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

13 April 2026

**RE: Submission to the Select Committee on the Taxation of Gas Resources**

To the Committee Secretary,

Market Forces advocates for policy and practical action to redirect finance from activities that worsen the acute and systemic risks posed by climate change and environmental degradation. Our organisation works with the community to ensure financial institutions and companies mitigate these risks to our economy and society, rather than exacerbate them.

We appreciate the opportunity to make a submission to this inquiry. Our submission responds in detail to Terms of Reference a and b. In summary:

- a) We support the proposal for an export tax of at least 25% on Australian oil and gas resources, which have been under-taxed until now.
- b) The current global oil and gas price spike and inherent volatility in these markets are driving long-term demand destruction in prospective growth markets.

This analysis leads to conclusions relevant to Terms of Reference c and f:

- c) Windfall fossil fuel profits must be taxed appropriately now, as the escalating transition to cheap, clean, sovereign renewable energy in export markets will significantly devalue these industries and their potential earnings for Australia.
- f) Additional revenue generated must be used to prioritise electrification efforts and support Australian households, businesses and communities through a rapid and just energy transition. This will reduce the extensive economic and social costs that rise with every fraction of a degree of further global heating.

Details of each of these responses are provided in the submission below.

Sincerely,

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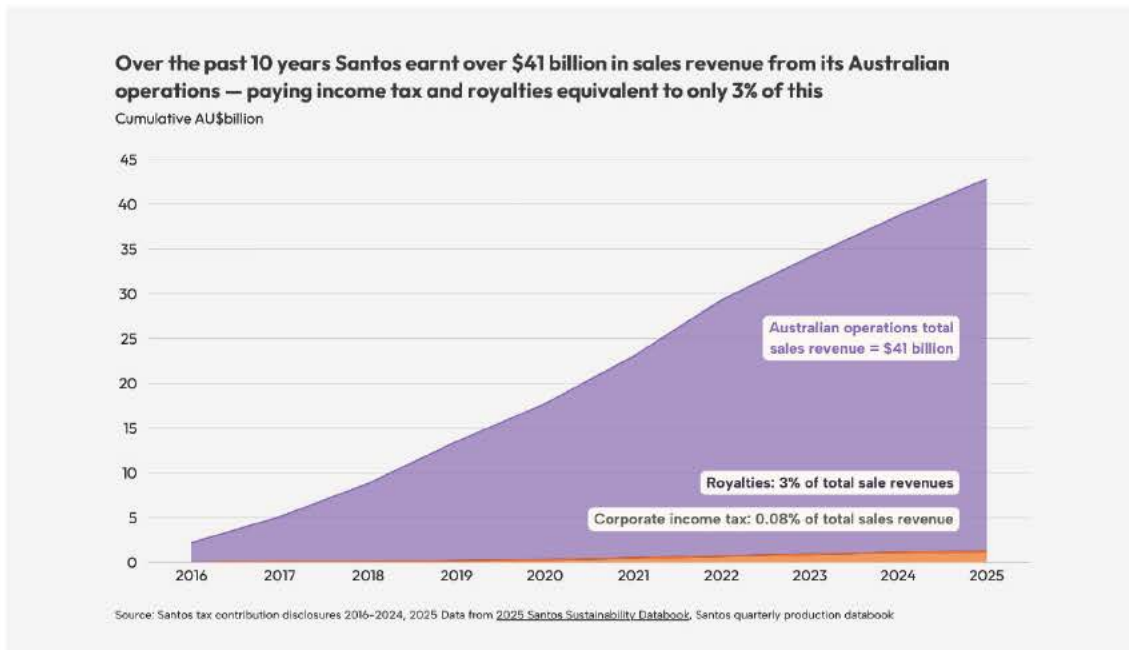
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## Market Forces submission to the Select Committee on the Taxation of Gas Resources

### a) Australia's oil and gas industries have been under-taxed

Australia under-taxes its oil and gas exports, with the public receiving just 9.8% of total oil and gas revenue in 2023. By contrast, in Norway, the public is expected to receive 64% of the country's total oil and gas revenue.

