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Oil and gas industry paying substantial tax despite record operating loss

Financial data released today by the Australian Petroleum Production & Exploration Association confirms the Australian oil and gas industry's major tax contribution.

APPEA's 2016-17 Financial Survey is the 30th instalment in a series that began in 1987-88. The survey is a unique snapshot of the financial performance of Australia's oil and gas industry.

Reflecting low commodity prices and unprecedented spending on new projects, the industry posted a record, net operating loss of \$7.6 billion in 2016-17, compared with a loss of \$4.5 billion in 2015-16. The 2016-17 operating loss is the worst result on record.

Oil and gas sales revenue for 2016-17 was \$33.7 billion, a rise of 42 per cent compared to revenue of \$23.7 billion in 2015-16. The increase in revenue was driven by higher production as new projects commenced.

The average price received for the sale of petroleum in 2016-17 was \$A45.79 per barrel of crude oil equivalent. This compares with a 10-year average of \$A67.28 per barrel.

Despite recording the highest loss in three decades, tax payments continued to be strong, with payments estimated at \$4.6 billion in 2016-17 (compared with \$4.2 billion in 2015-16). The industry's return on assets was estimated at -1.8 per cent, based on a total asset value of \$416 billion.

APPEA Chief Executive Dr Malcolm Roberts said these results highlight the enormous investments made by the industry and the solid returns to the community in revenue.

"Exploration, particularly offshore, remains at historically low levels. Many new projects are only commencing production – it is essential for governments and industry to work collaboratively to remove impediments that are hindering the next wave of investment in the industry," Dr Roberts said.

A copy of the survey results can be [found here](#).

For a chart highlighting selected results from the survey, see the following page.

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Oil and Gas Industry: Profitability, Taxes Paid and Average Realised Prices (2001-02 to 2016-17)

