuels/oil-supermajors-profit-nearly-half-a-trillion-dollars-since-russias-ukraine-invasion/

[19] Ogge et al, 2025. War gains: windfall profits on liquified natural gas exports, 2022-24 https://australiainstitute.org.au/report/war-gains-windfall-profits-on-liquified-natural-gas-exports-2022-24/

[20] Cerullo, 2026. U.S. oil producers could get $63 billion boost from high crude prices, analysis shows https://www.cbsnews.com/news/iran-war-us-oil-producers-prices-63-billion-windfall/

[21] Ogge, et al. 2025. Impact of gas exports on Australian energy prices: https://australiainstitute.org.au/wp-content/uploads/2025/07/P1816-Gas-updates-gas-and-electricity-prices-WEB.pdf

[22] Heap, 2024. Doing it Tough: How Australians are experiencing the cost of living crisis. https://australiainstitute.org.au/wp-content/uploads/2024/10/Polling-Report-Cost-of-Living-REVISED-1.pdf

[23] Rising Costs, increased hardship. The cost-of-living crisis in Australia. https://www.salvationarmy.org.au/red-shield-appeal/the-cost-of-living-crisis-in-australia/

levels.[24]

29. Action is required to protect the living standards of Australians exposed to rising oil and gas prices. Australia currently pay the world price for our own gas. This means that in times of energy crisis, oil and gas company windfall profits lead to Australians being left pay more to live through inflated prices that flow through the economy. Opening ourselves up to the volatility of international markets on a resource that we own is unnecessary and must be fixed.

30. A gas export tax could incentivise gas companies to provide the resource more readily to Australian domestic markets as a way of avoiding the export tax. Greater supply would result in an easing of price pressures on gas and electricity in Australia.

31. A gas export tax would ease inflation pressures on Australians as it is only taxes gas that is exported by fossil fuel companies. This exported gas is not consumed by Australians. Gas that Australians consume would not attract any tax under an export tax and would therefore not contribute to rising prices for Australian consumers. The consumer price index includes electricity paid by households.

32. The current Australian tax regime is not equipped to keep pace with the vagaries of fossil fuel markets. Australia has a high exposure to oil shocks, and our current tax regimes are not rigid or comprehensive enough to ensure Australia is protected from surging oil and gas prices. Oil and gas company profits surged following Russia's invasion of Ukraine, but Australia's PRRT revenue increased only marginally, meaning higher international prices do not translate to higher gas receipts for Australia, and offer no protection or insurance for everyday Australians who are left to bear the brunt of price increases brought about by global energy crises.

33. Tax regimes should ensure that all Australians earn a return on resources that belong to them. This requires a tax that is comprehensive and provides revenue certainty in all market contexts, places no risk burden on the Australian people, presents good value, offers extra protection in times of crisis by allowing for the capture of windfall profits, and cannot be avoided by oil and gas companies. CCWA supports a flat tax rate of 50% applied to LNG exports, combined with a separate, and additional tax on windfall profits that exceed a set threshold as fossil fuel companies earn large, unexpected profits. This tax would make a significant positive difference to the lives of Australians.

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;

[24] La Cava, 2026. Running on Empty: Why global supply shocks could hit Australian shoppers harder than in the past. https://e61.in/running-on-empty-why-global-supply-shocks-could-hit-australian-shoppers-harder-than-in-the-past/

34. Norway and Qatar are often used as comparisons to highlight how little revenue Australia raises from its oil and gas resources.

35. Norway aims to "*ensure that a large share of the value creation accrues to the state, so that it can benefit society as a whole*"[25] by taxing the production of petroleum to a combined marginal tax rate of 78%. This is comprised of a foundational 22% corporate tax rate and an additional special tax for petroleum of 56%, recognising the large profits its petroleum resources were able to generate. This results in Norwegians receiving a much larger and fairer share of gas profits, which then contribute to socially and environmentally friendly policies. Norway's petroleum tax is intended to be neutral, seeking to ensure that investments that are profitable before tax remain so afterwards. Norway is also able to generate dividends from state owned operators.