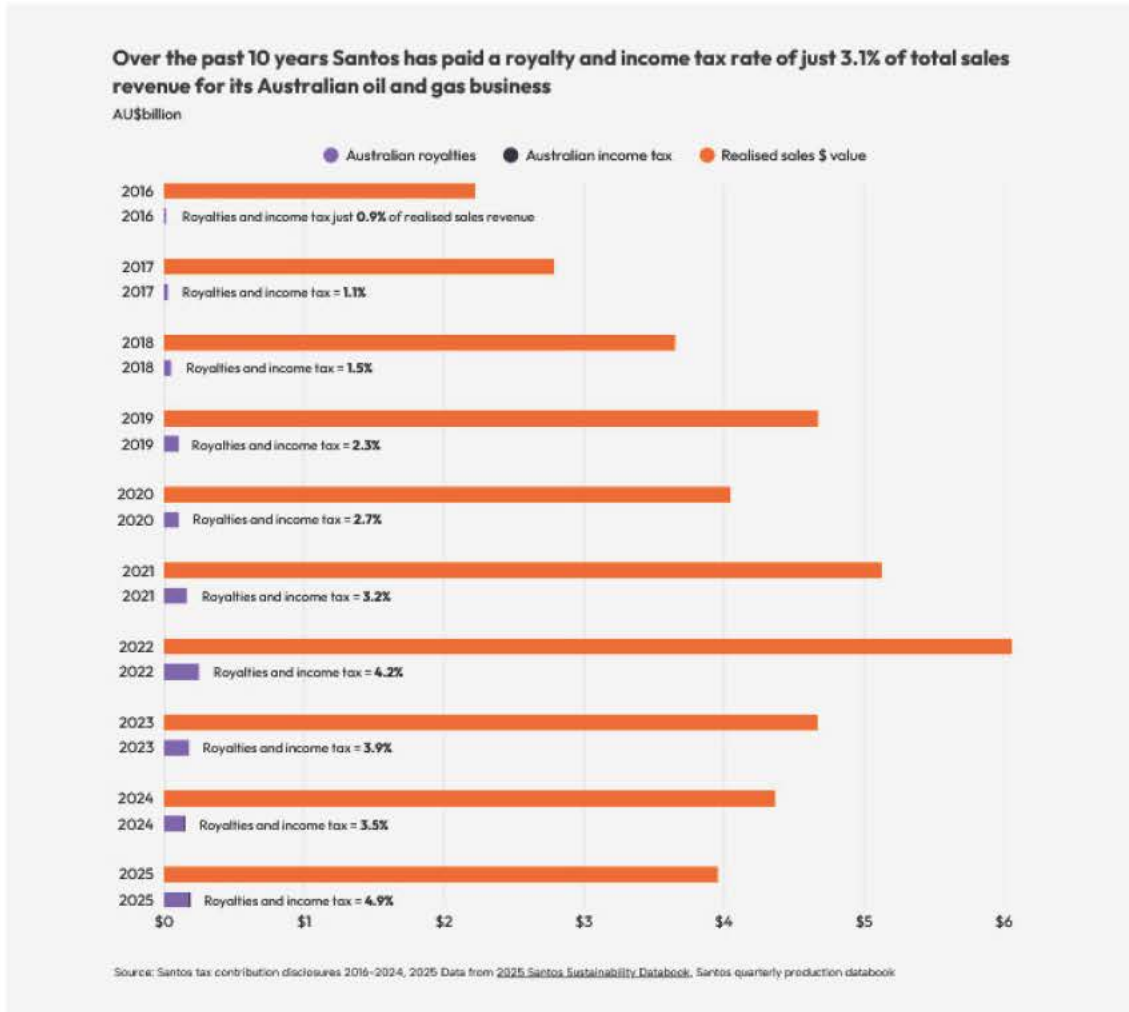
By way of example, one of Australia's largest oil and gas exporters, Santos, has paid just \$33 million<sup>1</sup> in Australian income tax over the past 10 years, despite earning over \$41 billion in sales revenue during that period. This is equivalent to just 0.08% of total realised sales revenues.



