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Select Committee on the Taxation of Gas Resources  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Select Committee

**WOODSIDE ENERGY SUBMISSION: SELECT COMMITTEE ON THE TAXATION OF GAS RESOURCES**

Woodside Energy welcomes the opportunity to contribute to the Senate Committee's inquiry into the Taxation of Gas Resources.

In Woodside's view, Australia's tax policy needs to be stable, globally competitive and support gas companies' ongoing multi-billion dollar investments, while ensuring that the Australian people continue to receive a fair return from the production and supply of these resources. Australia's current tax policy achieves these objectives.

Key points in Woodside's submission:

- Natural gas plays a critical role in Australia's prosperity, supports substantial employment and makes a significant tax contribution, as well as underpinning energy security and sovereign energy capability.
- Australia's current taxation regime for gas resources is delivering a fair return to the Australian people, while providing the certainty that has supported more than A\$400 billion of capital investment in the Australian liquefied natural gas (LNG) industry since 2010.<sup>1</sup>
- Maintaining investment competitiveness is critical for Australia to continue developing and supplying natural gas into the future.
- The Petroleum Resource Rent Tax (PRRT) is a tax designed to capture higher profits during periods of strong prices and it is working as intended, with a growing number of companies paying the tax.
- Woodside is a significant Australian taxpayer including through corporate income tax, PRRT, royalties and other taxes.

Please find attached Woodside's submission. We look forward to working with the Committee in a constructive manner.

Yours sincerely

**Graham Tiver**  
Executive Vice President & Chief Financial Officer

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<sup>1</sup> [AEP-Tax-Factsheet-250725.pdf](https://energyproducers.au/wp-content/uploads/2025/07/AEP-Tax-Factsheet-250725.pdf) <https://energyproducers.au/wp-content/uploads/2025/07/AEP-Tax-Factsheet-250725.pdf>

## **ATTACHMENT: WOODSIDE ENERGY SUBMISSION TO THE SENATE SELECT COMMITTEE ON THE TAXATION OF GAS RESOURCES**

### **Introduction**

Woodside is an Australian-headquartered global energy company, proudly founded in Australia more than 70 years ago. Woodside established the LNG industry in Australia more than 35 years ago and today supplies a growing base of customers. Woodside has reliably delivered gas to homes and businesses in Australia for more than 40 years, supporting the development of local industry and driving economic prosperity.

Australia is fortunate to have a globally significant petroleum resource endowment that has delivered major investment, technology development, employment and tax revenue. Australia's gas industry has helped drive closer relationships with key trading partners on whom Australia relies for a range of goods and services that support Australia's standard of living and economic opportunity.

To preserve and extend these benefits, Woodside believes that tax policy relating to Australia's petroleum resource endowment should be consistent with the following key principles to support the Australian national interest. These include:

- Tax policy should enable the ongoing development of Australian resources in a competitive international market, and continue to result in a fair return to the Australian people
- Australia's petroleum resources should be further developed to meet domestic energy security, deliver gains from trade with international customers enabling regional stability, and support the energy transition
- Tax policy and regulatory settings should maintain Australia's reputation for stability, predictability and the avoidance of sovereign risk

Woodside's submission reflects these key principles, and Woodside looks forward to further engagement with the Committee on these items.

### **Background**

Reliable and affordable gas powers Australia's homes, mining and manufacturing industries, provides jobs, is an essential ingredient in fertiliser and pharmaceuticals, and supports renewable power networks. The Australian Government's *Future Gas Strategy*<sup>2</sup> highlights that natural gas will continue to play a role in Australia's energy mix to 2050 and beyond.

LNG is also important to Australia's regional partners, who rely on it as a component of the energy transition to maintain their energy security while contributing towards their decarbonisation efforts.

Disruptions to global natural gas and oil supply as a result of the Middle East conflict have contributed to higher energy prices and impacted Australia's energy security. When energy becomes scarce and more expensive, the impacts are felt widely. The strength of Australia's sovereign energy capability, and the stability of Australia's regional LNG supply and trading relationships, have never been more important.

Australia's current taxation regime for gas resources is delivering a fair return to the Australian people while providing the certainty that has supported more than A\$400 billion of capital investment in the Australian Liquefied Natural Gas (LNG) industry since 2010. This investment has provided domestic gas supply, jobs, and helped underpin the gas industry's A\$100 billion annual contribution to the Australian economy,<sup>3</sup> despite oil prices fluctuating from more than US\$100/boe to less than US\$50/boe<sup>4</sup> over the same period.