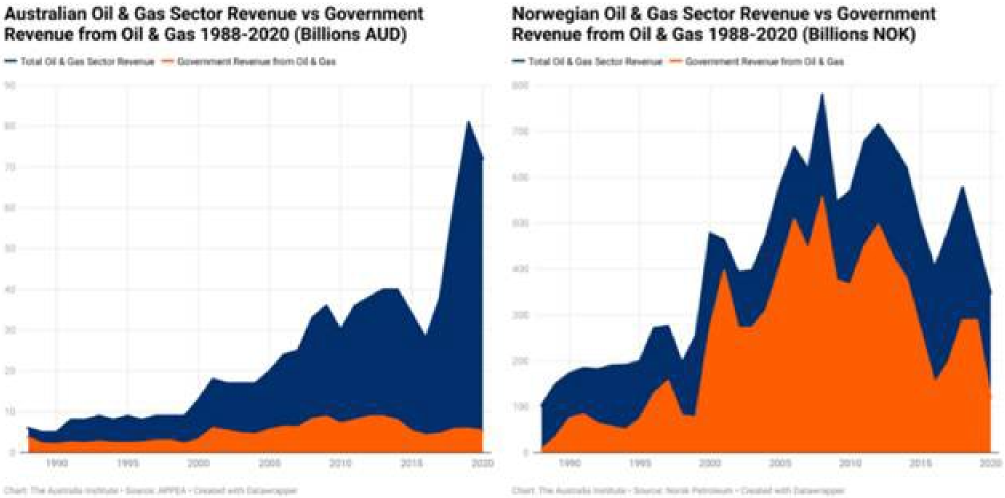

Figure 2: Timeline of oil and gas sector revenue vs. government revenue for Australia and Norway, 1998-2020.[26]

36. Qatar and Australia export similar volumes and value of LNG. Despite this, it is estimated that the Qatari Government generated around $AUD 56 billion in government revenue from LNG exports in 2022-23, compared to the Australian government generating just $10.6 billion during that period.[27] This revenue difference is generated through a combination of royalties and corporate income taxes, as well as the Qatari Government owning stakes in its LNG projects.

37. In Australia, many LNG projects operate on royalty-free gas; the oil and gas industry consistently avoid paying company tax,[28] and the PRRT does not generate substantial, consistent, or fair revenue.[29]

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[25] The Petroleum Tax System, 2025. https://www.norskpetroleum.no/en/economy/petroleum-tax/
[26] Bleakley, 2024. A tale of two fossil superpowers: what Australia can learn from Norway: https://michaelwest.com.au/a-tale-of-two-fossil-superpowers-what-australia-can-learn-from-norway/#:~:text=In%20the%201990s%20the%20Norwegian,every%20Norwegian%20family%20of%20four
[27] Saunders and Campbell, 2025. Government revenue from LNG exports: Australia vs Qatar: https://australiainstitute.org.au/wp-content/uploads/2026/01/P1816-Government-revenue-from-LNG-Qatar-vs-Aus-Web.pdf
[28] McIlroy (December 2019), Oil, gas 'systemic non-payers' of tax, https://www.afr.com/politics/federal/oilgas-systemic-non-payers-of-tax-20191211-p53iys
[29] Treasury (2023) Budget 2023-24, Budget Paper 1, p180. https://archive.budget.gov.au/202324/bp1/download/bp1_2023-24.pdf

How any additional revenue generated could be used to provide cost of living relief for households and businesses and reduce our dependence on imported fuel;

38. Additional revenue raised through a flat 25% tax on gas exports could be spent in several ways, including but not limited to;

    a. Investments in renewable infrastructure as we transition to a future beyond fossil fuels. In turn, increasing our national energy security by reducing our dependence on imported fuel and reducing overall energy bills for businesses and homes. Research shows gas exports, which tie our energy prices to international markets, have led to the tripling of wholesale east coast gas prices and doubling of electricity prices, since exports began in 2015[30].

    b. Bushfire, flood, drought and storm recovery following increasingly frequent, damaging and deadly climate change related events. Federal Treasury analysis showed that natural disasters driven by climate change cost the Australian economy $2.2bn in the first six-months of 2025[31]. While a Deloitte report commissioned by the Australian Business Roundtable for Disaster Resilience &Safer Communities estimates that natural disasters will cost Australia $73 billion by 2060, under a low emissions scenario[32].

    c. Developing an Australian decommissioning workforce as part of a Just transition for workers for the $60bn worth of offshore decommissioning that needs to commence by 2030[33]. This could form the basis for a recycled Green Steel industry in Australia.

    d. Funding the restoration of threatened habitats and recovery plans of endangered species. Boosting investment in nature could deliver large benefits to Australia's economy and society. For example, investing 1% of the Federal Budget in nature could boost Australia's annual productivity growth by over 40% – an economic return that rivals the most effective pro-growth reforms.[34]

    e. Public healthcare, dental, aged cared, disability services, education and housing.