In 2025, Santos' average realised sale price across commodities was \$71.03 per barrel of oil equivalent (boe) for its Australian operations. Yet Santos paid just \$3.17 per boe in royalties (4.5% of total sales revenue) and just \$0.30 per boe in corporate income tax (less than 0.5% of total sales revenue).

The average over the past 10 years was even lower, with Santos paying just over 3% of its realised price revenue in royalties and income tax.

<sup>1</sup> Santos tax contribution disclosures 2016–2024, 2025 Data from [2025 Santos Sustainability Databook](#)



The Santos example is reflective of an industry-wide missed opportunity for significantly higher government revenue. As outlined below, this must be corrected as a matter of urgency, given the increasing motivation for the world to rapidly transition away from fossil fuel use. Australia must claim its fair share of oil and gas revenue while it still can, and use that income to drive a just domestic clean energy transition.

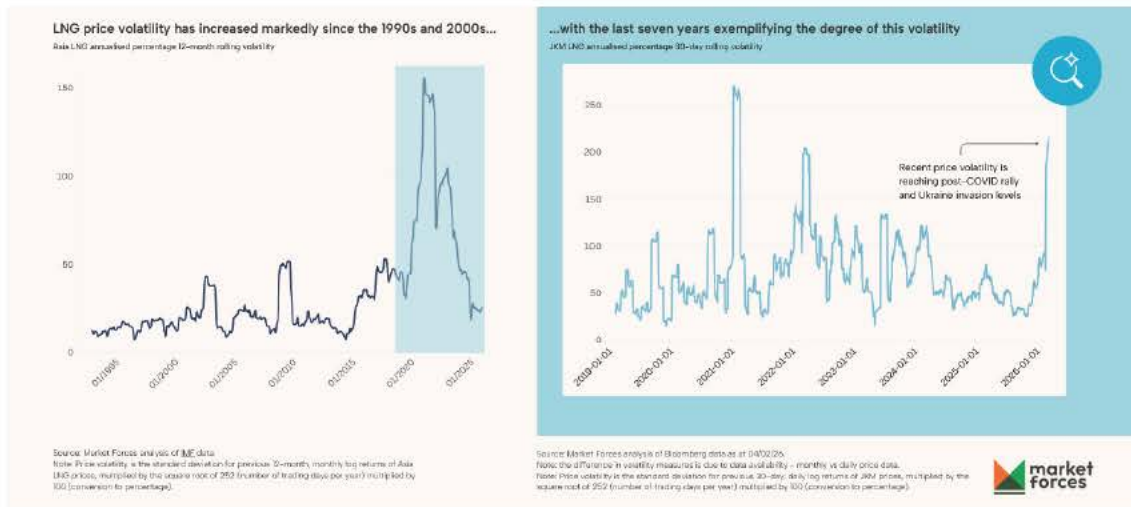
For these reasons, Market Forces supports the adoption of an export tax of at least 25% on Australian oil and gas resources.

