

# The Australian oil and gas industry's tax contribution

**MYTH** “AUSTRALIAN GAS COMPANIES DON'T PAY ENOUGH TAX”



## FACT

- ✓ The oil and gas industry is one of the biggest tax-paying sectors in Australia, contributing **\$17.1 billion** in taxes and royalties in 2023–24<sup>1</sup> to state and federal governments.
- ✓ The Australian Taxation Office confirms that “**some oil and gas companies [are] now amongst the largest taxpayers in Australia**”, with four gas companies among Australia's 20 biggest tax contributors in 2022–23.<sup>2</sup>
- ✓ Commonwealth taxes paid by the oil and gas sector increased more than tenfold from \$1.5 billion in 2021–22 to **\$11.6 billion** in 2022–23, reflecting major projects moving further into their production cycles.<sup>2</sup>

**MYTH** “AUSTRALIAN GAS IS GIVEN AWAY FOR FREE”



## FACT

- ✓ Australia's LNG sector has invested more than **\$400 billion** in Australia since 2010,<sup>3</sup> and accounts for much of the gas sector's **\$105 billion** annual contribution to the Australian economy.<sup>4</sup>
- ✓ Around 70% of gas produced in Australia is from Commonwealth waters where the Australian Government's Petroleum Resources Rent Tax (PRRT) applies in place of a royalty regime, with Treasury estimating gas companies will pay **\$8.3 billion** in PRRT over the next five years.<sup>5</sup>
- ✓ Onshore gas projects around Australia pay billions of dollars a year in state and territory royalties.

**MYTH** “OTHER COUNTRIES GET MORE TAX FROM OIL AND GAS COMPANIES”



## FACT

- ✓ Countries like Norway and Qatar have significant direct government ownership and/or investment in their oil and gas sector, which means the government take on more of the risks and share more in the returns.
- ✓ These same countries also provide generous support and tax breaks to the sector. For example, Norway provides an annual cash refund up to the value of 71.8% for exploration costs to reduce investor risk and encourage oil and gas exploration and development.<sup>6</sup>
- ✓ In contrast, countries like Australia and the United States require private companies to assume the considerable financial risk of oil and gas development.

1 Australian Energy Producers members' financial survey, May 2024.

2 Corporate Tax Transparency, Australian Taxation Office, November 2024.

3 APPEA–LNG Taxation Estimates and Review, Wood Mackenzie April 2023.

4 Economic contribution of the gas industry, KPMG, Dec 2024.

5 Budget 2025–26, Department of Treasury, March 2025.

6 The Petroleum Tax System, Norwegian Petroleum, October 2024.