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[30] The Australia Institute, 2025. Gas exports have tripled Australian gas prices and doubled electricity prices https://australiainstitute.org.au/post/gas-exports-have-tripled-australian-gas-prices-and-doubled-electricity-prices/

[31] Messenger, 2025. Natural disasters cost Australia's economy $2.2bn in first half of 2025, new Treasury analysis shows. The Guardian. [online] https://www.theguardian.com/business/2025/jun/01/natural-disasters-cost-australias-economy-22bn-in-first-half-of-2025-new-treasury-analysis-shows

[32] Deloitte, 2021. Special report: Update to the economic costs of natural disasters in Australia. Australian Business Roundtable for Disaster Resilience & Safer Communities

[33] CCWA, 2025. WA Can't Wait: Build a decommissioning hub for our environment, jobs and a green energy future. https://assets.nationbuilder.com/ccwa/pages/30608/attachments/original/1756169917/CCWA_337_Decommissioning_doc_FINAL_credits_sm_%282%29.pdf?1756169917

[34] Thompson, F., Chua, S., and Nguyen, M, 2025. Nature Economics: Analysis of the case for Australian Government investment in nature. 30by30.org.au

Any other related matters

39. Australia's oil and gas industry is a significant contributor to global greenhouse gas emissions and climate change. Every increment of global temperature increase will intensify multiple and concurrent hazards, including an increase in heat-related human mortality and morbidity; greater prevalence of food-borne, water-borne, and vector-borne diseases; greater biodiversity loss in land, freshwater and ocean ecosystems; a decrease in food production; and an increase in severe weather events. There is a clear moral imperative to confront the climate emergency in an urgent and decisive manner. To do so, the world must quickly and drastically reduce its reliance on fossil fuels. This requires a rapid decline in gas use.

40. CCWA asserts that increasing the revenue we receive from our natural resources through a flat export tax is a necessary step, but it is not the final solution. The current global energy crisis is a wakeup call to phase out fossil fuels, ending our dependence on imported fuel, and an opportunity to invest in the energy transition.

41. Climate change, driven by the extraction and burning of fossil-fuels, is incredibly expensive for the future for Australia. Natural disasters like fires, floods and cyclones threaten housing, agriculture, transport systems, tourism and critical infrastructure, while keeping energy costs high. Extreme weather disasters will cost Australians $8.7 billion a year by 2050 without strong action to address climate risks, underlining the need for national leadership on adaptation[35]. Commonwealth-administered expenditure from FY19 to FY23 was $15.9 billion (around $610/person) just to support ongoing climate disaster recovery efforts across Australia.[36] Modelling by Ortec Finance shows that if climate change is not sufficiently addressed, Australia's GDP would be 9% lower than it would otherwise be in 2050. This would amount to a difference of several hundred billion dollars.[37]

42. Further, when assessing the impact of a delayed transition on electricity bills, the Clean Energy Council found household energy bills will be 30 per cent more expensive (41 per cent for small businesses) in 2030 if Australia were to stall the pace of building new renewable energy projects. And Australians will pay a total of $2.3-$3 billion for gas electricity in 2030, compared to the $770 million we pay today.[38]

43. Investing in meaningful climate action - reducing fossil fuel extraction and emissions, and developing the technologies and industries we need to realise clean energy solutions - offers huge benefits for the economy. Delaying the transition, prolonging fossil fuel dependence and use under the current tax, PRRT and subsidy framework will only continue hurting the economy. Australia needs a gas phase out plan and a flat export tax (producing upwards of $17bn a year) to help build Australia's future beyond fossil fuels.

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[35] Investor Group on Climate Change, 2024. $6.8 trillion GDP hit if renewable energy transition is delayed
[36] Colvin, A, 2024. Independent Review of Commonwealth Disaster Funding. Deloitte.
[37] Onal, D., van Joolingen, M, and Claire, B., 2025. Climate change & Australian superannuation: What's shaping the 2025 landscape and beyond. Ortec Finance.
[38] Jacobs, 2025, The Impact of a Delayed Transition on Consumer Electricity Bills. Clean Energy Council

44. The oil and gas industry often try to argue that a gas tax will "curtail investment", "threaten Australia's energy security", and "drive up energy costs".[39] As is often the case with this industry, none of these claims are substantiated. As the oil and gas industry is one of the main drivers of climate change, CCWA would view a curtailing of investment in new gas production as a desirable outcome. However, as proven by Norway, fair resource taxes do not stop investment. Gas prices today are significantly higher than what they were when Australia's gas industry was established, and oil and gas companies generate substantial margins as sale prices far exceed costs of production, even generating huge windfall profits during times of energy crisis.