### b) Long-term demand destruction

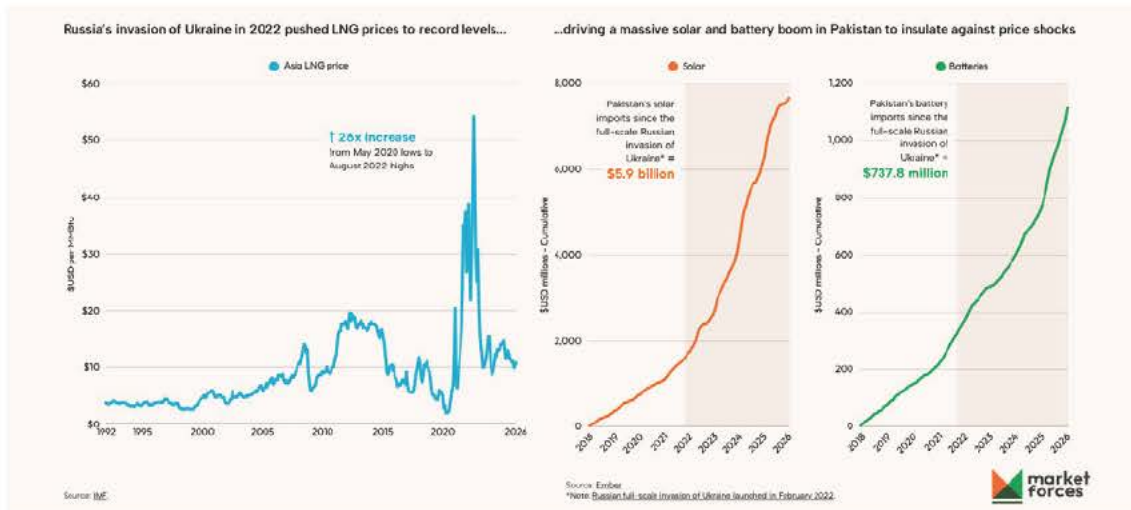
The current global oil and gas price spike and inherent volatility in these markets are driving long-term demand destruction in much-vaunted growth markets for Australian exporters. The latest conflict in Iran, the second fossil energy crisis in five

years, has led to a massive spike in liquefied natural gas (LNG) prices. This rapid rise in LNG prices has already led to [Bangladesh](#) and [India](#) commencing gas rationing, with Bangladesh also facing “intensified power shortages” due to its reliance on imported LNG.

This crisis has again put a spotlight on the need for energy security and independence (renewables with battery storage) and to prioritise the transition away from costly, volatile, import-reliant energy systems (fossil fuels).



Pakistan’s rapid pivot from imported LNG to solar and batteries in recent years demonstrates the long-term demand destruction facing Australia’s LNG exports.



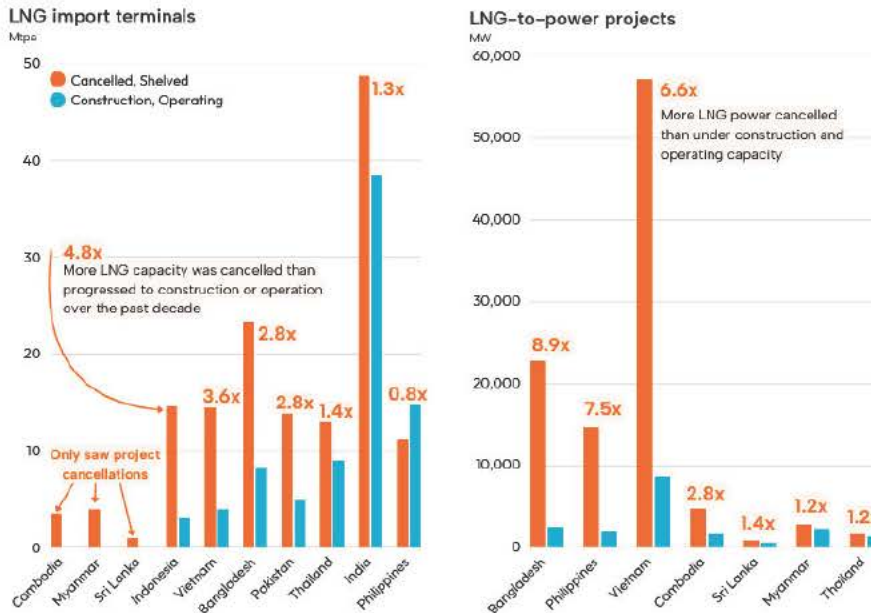
Pakistan’s massive [solar](#) and [battery](#) booms have resulted in the cancellation of [21 LNG cargoes from Eni](#) and [24 cargoes from Qatar](#) for 2026. Commentary from [Pakistan’s Petroleum Minister](#) emphasises that “this is not a temporary blip,” and

“we have to readjust our strategy.” The Minister “doesn’t see any space for LNG, as shipments remain too expensive.”