Pricing volatility is an expected part of the gas industry – from a range of factors including geopolitical events but also weather, and the emergence of new demand drivers such as data centres. Woodside takes such volatility into account when making decisions on capital-intensive, long-life energy projects in Australia and elsewhere.

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<sup>2</sup> [Future Gas Strategy | Department of Industry Science and Resources](https://www.industry.gov.au/publications/future-gas-strategy) <https://www.industry.gov.au/publications/future-gas-strategy>

<sup>3</sup> [AEP-Tax-Factsheet-250725.pdf](https://energyproducers.au/wp-content/uploads/2025/07/AEP-Tax-Factsheet-250725.pdf) <https://energyproducers.au/wp-content/uploads/2025/07/AEP-Tax-Factsheet-250725.pdf>

<sup>4</sup> [Brent Crude History \(1987-2026\)](https://www.macrotrends.net/2483/brent-crude-oil-price-history) <https://www.macrotrends.net/2483/brent-crude-oil-price-history>

The exploration and development of gas resources is inherently higher risk than other investments such as infrastructure projects, and the required offshore and LNG production facilities are capital intensive. Australia competes globally to attract such investment. Maintaining investment competitiveness is critical for Australia to continue developing and supplying natural gas into the future, strengthening Australia's energy security and providing increased tax contributions over the long term.

As an example, Woodside's Scarborough Energy Project is expected to total approximately US\$12.5 billion (100%) in investment and is expected to provide more than A\$55 billion in direct and indirect tax revenues to Australia. In addition, it is expected to result in over 3000 ongoing jobs and boost real incomes in Australia by A\$133 billion over the life of the project.<sup>5</sup>

Further examples in Woodside's development portfolio include potential near-field tie-ins in the Bass Strait and the potential development of Browse through the Karratha Gas Plant at the North West Shelf. These developments could increase domestic gas supply on both coasts of Australia, supporting the manufacturing, mining, and processing industries that underpin our economy. These developments could also materially increase total tax and royalty payments over the longer term by extending production from two of Australia's longest-standing operations, which have underpinned Australia's energy security and prosperity for more than 55 years and 40 years respectively. Both assets are now in production decline, and without continued investment in upstream supply, underpinned by stable and competitive fiscal settings, their contribution to government revenue is expected to reduce materially over the coming years and Australia's energy security may be impacted.

Additional taxes will impact the economic viability of local gas projects and reduce Australia's investment competitiveness compared to other gas producing countries. This risks Australia missing out on the jobs, government revenue, domestic gas supply and business opportunities new projects create.

For this reason, Woodside believes imposition of additional taxes on the Australian gas industry will be counter-productive, with the potential to reduce investment and therefore reduce additional revenue over the longer term and undermine sovereign energy capability and national prosperity.

### **Australian gas industry's contribution to energy capability, national prosperity, and regional stability**

Global market disruptions have reinforced the criticality of local gas production and gas supply to Australia's economy. During the current Middle East conflict, while international oil and gas prices have increased considerably, Australian domestic gas prices have remained comparatively stable.<sup>6</sup>

In 2025, Woodside supplied approximately 15% of its global production as pipeline gas into the Western Australian and Victorian markets.<sup>7</sup> In Victoria, Woodside's share of Bass Strait production was 92.9 petajoules (PJ), representing approximately 19% of total gas supplied to the east coast market, with 100% of Bass Strait gas supporting households and industry on the east coast. In Western Australia, Woodside contributed approximately 21% of total domestic gas supply. Of this, around 59% supported the mining, mineral processing, and other industrial activities that underpin the Western Australian economy, while a further 35% was used to generate electricity powering homes and businesses across the state.<sup>8</sup>

Once the Scarborough Energy Project commences expected production in Q4 2026 it is expected to produce a further 225 terajoules (TJ) per day of domestic gas supply into the Western Australian market, including approximately 130 TJ per day as feedstock for local production of fertiliser - a commodity forecast to be in short supply due to the Middle East conflict.<sup>9</sup>

Further development of Australia's oil and gas resources, such as the significant 411 million barrels of liquid resource (100%, contingent resources (2C)) in the Browse fields could increase domestic crude supply to

<sup>5</sup> [economic-impact-of-the-scarborough-energy-project\\_brochure.pdf](https://www.woodside.com/docs/default-source/our-business---documents-and-files/scarborough/economic-impact-of-the-scarborough-energy-project_brochure.pdf) https://www.woodside.com/docs/default-source/our-business---documents-and-files/scarborough/economic-impact-of-the-scarborough-energy-project\_brochure.pdf

