

LOCK THE GATE ALLIANCE

AUSTRALIANS WORKING TOGETHER TO PROTECT OUR LAND, WATER, AND FUTURE



13 April 2026

To the **Select Committee on the Taxation of Gas Resources**,

Thank you for the opportunity to make this submission.

Lock the Gate Alliance is a network of over 120,000 farmers, Traditional Owners, conservationists and community members from across Australia, affected by and concerned about the impacts of coal and unconventional gas mining. We live and work in the communities affected by these industries and undertake research, advocacy and support to protect the environment, cultural heritage and society from damage. Many of our members are regionally-based, and are experiencing first-hand the consequences of global warming.

Gas is a fossil fuel and a finite resource. Its production and use cause significant harm to land, water, biodiversity and the climate. LNG exports are by far the largest source of gas demand in Australia, which means they are the primary driver of these harms. Local communities we work with understand very clearly that the harm to landscapes, water resources and nature in places like the Beetaloo Basin, the Kimberley and the Gunnedah Basin / Liverpool Plains are being driven by export demand and that without controls on export volumes these harms will continue.

1. Lock the Gate supports fair taxation of gas exports combined with export controls

Lock the Gate is supportive of changes to the tax treatment of gas exports to ensure that Australians receive fair compensation for our resources. However improved taxation must complement, not replace, the need for controls on export volumes and investment in gas demand reduction strategies.

We are of the view that any revenue raised through the fair tax treatment of our gas exports should be deployed to:

- Support domestic fuel switching away from oil and gas, including green hydrogen development for heavy industry, the electrification of low heat manufacturing, commercial buildings, households and transport; and
- Support communities with recovery and resilience in the face of escalating climate change impacts, due to coal, oil and gas consumption

Alongside any increase to the amount of government revenue collected from gas exports, we also support the introduction of a gas reservation system that includes:

- An export permitting framework that has the capacity to place limits on gas exports;
- A National Interest Test on new/extended LNG export contracts that considers:

- Australia's duty to prevent climate change harms within and beyond its borders, as articulated in the International Court of Justice (ICJ) ruling on *Obligations of States with Respect to Climate Change*;
- Australia's ability to satisfy the objects of the Climate Change Act 2022;
- The impact that delivering the contract would have upon communities, First Nations culture, land, water and biodiversity; and
- The impact that delivering the contract would have upon Australian manufacturers and the domestic gas market.

We believe these two reforms introduced together will help to maximise benefits for Australians while minimising the risk of government revenue becoming too dependent on the gas industry over the medium-long term, which in turn would introduce unacceptable risks to rural and regional communities fighting onshore gas expansion.

Other related matters

2. Close the loophole that allows gas exploration companies to obtain R&D tax credits

Since 2020, Beetaloo Energy Australia and Tamboran Resources, which are both undertaking exploration activities in the Beetaloo Basin, have obtained a combined \$54.17 million¹ through the federal Research and Development Tax Incentive (RDTI) scheme. These material payments for junior exploration companies are occurring even though the RDTI scheme states² that:

*Prospecting, exploring or drilling for minerals or *petroleum for the purposes of one or more of the following:*

(i) discovering deposits;

(ii) determining more precisely the location of deposits;

(iii) determining the size or quality of deposits;

Are not core R&D activities and are subsequently ineligible for tax rebates.

The Federal Government has been repeatedly alerted to this incorrect application of the RDTI scheme in recent years. The current loophole is underpinning the financial capacity of these gas explorers, with Beetaloo Energy Australia disclosing to the ASX on 2 April 2026:

¹ Sum of company market announcements - includes conversion from USD to AUD for Tamboran announcement

² INCOME TAX ASSESSMENT ACT 1997 - SECT 355.25, accessible here:
https://classic.austlii.edu.au/au/legis/cth/consol_act/itaa1997240/s355.25.html

“The receipt of the R&D tax refund of \$15.4 million materially strengthens Beetaloo Energy’s balance sheet at a pivotal stage in the company’s development...It allows the company to maintain momentum while preserving shareholder value.”³

Lock the Gate implores the committee to recommend that RDTI credits are no longer granted to oil and gas exploration companies, as per the scheme design.

3. No federal subsidies or relaxation of environmental and climate protections for new oil and gas projects and infrastructure

The gas market review and any response to the global energy crisis must not be used as an excuse to water down Australia’s already insufficient environmental protections and climate change regulations in order to expedite new oil and gas projects or related infrastructure. It will be unacceptable to the Australian community for such government support to be given to this industry, whether for extraction or pipeline infrastructure.

We call on the Committee to recommend that no Commonwealth support is given to the oil and gas industry in the form of:

- Fast-tracking and/or subsidising the development of the Taroom Trough;
- Recommending or facilitating streamlined assessment or bilateral approval of new gas infrastructure that connects the Beetaloo Basin to the east coast, such as APA’s North to East Australia Pipeline (NEAP);
- Subsidies for domestic gas bulk buys that are linked to or underwrite new gas fields;
- Subsidies, loans or any other concession being offered to the Hunter Gas Pipeline, NEAP or any other new gas transmissions project;
- Recommendations to remove or change the safeguard mechanism baseline setting arrangements for new or expanding gas fields or the zero baseline for shale gasfields;
- Any amendment of the EPBC Act that would enable fast tracking of gas projects;
- Expansion of the mandates of government financing bodies or clean energy initiatives like the CEFC or the capacity investment scheme to include gas.
- Use of the Northern Australia Infrastructure Facility to finance gas projects, such as the Comet Ridge Maholo Gas Hub, or related infrastructure.