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Oil and gas industry tax payments hold up despite worst loss in decades

Newly released Australian Taxation Office (ATO) data shows the oil and gas industry's 2014-15 tax contribution is still high despite a combination of unprecedented capital investment, low commodity prices and falling oil production plunging the industry into the red.

APPEA Chief Executive Dr Malcolm Roberts said the ATO annual corporate taxpayer data confirmed the intense pressure on the industry's bottom line. APPEA's 2014-15 financial survey, released a week ago, revealed the same picture of depressed prices and squeezed margins.

"Australia's oil and gas industry continues to pay considerable tax despite suffering its worst financial result in decades," Dr Roberts said.

"Despite an operating loss of more than $600 million in 2014-15, the industry paid more than $5 billion to governments.

"Over the last decade, the level of taxation, including both company tax and resource taxes, has averaged around 50 per cent of the industry's pre-tax profit. I'm not aware of another industry with such a high effective tax rate.

"Since the 1970s, the industry has paid, in today's dollars, an estimated $250 billion in taxes and resource charges to governments across Australia.

"These numbers must surely put an end to the ill-informed and self-serving claims by critics that the industry is somehow not paying its way.

"The usual suspects will make the usual claims. The misuse of data and reports by industry critics and activists should be treated with the cynicism they deserve."

See www.appea.com.au/industry-in-depth/policy/tax-and-commercial/ for more details on the industry financial survey.

See table next page.

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Oil and Gas Industry Tax Paid and Profitability ($m)