

Australian East Coast Natural Gas: FAQs

Question:

Answer:



Do oil and gas companies pay tax on their profits in Australia?

Yes.

The Petroleum Resource Rent Tax (PRRT) is a tax on oil and gas company profits.

Nearly \$40bn has been paid since the PRRT commenced. Source: APPEA Financial Survey; Federal Treasury



How much does the oil and gas industry pay the Australian Government each year?

More than \$5bn.

The industry pays more than \$5bn per year directly to government in taxes and royalties.

Source: APPEA Financial Survey

That's the equivalent of providing healthcare for 625,000 Australians each year, or enough to build 100 new primary schools.



Do households pay wholesale gas prices?

No.

Wholesale gas prices are not paid by households. They are paid by generators and industrial customers.

Gas only sets electricity prices around 10% of the time – electricity prices are mostly set by coal and hydro. Source: Australian Energy Regulator

Wholesale gas prices are around 30% of residential gas bills. Source: Australian Energy Regulator



Is there enough gas for Australians?

Yes.

The Australian oil and gas industry produces seven times as much gas as the market uses.

In 11 reports since 2017, the ACCC has found no shortfall in the market. Source: ACCC

Domestic supply is guaranteed under the Australian Domestic Gas Supply Mechanism, the Heads of Agreement, and the Gas Supply Guarantee.



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Can natural gas help reduce emissions?

Yes.

Natural gas produces 50% less emissions than coal in power generation. Source: Finkel Review 2017.

Gas is a feedstock for low emission hydrogen.

Gas can increase the uptake of more renewables in the electricity system. Source: AEMO



Is exporting natural gas driving up prices and causing supply shortages?

No.

Exports deliver more domestic gas, jobs and economic activity by underwriting bigger projects that wouldn't happen otherwise.

Domestic supply is guaranteed under the Australian Domestic Gas Supply Mechanism, the Heads of Agreement, and the Gas Supply Guarantee.



Is Australian gas flowing to Australian businesses?

Yes.

At least 120 Gas Supply Agreements with Australian businesses have been announced over the last 10 years - one every month.



Are oil and gas companies doing everything they can to supply more gas?

Yes.

Production is at near record levels.

The oil and gas industry has announced investments of more than \$20bn in the last 18 months.



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