



Submission to Senate Select Committee on the Taxation of Gas Resources

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Parents for Climate (Parents for Climate) represents over 25,000 parents, grandparents and carers from across Australia. We are Australia's leading organisation for parents advocating for a safe climate. Our supporters are from across the political spectrum, across all Australian electorates, and from varied socio-economic backgrounds. We seek non-partisan responses to climate change and its impacts.

We advocate for Australian governments and businesses to take urgent action to cut Australia's carbon emissions to net zero as quickly as possible. We encourage Australia to take a leadership role on the world stage, leading by example and calling for other nations to take the necessary action to protect our children's futures.

For more information, visit www.parentsforclimate.org

Parents for Climate welcomes the opportunity to work closely with the committee to scrutinise and advance the opportunities proposed by a gas exports tax. We would be pleased to provide further information, including insights from our supporter base and technical input from trusted experts in our network. We are eager to contribute constructively to the development of practical, fair, and trustworthy reform that benefits consumers, businesses, and the climate.

Nic Seton - CEO

Parent and Family Perspective

From a parent and carer's perspective, the gas taxation issue is not abstract. It directly affects whether our children grow up in safe homes, attend schools that can operate through heatwaves and disasters, and inherit an economy that prioritises their wellbeing over short-term corporate profits.

For parents, the test of any tax reform is straightforward: does it make life more affordable, safer and more secure for children — now and in the decades ahead?

Parents expect that when finite public resources are extracted, the benefits flow back to children and communities — not offshore shareholders. Other nations have chosen to transform finite fossil fuel wealth into permanent public benefit for future generations. Australia has not. This has to change.

The table that follows sets out detailed responses to the Committee's Terms of Reference.

Answers to Terms of Reference

Inquiry point 1	The tax treatment of Australian oil and gas resources, including any proposals for changes to the tax treatment of gas production and export.
Parents for Climate response	<p>Australia is one of the biggest gas producers in the world. While on-going gas production is a disaster from a climate perspective, with our gas exports a very significant contributor¹, it is also a disaster that we are essentially giving this gas away for free.</p> <p>Over the last four years, gas exports worth \$170 billion dollars paid no royalties and no PRRT at all². Meanwhile, Australian families are struggling with rising housing costs and continued cost-of-living challenges. Something is deeply wrong with this picture.</p> <p>The numbers are stark. A 25% tax on gas export revenue would raise around \$17 billion per year for Australians. This is vastly more than the roughly \$2 billion we currently receive under the PRRT. That is money that could fund dental and mental health in Medicare, help the roll-out of climate solutions, boost the Future Fund, or ease pressure on household budgets. Instead, it is flowing offshore to multinational corporations.</p>

¹ [New data on Australia's fossil fuel exports places us among the world's biggest climate polluters | Australian Human Rights Institute](#)

² [Giving away gas to 2030 - The Australia Institute](#)

	<p>Other countries have figured this out. Norway taxes petroleum exports at 56% and has built a \$1.8 trillion sovereign wealth fund that pays for schools, hospitals and renewable energy. In 2023, Australia and Qatar exported similar amounts of LNG, but the Qatari government received around five times more in public benefit than Australia did³.</p> <p>The current system isn't just broken; it is being gamed. The PRRT was designed to ensure Australians benefit from our shared resources, but tenfold growth in gas export revenue has produced no meaningful increase in what the gas industry pays. There are too many loopholes.</p> <p>A flat tax on export revenue would be simple, fair and effective. It would only apply to exports, creating an incentive for gas companies to supply more gas to the Australian domestic market. This would put downward pressure on energy prices for our homes and businesses.</p> <p>Claims that such a tax would drive away investment don't hold up: existing projects will remain profitable, and no company walks away from a profitable resource. Just ask Norway: investors kept coming even after they increased their petroleum taxes.</p> <p>Polling has shown that the vast majority of Australians across the political spectrum think we deserve a better return from the sale of our resource wealth⁴. The Albanese government has committed to making multinationals pay their fair share. Here is the chance to start making good on that promise.</p>
<p>Inquiry point 2 and 3</p>	<p>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; and,</p> <p>The impact of this outlook on the profitability of Australian liquefied natural gas exporters and on the stability and reliability of global energy markets</p>
<p>Parents for Climate response</p>	<p>It is an inescapable fact, one of the few still accepted on both sides of politics, that the world is growing more restless and prone to conflict⁵. We are now inter-connected more closely than ever before, and the effects of one bad event in one country ripple out to many other countries and much further away than in the past. Every major problem we face has a significant global element: climate change, loss of biodiversity, mis-and-disinformation and plastic pollution, to name but a few.</p> <p>Looking past the conflicts in Iran, Gaza and Ukraine, as tragic and terrible as they are, there is a near-guaranteed roller coaster of conflict, overseas disasters and soaring prices. As a major exporter, Australia faces high risk from declining global demand for gas and coal as instability of global markets increases, as trading partners pursue energy security and independence, and as carbon pricing (including cross-border) becomes commonplace, along with more</p>