Australian LNG exporters regularly point to 'Emerging Asia' as a source for demand growth. However, key markets have seen significantly more LNG import and LNG-to-power project cancellations than projects under construction or operating.

Vietnam stands out, cancelling 3.6 times more LNG import capacity and 6.6 times more LNG power capacity, compared to projects in development. Due to ongoing LNG price volatility, Vietnam has already [proposed](#) cancelling another large LNG-to-power project and replacing it with renewables.

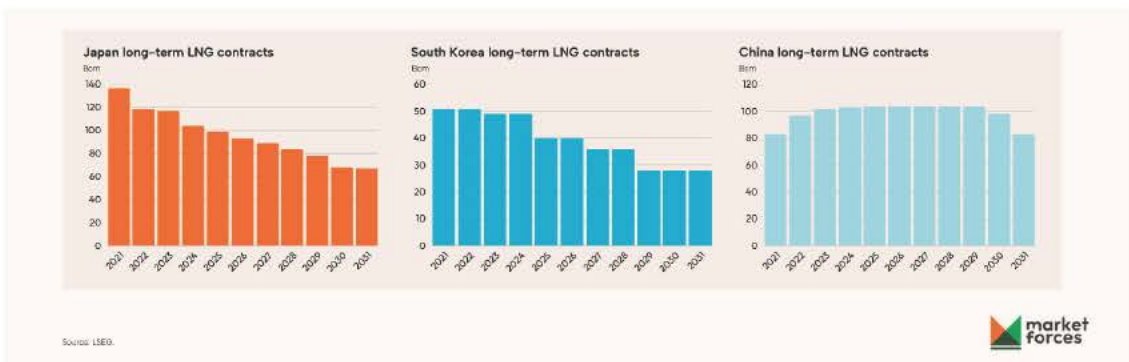


Source: Global Energy Monitor – Asia Gas Tracker.  
Note: For LNG-to-power fuel types include any fuel type that lists LNG. LNG import terminal cancellations/shelved/construction/operating projects based on the past 10 years of data to better reflect the pace of energy transition and impact on LNG project development. Unfortunately, LNG-to-power includes all projects (not just past 10 years due to data availability limitations).

Cancellations across much-vaunted Australian LNG export markets are likely to rise further, considering:

- The production backlog for gas turbine procurement is approaching [seven to eight years](#).
- [Existing LNG import](#) capacity is underutilised in ‘Emerging Asia,’ driving hesitancy to develop further high-cost import capacity.
- [Renewables](#) continue to become cheaper than gas in many markets.

Meanwhile, key existing LNG export markets demonstrate a growing hesitancy to sign long-term LNG offtake agreements.



All of this analysis points to a transition away from exported Australian gas. While this transition will not happen overnight, it is undoubtedly gathering momentum. As such, Australia must prioritise collecting fair revenues from its oil and gas resources while it still can.

### c) Make hay *before* the sun shines

Windfall fossil fuel profits must be taxed appropriately now, while they still can be, as the escalating transition to cheap, clean, sovereign renewable energy in export markets will significantly devalue the LNG export industry and Australia's potential future revenue from it.

### f) Fund a just, rapid transition to protect communities

Additional revenue generated must be used to prioritise electrification efforts and support Australian households, businesses and communities through a rapid and just energy transition. This will reduce the massive economic and social costs associated with every fraction of a degree of further global heating.