<sup>6</sup> [EnergyQuest-international-and-domestic-prices-26-March-2026.pdf](https://energyproducers.au/wp-content/uploads/2026/03/EnergyQuest-international-and-domestic-prices-26-March-2026.pdf) https://energyproducers.au/wp-content/uploads/2026/03/EnergyQuest-international-and-domestic-prices-26-March-2026.pdf

<sup>7</sup> [annual-report-2025.pdf](https://www.woodside.com/docs/default-source/investor-documents/major-reports-(static-pdfs)/2025-annual-report/annual-report-2025.pdf?sfvrsn=a6344a90_5_p259_166.7bcf) https://www.woodside.com/docs/default-source/investor-documents/major-reports-(static-pdfs)/2025-annual-report/annual-report-2025.pdf?sfvrsn=a6344a90\_5\_p259\_166.7bcf Australian pipeline gas

<sup>8</sup> [our-contribution-fact-sheet---april-2026.pdf](https://www.woodside.com/docs/default-source/sustainability-documents/transparency-documents/financial-contributions-and-tax/our-contribution-fact-sheet---april-2026.pdf?sfvrsn=ce0dfd7f_3) https://www.woodside.com/docs/default-source/sustainability-documents/transparency-documents/financial-contributions-and-tax/our-contribution-fact-sheet---april-2026.pdf?sfvrsn=ce0dfd7f\_3

<sup>9</sup> GLOBAL AGRIFOOD IMPLICATIONS OF THE 2026 CONFLICT IN THE MIDDLE EAST  
<https://openknowledge.fao.org/server/api/core/bitstreams/1aafb5d8-39d1-481a-b1f8-25facaec3051/content>

Australia's refineries if processed there, thereby supporting reduced dependence on imported fuel, increasing tax revenue and addressing cost of living challenges by putting downward pressure on energy prices. The industry requires stable, predictable and competitive tax and fiscal frameworks to support investment in new supply.

As an example, development of the Browse project's estimated 14.4 trillion cubic feet of dry gas and 411 million barrels of condensate (100%, contingent resources (2C)) via the North West Shelf Project's Karratha Gas Plant has the potential to generate tens of billions of estimated direct total taxation and royalty payments, and Australian economic activity, and thousands of full time jobs, over the life of the proposed project.

Without investment in new gas developments, supply gaps are forecast in the 2030s on both the east and west coasts of Australia. On the west coast, without further development, the supply gap by the mid 2030s would be equivalent to the gas fired generation required for the South West Interconnected System.<sup>10</sup> On the east coast, without further development, forecasts show that the supply gaps could impact both annual gas power generation and seasonal heating demand.<sup>11</sup>

The Middle East conflict has reinforced that Australia relies on regional partners for essential imports such as refined fuel and other goods and services, and it is important to note that those same partners rely on Australia for essential exports of LNG.<sup>12</sup> This highlights both the near-term importance of Australia's LNG exports in secure and reliable energy supply, and the longer term opportunity Australia has through the timely development of new oil, gas and other energy resources to help diversify the supply mix of regional customers, supporting long-term regional energy security and Australia's prosperity through capital investment, employment, additional energy supply and higher total tax receipts.

In response to increasing LNG prices, some Asian countries have increased their reliance on coal within their energy mix, including recent examples in the Philippines, South Korea and Indonesia.<sup>13</sup> By comparison to coal, power generated from natural gas typically emits around half the lifecycle emission as power generated from coal.<sup>14 15</sup>

### **Petroleum Resource Rent Tax and the need for stable tax policy to support investment**

The Petroleum Resource Rent Tax (PRRT) is a tax designed to capture higher profits during periods of strong prices, ensuring that Government revenues rise in line with project returns. Woodside considers that the PRRT continues to operate as intended and is aligned to the findings of the Callaghan Review, which concluded that PRRT remains the preferred mechanism for achieving *"a fair return to the community for the extraction of petroleum resources without discouraging investment"*.<sup>16</sup>

The Callaghan Review noted that large scale petroleum developments are undertaken in environments characterised by long investment horizons and significant inherent uncertainty, and that fiscal stability is an important consideration when assessing a country's investment attractiveness. Woodside is a global company with investment opportunities in many countries, and regards stable, predictable and competitive tax and fiscal frameworks as an important factor when considering significant long-term investments with the potential to support energy security and broader economic activity.

