

13 April 2026

Committee Secretary  
Select Committee on the Taxation of Gas Resources  
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Canberra ACT 2600



Chamber of Commerce  
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Dear Committee Secretary,

### **SELECT COMMITTEE ON THE TAXATION OF GAS RESOURCES**

Thank you for the opportunity to provide a submission into the Select Committee on the Taxation of Gas Resources.

The Chamber of Commerce and Industry of Western Australia (CCIWA) is the peak body advancing trade and commerce in Western Australia. We have over 7,000 members, of all sizes and across all sectors of the economy, and as such we are well placed to represent not just the gas sector, but also gas users who rely on access to affordable and reliable gas supply every day.

In Australia, as well as supporting our strong mining sector, natural gas is used to firm renewable electricity generation, generate heat and chemical inputs for industrial processes, and provide energy for heating and cooking in homes across the country.

Stability and predictability in Australia's investment settings are critical for sustaining ongoing exploration and development. Large-scale oil and gas projects are long-life, capital-intensive and globally competitive. Policy uncertainty risks investment being redirected elsewhere, with direct consequences for future reliable and affordable supply, jobs, and government revenue.

For this reason, CCIWA does not support any proposal to increase the tax burden on gas resources in Australia.

A higher tax on liquefied natural gas (LNG) exports is, in effect, a tax on domestic energy: likely putting upward pressure on input costs across the economy, weakening competitiveness, and increasing the risk of reduced domestic supply resulting in higher prices and greater instability for Australian households and businesses.

Rather than layering additional taxes onto a trade-exposed sector, we support fundamental reform to make Australia's overall tax system more efficient and internationally competitive.

We explore these issues in greater detail below.

## **Importance of domestic energy security**

The current geopolitical instability underscores the importance of secure and reliable, domestic energy supply. Maintaining a strong domestic gas industry is therefore critical to Australia's resilience and to insulating domestic customers from volatility in global markets. However, higher taxes could threaten domestic supply by adding another barrier to investment and increasing the costs of development and production.

To maintain a strong domestic gas industry, Australia must maintain stable, predictable and politically supportive settings. This is particularly pertinent given the scale of investment required for gas assets (well into the billions of dollars), and multi-decade decision-making.

The same principles apply to our regional trading partners, who rely on Australia as a dependable and reliable energy partner. This strengthens broader relationships with our region and enables Australia to engage globally, especially in times of crisis such as helping secure Australia's fuel supply during the current conflict in the Gulf.

With energy demand forecast to grow in Australia and around the world, Australia cannot afford policy settings that materially increase sovereign risk and drive LNG investment offshore.

## **Increased energy costs**

Higher taxes would raise the cost of gas and place upward pressure on energy prices for downstream users. Even taxes framed as applying to exports can be passed through into domestic markets via contract pricing, supply incentives and market expectations.

Access to affordable energy is fundamental to the competitiveness of trade-exposed sectors such as manufacturing and mining. Raising gas taxes, therefore, has economy-wide consequences: it lifts costs, erodes investment attractiveness, and risks shifting activity and capital to lower-cost jurisdictions and export competitors.

Furthermore, a price uplift due to reduced supply could devastate WA's economy.

Last year, CCIWA conducted a survey with Western Australian users of gas, and found that on average, gas accounts for around 13% of production costs. A sudden surge in gas prices to east coast levels could cripple Western Australian industries dependent on affordable gas.

## **Reform focused on greater supply**

For the reasons outlined above, we continue to argue that the Federal Government should be focused on creating a policy environment that supports and enables increased supply into the market – thereby supporting both our domestic energy needs and those of our regional partners.

To this end, there are three aspects of reform which are needed to deliver greater supply:

- Firstly, deliver the commitments outlined in the *Future Gas Strategy*. We call on the Federal Government to commit to introducing these commitments in full as soon as possible. This would address the challenges associated with a lengthy and delayed approvals framework.
- Secondly, ensuring that Australia has a modern and balanced industrial relations environment that is conducive to ongoing investment is critical. At present, the industrial environment is becoming increasingly adversarial in nature.
- Lastly, we continue to call for a rebalancing of Australia's overall tax system to support increased investment, across the economy, including in new gas supply.

### **Concluding remarks**

Gas is the backbone of Australia's economy – and any policy that seeks to threaten supply would create impacts across the economy.

Any investment in LNG projects unlocks domestic gas for WA, which keeps the lights on, powers industry, and supports jobs. A shortage of gas would not simply be an inconvenience, it would be economically and socially damaging for WA, for Australia, and for countries that rely on Australian gas for their energy security and decarbonisation.

The attractiveness of Australia is already under pressure – not just from increasing tax base, but approvals delays, industrial action, and mixed messaging on support for the gas sector.

As the current fuel crisis demonstrates, access to affordable and reliable energy should be the number one priority.

CCIWA appreciates the opportunity to provide a submission and emphasises that the broader economic impacts of potential reforms must be given due consideration.

Should you wish to discuss any of our positions further, please do not hesitate to contact Dr Daniel Kiely, Chief Economist, via email at [Policy@cciwa.com](mailto:Policy@cciwa.com).

Yours sincerely,

Will Golsby  
**Chief Executive Officer**