³ [Government revenue from LNG exports: Australia vs Qatar](#)

⁴ [Pricing Pollution: Community Sentiment Study | The Superpower Institute](#)

⁵ [Humanitarian Outlook 2026: A World Succumbing to War | ICRC.](#)

	<p>changes, shocks and uncertainty.</p> <p>Multinational gas companies are expected to reap billions in windfall profits as domestic prices rise in step with global trends⁶.</p> <p>We must build up our resilience - local, state and federal - as well as play our part in the Asia-Pacific and on the global stage. And it must start with a fair deal for the Australian taxpayer.</p>
<p>Inquiry point 4</p>	<p>The impact of this outlook on households, businesses and government revenue</p>
<p>Parents for Climate response</p>	<p>The impact of this outlook on households is likely to be regressive, draining disposable incomes, through rises in energy bills, the cost of fuel (additional \$14–\$35 weekly expense on average) and secondary price spikes, such as transport costs driving up the costs of groceries and household goods. As parents, we are forced to make household budget trade-offs, juggling energy bills, childcare, and mortgage or rent, whilst planning and preparing for our children’s future in an increasingly unstable climate.</p> <p>While increasing fuel costs drives increasing costs across all goods and services, the number of families experiencing debt traps - such as energy debt - continues to increase, with over 331,000 customers already behind on their energy bills, resulting in total debt reaching a record high of over \$300 million. This is further compounded by rising gas prices domestically, driven by increased international demand. Energy debt has increased by 23% recently. High bills have already pushed 36,000 more households onto hardship programs – a 38% increase.</p> <p>Compounding the impact of rising energy costs is the real experience of customers in energy debt who are frequently blocked from shopping around for better deals or switching to cheaper providers. Energy debt is used to disqualify many households from accessing government incentives for rooftop solar, batteries, and virtual power plant (VPP) schemes that would reduce their energy costs, and help to bring down wholesale prices. The burden falls heaviest on those in energy-inefficient homes that cost more to heat and cool, further entrenching the debt cycle.</p> <p>When gas exports are undertaxed, families effectively subsidise multinationals through higher taxes elsewhere, underfunded health, education, childcare and housing and higher household energy costs. Parents can not accept a system that depletes shared resources today while leaving children with climate damage and fiscal shortfalls tomorrow. Children in lower-income and regional families face compounding disadvantages.</p> <p>Volatility creates household budget insecurity, rising food prices, school and childcare operating costs, increased anxiety and stress in family life. Parents value stability for their children, their communities and themselves - not boom-and-bust fuel markets. Families benefit from energy systems that are</p>

⁶ [Windfall profits to oil and gas multinationals should benefit working Australians | Australian Council of Trade Unions](#)

	<p>local, renewable and predictable, rather than globally entangled fossil fuel markets prone to conflict.</p> <p>Businesses with high energy needs or reliance on logistics face the sharpest risks, including agriculture (record diesel prices and surging fertiliser costs), manufacturing (falling output in steel, metal, chemicals and plastics). Small businesses such as logistics and trade-based firms face lower margins, as higher fuel and energy costs become increasingly difficult to pass on to consumers. Against the backdrop of climate disasters and geopolitical uncertainty, who will dare risk their livelihood by starting a new business? How many will want to invest in one?</p> <p>The government and non-profit sectors face rising operational costs alongside a potential drop in funding. High headline inflation may force the Reserve Bank of Australia (RBA) to keep interest rates higher for longer, increasing the government's borrowing costs. Non-profits such as charities are seeing increased demand for services as household budgets dwindle, while their own operational costs (e.g., fuel for food banks or heating for shelters) go up.</p> <p>Despite record profits for gas exporters, the public sector is projected to see minimal extra tax revenue because the Petroleum Resource Rent Tax (PRRT), in addition to being riddled with loopholes⁷, is not designed to capture these specific windfalls.</p>
<p>Inquiry point 5</p>	<p>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</p>
<p>Parents for Climate response</p>	<p>Norway imposes a total tax rate of approximately 78% on oil and gas profits⁸, supporting its massive sovereign wealth fund. The UK introduced the Energy Profits Levy in 2022, a windfall tax on North Sea oil and gas extraction that rose to 38%, on top of existing corporate taxes, raising over £8.9 billion (A\$17 billion) within three years⁹. The Middle Eastern countries such as Qatar and UAE are able to forego high personal taxes, instead generating substantial public revenue from high government ownership and taxation of oil and gas exports.</p> <p>Beyond the 25% gas tax levy, we urge you to consider a broader and deeper shift - which we accept will be difficult and must be just - away from all fossil fuels and towards secure, independent and sustainable energy sources. There is a range of tax and financial carrots and sticks available, with successful examples around the world; remove, redirect or minimise fossil fuel subsidies, estimated at \$16.3 billion per annum in Australia¹⁰ (see examples in Canada, Italy, France, Indonesia, and Egypt¹¹), introduce carbon pricing, preferably as citizen dividends or 'climate income' (see examples in Canada¹²,</p>