45. In his 2013 address to Harvard Kennedy School, then-Prime Minister of Norway Jens Stoltenberg noted, "they [oil companies] said it was not possible, but we taxed them (at 78%) and they stayed"[40]. We will still see investment – Australians will just receive the support they need to survive this cost-of-living crisis.

46. As the two global energy crises over the past four years have demonstrated, fossil fuels are a direct cause of energy insecurity, and the case for switching from dirty foreign fuels to clean, renewable, local sources is stronger than ever. Unpredictable surges in the price and availability of fossil fuels leave nations and regions scrambling for alternative sources and paying exorbitant amounts. Ember analyst, Paweł Czyżak, describes the recent current energy crisis as "yet another reminder that having an economy reliant on imports of oil and gas is not a great idea," noting that "supplies of fossil fuels can be disrupted literally over one weekend, or be leveraged for political blackmail."[41]

47. The Australian Treasury notes "A good tax system raises the revenue needed to finance government activities without imposing unnecessary costs on the economy."[42] Australia's current tax on oil and gas companies does not raise necessary revenue and imposes harm on the economy. With gross national debt hovering around the $1 trillion mark, combined with a high debt to GDP ratio, Australia faces long-term fiscal pressure, suggesting that Australia needs increased sources of revenue raising. Australia currently has a low tax to GDP ratio that is heavily reliant on personal income tax.[43, 44]

48. Offshore oil and gas decommissioning poses a financial and environmental liability for Australia. The estimated cost of decommissioning is about $60 billion dollars over the next 30 + years. Oil and gas companies are not required to disclose their decommissioning liabilities or have financial

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[39] AEP, 2026: https://energyproducers.au/all_news/media-release-greens-reckless-gas-tax-is-an-attack-on-australias-energy-security-and-affordability/
[40] https://youtu.be/8f6geiVdwpk?si=cFkKb_IpUR43eato
[41] https://www.linkedin.com/posts/paczyzak_on-february-28-us-and-israel-launched-activity-7434130508927893504-u2jz?rcm=ACoAAAVNY_oBMiIZc2i0FInkqSjV_2wcbkbINc0&utm_medium=email&_hsenc=p2ANqtz-_uVmjJFXIURwItySDWoYKOwmGkG15gYiX4bk_iiHC21-tvqFKP3ncXsrps-beWxAJU7hlOQDNOSLkkdJdUccCWt3jPWg&_hsmi=130250406&utm_content=130250406&utm_source=hs_email
[42] Treasury. Tax White Paper, At a glance: https://treasury.gov.au/review/tax-white-paper/at-a-glance#:~:text=A%20growing%20problem%20is%20the,and%20predictable%20source%20of%20re
[43] ibid
[44] O'Brien. Australian government debt in historical and international perspective: https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/Research/Briefing_Book/47th_Parliament/AustralianGovernmentDebt#:~:text=In%20dollar%20terms%2C%20gross%20debt%20is%20forecast,estimates%20of%20$1.193%20trillion%20in%20April%202026

assurances to secure funding for the decommissioning works. Under the PRRT there are tax rebates for offshore oil and gas companies to conduct decommissioning work, further reducing the overall amount of tax the oil and gas sector contributes to the Australian economy over the life of a project. CCWA's submission to the "offshore decommissioning and financial assurance" consultations from January 2026 is published on the DISR consultation site here and highlights specific issues with PRRT rebates for decommissioning.[45]

WA Context

49. Most gas exported from WA does not attract royalties, as it is sourced from gas fields in Commonwealth waters, where the Federal Government chooses not to charge a royalty. Four of WA's five LNG export projects pay zero royalties, including Chevron's Gorgon and Wheatstone projects, Woodside's Pluto project, and Shell's Prelude project. Woodside's North West Shelf (NWS) facility is charged a royalty under the Offshore Petroleum (Royalty) Act 2006 (Royalty Act).[46] The Commonwealth royalty only applies to gas from NWS fields; it does not apply to gas that is supplied to the NWS from other fields. It is estimated that the WA government paid $8 billion in subsidies to help establish the NWS project.[47]

50. The capacity of Woodside's NWS has now fallen to 14.3Mtpa, after permanently shutting down a train.[48] At least 3Mt of this capacity is sourced from offshore Pluto fields, meaning it is royalty free.[49]

Table 1: Royalty arrangements for WA LNG facilities.