Following the Government's recent amendments to the PRRT (introducing a deductions cap for LNG projects) the number of entities in the Australian petroleum sector paying PRRT has increased, rising to 16 in 2023-24 from 11 in 2022-23,<sup>17</sup> demonstrating that the regime is applying to a broader range of projects and generating

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<sup>10</sup> [2025-wa-gas-statement-of-opportunities.pdf](#)

<sup>11</sup> [2026-gas-statement-of-opportunities.pdf](#)

<sup>12</sup> <https://www.theaustralian.com.au/business/mining-energy/japanese-ambassador-signals-fuel-for-lng-swap-to-secure-australias-energy-supply/news-story/dca7c429799751730264ccfd5bd5183d>

<sup>13</sup> [Asia Turns to Coal as Iran War Rapidly Shrinks Supplies of Gas - Bloomberg](https://www.bloomberg.com/news/articles/2026-03-20/asia-turns-to-coal-as-iran-war-rapidly-shrinks-supplies-of-gas) <https://www.bloomberg.com/news/articles/2026-03-20/asia-turns-to-coal-as-iran-war-rapidly-shrinks-supplies-of-gas>

<sup>14</sup> International Energy Agency, 2019. The Role of Gas in Today's Energy Transition, p.4. All rights reserved. <https://iea.blob.core.windows.net/assets/cc35f20f-7a94-44dc-a750-41>.

<sup>15</sup> S&P Global Study: Pathways to Accelerate Power Emissions Reduction in Asia (ANGEA 2025),

<https://angeassociation.com/power-emissions-reduction-study/>.

<sup>16</sup> [Review of the Petroleum Resource Rent Tax - Final Report | Treasury.gov.au](#)

<sup>17</sup> [PRRT data in the Corporate tax transparency report 2023-24 | Australian Taxation Office](#) <https://www.ato.gov.au/businesses-and-organisations/corporate-tax-measures-and-assurance/large-business/in-detail/tax-transparency/corporate-tax-transparency-report-2023-24/prrt-data-in-the-corporate-tax-transparency-report-2023-24>

revenue for the Australian Government. This should continue in the future as additional LNG projects commence paying due to the deductions cap, such as Woodside's Scarborough Energy Project.

Stable tax and regulatory settings are critical to supporting future investment in new oil and gas supply, which helps underpin Australia's energy security and sovereign energy capability while also supporting the delivery of future jobs, taxes and other royalties generated by the energy industry. In this context, we draw the Committee's attention to comments made by Dr Fatih Birol, Executive Director of the International Energy Agency, during his address to the National Press Club in March 2026 regarding stable tax regimes and their relevance to business decision making.<sup>18</sup>

Examples of other so-called "windfall taxes" in comparable countries have demonstrated the negative effects on investment in oil and gas production. The cumulative effect of the UK Energy Profits Levy (EPL) has been a measurable reduction in investment activity.<sup>19</sup> This is a particularly instructive example as the EPL has both increased the tax rate on the industry and been implemented through a series of successive modifications reinforcing the perception that the UK continental shelf tax regime is unpredictable. The combined effect has been exploration activities at historically low levels, cancellations and delays of drilling and development programs, a 33% reduction in capital spend since 2024, and estimates indicate that up to £15B of pre-FID projects are at high risk of being cancelled.<sup>20</sup>

Norway's fiscal regime is often referenced to advocate for an increase in headline tax rates. However, the structure of Norway's fiscal regime differs markedly from Australia's. The Norwegian Government shares in the risk and reward, upfront, with its oil and gas industry. It co-invests, taking on project and development risk through direct equity holdings in projects. Norway allows industry to write-off its large upfront capital expenditure and refunds tax losses. Under this stable fiscal regime, investors have greater certainty, incur much lower upfront costs, and the Norwegian state effectively participates in project economics symmetrically, sharing downside risk in direct proportion to its tax take on the upside, with its tax revenues adjusting automatically in line with project profitability and commodity market conditions.<sup>21</sup>

### **Streamlining regulatory approvals and reducing timelines to support investment**

In addition to ensuring that pro-investment tax settings remain in place, Woodside also sees an opportunity to improve timeliness, efficiency, transparency, and permanence of regulatory approvals to enable future investment. Australia's regulatory approvals system for major energy projects is consistently found to be unwieldy, duplicative, and unduly exposed to vexatious and ideologically driven legal challenges. It can be more straightforward for Woodside to obtain assessment and approvals for major projects in the United States, for example, than within Australia. For example, our Louisiana LNG Project, purchased as part of our acquisition of Tellurian last year, was fully permitted, including for expansion. This assisted Woodside in taking a Final Investment Decision (FID) (US\$17.5B 100%) to develop the project within seven months of completing the acquisition of Tellurian. In comparison, our North West Shelf Project Extension proposal received environmental approval after seven years of assessment and appeals and is subject to ongoing legal challenges.