⁷ [PRRT. The tax oil and gas companies continue to avoid. What's the scam? | Michael West](#)

⁸ [The Petroleum Tax System - Norwegianpetroleum.no](#)

⁹ [What is the windfall tax on oil and gas companies and how much do they pay? | BBC](#)

¹⁰ [Fossil fuel subsidies in Australia 2026 | The Australia Institute](#)

¹¹ [How the G7 Can Advance Action on Fossil Fuel Subsidies in 2025 | International Institute for Sustainable Development](#)

¹² [Carbon pricing systems across Canada | Canada.ca](#)

	Switzerland ¹³ , Austria ¹⁴) and introduce cross-border adjustment mechanisms (CBAM, EU ¹⁵ , UK ¹⁶ (from 2027), Norway ¹⁷ (from 2027) and others).
Inquiry point 6	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
Parents for Climate response	<p>Additional savings and revenue from tax and other financial sources should be directed into a sovereign wealth fund. Unlike Australia, Norway started in 1990, and now holds the world's largest sovereign wealth fund, with a value exceeding \$1 trillion USD (\$1.4 trillion AUD)¹⁸. For a tiny Nordic nation, this is a massive buffer against shock and uncertainty. As one of the largest investors in the world, it helps to stabilise global markets and promotes responsible corporate behavior.</p> <p>Yet they are not sitting on their hands, or rolling on in it like Scrooge McDuck. They are strategically and proactively deploying these funds according to priorities, at home and abroad. Norway remains the long-term top contributor to international aid, at 1.02% of GDP¹⁹, even though aid has been dropping globally since 2024.</p> <p>Cost of living relief and reducing dependence on imported fuel go hand in hand, and could be provided effectively - not just for households and businesses but the public and non-profit sectors as well - if the additional revenue were directed to:</p> <ul style="list-style-type: none"> ● Pay down energy debt now to allow households to get back on track. ● Prioritise domestic energy supply, pushing energy prices down, and ensuring stability during the transition ● Expand access to home upgrades like insulation and solar and finance energy efficiency retrofits and home upgrades, prioritising low-income and social housing ● Fund the installation of solar and batteries for all schools and childcare centres, to reduce energy costs and help community infrastructure act as resilience hubs during extreme heat and unnatural weather impacts. ● Support and accelerate use of renewable energy. Scale up renewable energy projects, strengthen the grid and support community-owned power initiatives - local, regional, state and federal ● Support, promote and subsidise public and active transport, shifting toward electric transit, safe bike lanes and walkable neighbourhoods ● Fund public and family services, such as social housing, health services, and education ● Nationalise early childhood care²⁰ for social and gender equity and

¹³ [Pricing Greenhouse Gas Emissions: Key findings for carbon pricing in Switzerland | OECD](#)

¹⁴ [Klimabonus: How to receive your money | Austrian government](#)

¹⁵ [EU Carbon Border Adjustment Mechanism: What is it, how does it work and what are the effects? | OECD](#)

¹⁶ [Draft regulations: Carbon Border Adjustment Mechanism \(CBAM\) \(Emissions and Verification\) - GOV.UK](#)

¹⁷ [Norway is preparing to introduce CBAM in 2027 | GMK Centre](#)

¹⁸ [Norway's Wealth: Unveiling The Sovereign Fund.](#)

¹⁹ [International aid falls in 2024 for first time in six years | OECD](#)

²⁰ [Can Australia afford free childcare? | Alan Kohler | ABC NEWS](#)

	<p>greater workforce flexibility and participation</p> <ul style="list-style-type: none">● Support communities bearing the brunt of climate-fuelled disasters● Pause the rollback of existing subsidies for EVs (e.g. FBT benefit / deferral of road user charges) until they are a much higher proportion of registered vehicles, and boost investment in charging infrastructure● Update planning rules and building codes to avoid risky areas and keep insurance affordable● Provide fair support and retraining for workers and communities transitioning away from high-emissions industries, including climate safe homes● Assist factories, heavy industries, agriculture and other urban and regional businesses to adopt low-carbon processes and clean fuels● Promote a circular economy: repair over replace, reduce waste and discourage planned obsolescence to reduce costs and increase productivity <p>It is important to note that a gas export tax would divert gas to domestic customers, leading to an increase in gas supplied to Australians and potentially reducing energy costs for families and businesses. We don't need new gas projects to meet its demand for gas, we need only to divert a small percentage of gas exports to Australians, which can be supported through a gas exports tax.</p> <p>All of the above should target low income, disadvantaged & essential workers ahead of people who can already afford it.</p>
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