australian energy producers

Gas tax: **The Facts**

The Australian oil and gas industry is one of Australia's largest corporate taxpaying sectors.[1]

$21.9 billion

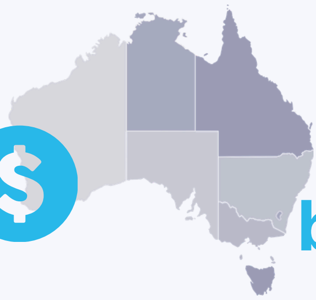
Paid in taxes and royalties in 2024–25.[2]

Equivalent to the annual cost of the Pharmaceutical Benefits Scheme.[3]

A significant tax contribution

$19.8 billion

Paid in Commonwealth taxes in 2024–25.[2]



$59.7 billion

Paid in taxes and royalties over three years to 2024-25.[4]

The industry pays more than company tax

The oil and gas industry contributes through company tax, the Petroleum Resource Rent Tax, state royalties, payroll tax and a range of other taxes, duties and charges.

PRRT

$7.9 billion

Forecast PRRT receipts over the five years from 2025–26 to 2029–30.[5]

STATE ROYALTIES

$2.1 billion

Paid by onshore gas projects in state royalties and licence fees in 2024–25.[2]

Proudly supporting communities across Australia

The industry is proud of its tax and royalty contribution that helps governments fund schools, hospitals, roads and essential services while supporting jobs, businesses and regional communities.

Gas tax: **The impacts of a 25% export tax**

Independent modelling by Wood Mackenzie found that a proposed additional 25% tax on LNG exports could discourage investment, reduce future gas supply and put government revenue at risk.[6]

Up to 83%

Effective tax rate for some projects.

Up to 94%

Reduction in project value, potentially making projects commercially unviable.

19,000 PJ

Future gas production at risk across planned projects.

$70 billion

Government revenue at risk If those projects do not proceed.

Note: Wood Mackenzie modelled an assumed oil price of US$120 a barrel.

The consequences for Australia

Less investment

Australia's LNG industry has invested more than $400 billion in the past 15 years, supporting local jobs, businesses and communities.[7]

Less supply

Without continued investment, Australia will have less gas available for homes, businesses, manufacturers and electricity generation.

Less revenue

Australia will miss out on tax and royalty revenue, jobs and broader economic activity as a result of projects not going ahead.

The United Kingdom introduced the Energy Profits Levy in 2022 at a rate of 25%. It was subsequently increased to 38%, taking the headline tax rate on upstream oil and gas activities to 78%.[8]

Wood Mackenzie found that the levy and subsequent policy changes were followed by a measurable contraction in UK oil and gas investment activity.[6]

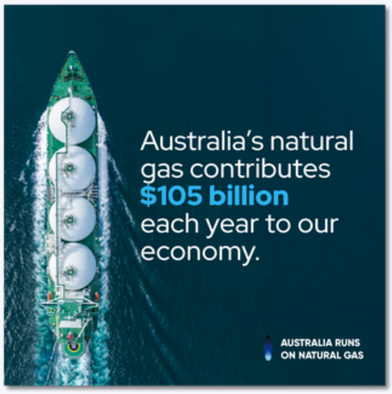
As domestic production declines, the UK faces increased dependence on imported energy and increased exposure to international supply disruptions and price volatility. It's a warning, and a valuable lesson for Australia.

Our campaign

Australia runs on natural gas

Australian Energy Producers' national advertising campaign aims to increase awareness about the Australian oil and gas industry's significant contribution to Australia's economy and energy security, and counter misinformation about our sector's tax contribution.

Visit: *australiarunsongas.com.au*



For more information about our industry or to arrange a briefing, please email ***contact@energyproducers.au***

Authorised by S McCulloch, Australian Energy Producers Ltd, Canberra.

Sources:

1. Australian Taxation Office, Corporate Tax Transparency Report, Oct 2025.
2. Australian Energy Producers, Financial Survey, July 2025.
3. Department of Health, Disability and Ageing, PBS Expenditure and Prescriptions Report 1 July 2024 to 30 June 2025, Dec 2025.
4. Australian Energy Producers, Financial Surveys, 2022-23, 2023-24, 2024-25.
5. Australian Government, Budget 2026–27, Budget Paper No. 1, Department of the Treasury, May 2026.
6. Wood Mackenzie, Analysis of proposed LNG export windfall levy: potential impact on energy project economics and fiscal competitiveness, April 2026.
7. Wood Mackenzie, LNG Taxation Estimates and Review, April 2023.
8. HM Treasury, Changes to the Energy (Oil and Gas) Profits Levy, July 2024.