Facility	Production Capacity (Mtpa)	Royalty Arrangement
NWS	14.3 (~11.3 from NWS fields)	Commonwealth royalty on NWS fields
Pluto	4.9	Royalty free
Gorgon	15.6	Royalty free
Wheatstone	8.9	Royalty free
Prelude	3.6	Royalty free
Total	47.3	
Total % royalty free	76.1%	

51. It is estimated that over 76% of gas exported from WA attracts zero royalty payments. This effectively gives a public resource away to fossil fuel majors for free. This figure is only set to

[45] https://consult.industry.gov.au/offshore-decommissioning-financial-assurance-reforms-consultation-paper/submission/view/13
[46] Federal Register of Legislation Offshore Petroleum (Royalty) Act 2006 https://www.legislation.gov.au/
[47] WA Government (2017) Western Australia's Submission to the Productivity Commission's Inquiry into Horizontal Fiscal Equalisation, https://www.pc.gov.au/__data/assets/pdf_file/0008/218564/sub015horizontal-fiscal-equalisation.pdf, p 63
[48] GIGGNL, 2025. Australia's Woodside retires second NWS LNG train: https://www.giignl.org/news/australias-woodside-retires-second-nws-lng-train#:~:text=Woodside%20has%20permanently%20shut%20down,retires%20second%20NWS%20LNG%20train
[49] Woodside ASX Announcement: https://www.woodside.com/docs/default-source/asx-announcements/2020-asx/nws-project-participants-execute-gas-processing-agreements.pdf?sfvrsn=1379d276_2

increase with the completion of Pluto train 2 and a decline in production from NWS fields.

52. Latest figures indicate that $36 billion of LNG was exported from WA in 2024-25, meaning that over $27.3 billion of LNG sales in WA attracted zero royalties.[50]

53. Western Australian budget papers show that in 2025–26, the state is forecast to receive just $386 in NWS grants from the Commonwealth Government. As a direct royalty, the WA government received just $26 million from petroleum (state component) in 2024-25. In the same period, iron ore provided $8.5 billion.[51]

54. WA has a domestic gas policy which is meant to ensure LNG exporters make domestic gas available by "reserving gas equivalent to 15% of LNG production for the WA market."[52] However, oil and gas companies in WA have delivered just 8% of gas reserves for the WA market,[53] choosing to export the rest, leaving the state facing expensive shortages as gas prices have more than doubled since 2019.[54] It is estimated that LNG exporters in WA consume more than eight times the amount of gas than all WA industry and consumers combined.[55]

55. LNG exports take gas away from higher productive uses in the local economy and yield minimal value to the WA economy, with combined petroleum royalties accounting for approximately 1.3% of the state's budget. With LNG projects operating in WA being 83% foreign owned, the majority of financial benefits of exports flow to shareholders outside of Australia.[56]

56. WA's North West Shelf LNG facility is currently unable to meet production capacity through offshore gas reserves alone, meaning they are targeting and using onshore gas which was formerly reserved for domestic purposes only.[57] This sees a higher level of demand placed on WA's domestic reserves, and further exposes WA consumers to world prices.

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[50] WA Government, Major Commodities: https://www.wa.gov.au/organisation/department-of-mines-petroleum-and-exploration/major-commodities#petroleum
[51] WA State Budget 2025-26, Budget Paper No.3 Economic and Fiscal Outlook: https://www.ourstatebudget.wa.gov.au/2025-26/budget-papers/bp3/2025-26-wa-state-budget-bp3.pdf
[52] WA Government. WA Domestic Gas Policy: https://www.wa.gov.au/government/wa-domestic-gas-policy
[53] Milne, 2025. Gas leftover from exports not enough for WA power and industry: AEMO https://www.boilingcold.com.au/gas-leftover-from-exports-not-enough-for-wa-power-and-industry-aemo/
[54] Milne, 2025. Western Australia faces 'growing shortfall' of increasingly expensive gas: EnergyQuest https://www.boilingcold.com.au/western-australia-faces-growing-gas-shortfall/
[55] Milne, 2025. Gas leftover from exports not enough for WA power and industry: AEMO https://www.boilingcold.com.au/gas-leftover-from-exports-not-enough-for-wa-power-and-industry-aemo/
[56] The Australia Institute (2024) Gas in WA: The Economy https://australiainstitute.org.au/wpcontent/uploads/2024/05/P1533-Gas-in-WA-The-economy-Web-1.pdf
[57] Verstegen, 2024. From Provider to Parasite: https://sen.asn.au/wp-content/uploads/From-Provider-to-Parasite-Excess-LNG-export-capacity-as-threat-to-WA-gas-market_final.pdf

Please do not hesitate to contact CCWA should you wish to discuss this submission further.

Yours sincerely

[redacted]

Matt Roberts
Executive Director
Conservation Council of WA

[redacted]