



# Peoples Climate Action Coalition

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## Submission regarding treatment of the Petroleum Resources Rent Tax (PRRT)

The Peoples Climate Assembly welcomes the opportunity to make a submission on the Petroleum Resources Rent Tax (PRRT).

Like many Australians we were shocked to hear that the government receives more than double the revenue from HECS than it does from the PRRT. This suggests we are giving away our resources for virtually nothing and relying on our over-burdened student population to support the economy<sup>i</sup>.

The general population however, pay the huge costs of Australian gas exports caused by gas and oils contribution to climate change. Climate change increases the frequency and severity of droughts, bushfires, storms, and floods which damage both our natural environment and property. This also leads to skyrocketing insurance premiums which are pricing many out of any cover at all.

All this for a product that is mostly exported. Very little is used domestically, despite the spin by the gas industry. And, at the same time that the oil and gas industry are raking in billions of dollars, their tax payments are miniscule, if not absent entirely. Companies such as Exxon, Shell, INPEX, and Chevron had total incomes of \$296.9 billion between 2013/14 and 2021/22 and yet paid zero PRRT. Many of these gas majors also paid a pittance in company tax<sup>ii</sup>. The Australian community is being ripped off, and gets virtually nothing for its resources, while the gas companies get the gas for free!

Comparisons with other major oil and gas exporting countries show that we are being played the fool by the gas industry. For example, according to The Australia Institute *“since 1996 Norway has been taxing the profits of its oil and gas sector at 78%. This is comprised of Norway’s 22% corporate rate as well as a 56% “Special Tax” (petroleum tax).”*<sup>iii</sup> Instead, in Australia the federal and state governments shower the oil and gas industry with massive subsidies and tax breaks amounting to \$11.1 billion in 2023<sup>iv</sup>.

All this lost revenue could be making a huge difference to everyday Australians. Like Norway we could provide free education for all. Or we could massively improve the health system and add free dental services. We could rebuild the depleted social housing stock

that is needed to ensure all Australians have a roof over their heads at a reasonable price. Or we could provide free childcare for all. We could finance and build long awaited infrastructure like the high-speed rail link between Melbourne and Brisbane.

The money could be put to a massive injection of funds to renewable energy to hasten the transition away from fossil fuels, and at the same time guarantee all displaced fossil fuel workers (not the executives) an equivalent salary until they transition into the new energy jobs of the future.

We could provide much needed funds to protect endangered species and ecosystems, and to repair ecosystems which have been degraded.

We need proper changes to the PRRT, not tinkering at the edges which allows the fossil fuel industry to find loopholes so that they don't have to pay. It is clear we need a complete overhaul of the PRRT so that it gives a proper return to Australian citizens for their natural resources which are currently being given away for almost nothing.

Yours sincerely

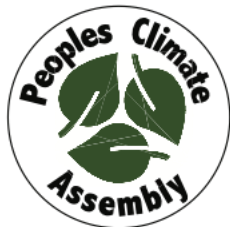


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**Peoples Climate Assembly**

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### **Action is the antidote to despair**

*The Peoples Climate Assembly acknowledges that we live on the stolen land of the Indigenous people of Australia. We acknowledge the Ngunnawal and Ngambri people, the traditional custodians of the land on which Canberra is situated. Their sovereignty was never ceded. We pay our deepest respects to our nation's First Peoples and to Elders, past and present.*

<sup>i</sup> Dennis, Richard (2024). "Address to the National Press Club" 31 January 2024 reported in The Australia Institute <https://australiainstitute.org.au/post/richard-denniss-national-press-club-address/>

<sup>ii</sup> Knauss, Christopher (2022). "Almost a third of Australia's large companies pay no income tax". The Guardian, 3 Nov 2022 <https://www.theguardian.com/australia-news/2022/nov/03/australia-tax-transparency-report-almost-a-third-large-companies-pay-zero-income-tax>

<sup>iii</sup> Bleakley, Daniel (2022). "Norway shows how Australia can get a fair return from oil and gas". The Australia Institute, 20 October 2022 <https://australiainstitute.org.au/post/norway-shows-how-australia-can-get-a-fair-return-from-oil-and-gas/>

<sup>iv</sup> Campbell, Rod et al (2023). "Fossil fuel subsidies in Australia 2023". A report by The Australia Institute 4 May 2023 <https://australiainstitute.org.au/report/fossil-fuel-subsidies-in-australia-2023/>