

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 **\$21.9 billion** in taxes and royalties in 2024–25¹ to state and federal governments – equivalent to the annual cost of the **Pharmaceutical Benefits Scheme**.²
- ✓ The Australian Taxation Office confirms that “**some oil and gas companies [are] now amongst the largest taxpayers in Australia**”,³ accounting for **1 in every 10 dollars** of company tax paid.²
- ✓ Commonwealth taxes paid by the oil and gas sector have increased more than tenfold from \$1.5 billion in 2021–22 to **\$18.7 billion** in 2024–25, reflecting major projects moving further into their production cycles.³

MYTH “AUSTRALIAN GAS IS GIVEN AWAY FOR FREE”



FACT

- ✓ Australia's LNG sector has invested more than **\$400 billion** in Australia since 2010,⁴ and accounts for much of the gas sector's **\$105 billion** annual contribution to the Australian economy.⁵
- ✓ 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.⁶
- ✓ Onshore gas projects around Australia paid \$2.1 billion in 2024–25 in state royalties and licence fees.

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.⁷
- ✓ 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 Financial Survey, July 2025.

2 2025–26 Federal Budget.

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

4 LNG Taxation Estimates and Review, Wood Mackenzie, April 2023.

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

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

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