Reform of Australia's environmental approvals and regulatory framework is essential to enable prompt, well-informed decisions that reflect a balanced consideration of environmental, social and economic factors. A more streamlined approach to major project status will help reduce delays and avoid duplication, while nominating a single regulatory agency to lead integrated assessments on behalf of all relevant federal and state bodies would improve coordination and clarity. Making project approvals permanent may enhance certainty for investors, governments, businesses and communities.

Woodside offers these recommendations as complementary to the inquiry's areas of focus and to further enable development of Australia's petroleum resources to improve energy security, and in-line with our previous submissions to the Productivity Commission's 'Five Pillars of Productivity Inquiry' and the Western Australian Parliament's Economics and Industry Standing Committee.

<sup>18</sup> Dr Fatih Birol's Address to the National Press Club of Australia <https://youtu.be/VVDJMK4OjYU?si=nzaBLZqoYxkePqAb>

<sup>19</sup> [Wood Mackenzie Sees Sharp Pullback in UK North Sea Capex | OilPrice.com](https://oilprice.com/Energy/Crude-Oil/Wood-Mackenzie-Sees-Sharp-Pullback-in-UK-North-Sea-Capex.html) <https://oilprice.com/Energy/Crude-Oil/Wood-Mackenzie-Sees-Sharp-Pullback-in-UK-North-Sea-Capex.html>

<sup>20</sup> [Woodmac Energy](https://energyproducers.au/wp-content/uploads/2026/04/Wood-Mackenzie-Analysis-of-Proposed-Windfall-Levy.pdf) <https://energyproducers.au/wp-content/uploads/2026/04/Wood-Mackenzie-Analysis-of-Proposed-Windfall-Levy.pdf>

<sup>21</sup> [Woodmac Energy](https://energyproducers.au/wp-content/uploads/2026/04/Wood-Mackenzie-Analysis-of-Proposed-Windfall-Levy.pdf) <https://energyproducers.au/wp-content/uploads/2026/04/Wood-Mackenzie-Analysis-of-Proposed-Windfall-Levy.pdf>

## Woodside’s tax contribution

Under Australia’s tax regime, Woodside pays around 44 cents of every dollar of profit earned in Australia through a combination of corporate income tax, PRRT, royalties, excise, and levies.<sup>22</sup> This total effective burden is materially higher than the statutory corporate income tax rate for large businesses in Australia (30%), the OECD average statutory corporate tax rate (21.2%),<sup>23</sup> and the OECD global minimum effective tax rate for multinationals (15%).<sup>24</sup>

Further to this, Woodside paid A\$2 billion in Australian taxes, royalties and levies in 2025.<sup>25</sup> This contribution forms part of the approximately A\$25 billion Woodside has paid in Australian taxes, royalties, and levies since 2011.<sup>26</sup> Woodside was the largest payer of PRRT in Australia in 2023-24.<sup>27</sup> Since the introduction of the PRRT, we have contributed A\$22 billion in PRRT payments to the Australian Government, having most recently paid A\$471 million (in 2025).

The chart below provides a breakdown of Woodside’s total Australian tax contribution in 2025 that has contributed to an all-in effective tax rate of 44%.

### 2025 Australian Tax Contribution (A\$ Million)<sup>28</sup>



<sup>22</sup> Average across a four-year period (FY22-FY25). Determined by total tax expense, royalties, excise, levies and other taxes, divided by profit before such taxes, adjusted for one off items.

<sup>23</sup> [Corporate Tax Statistics 2025 | OECD](#)

<sup>24</sup> [Global and domestic minimum tax | Australian Taxation Office](#)

<sup>25</sup> Denotes cash paid from 1 January 2025 to 31 December 2025.

<sup>26</sup> Includes data relevant to the assets acquired through the merger with BHP’s petroleum business from 1 June 2022. Denotes cash tax paid to 31 December 2025.

<sup>27</sup> Based on the ATO’s 2023-2024 report of entity tax information which can be located via [www.data.gov.au](http://www.data.gov.au)

<sup>28</sup> Figures are reported on a cash basis (net of any refunds received, for example, refunds of tax overpaid in prior years) and are rounded to the nearest million

## **Conclusion**

Woodside supports key national objectives including in relation to Australia's sovereign energy capability, national prosperity, and regional energy security. We consider that a strong and internationally competitive gas sector can play an important role in supporting these objectives.

Woodside does not support a windfall tax, levy or further changes to the PRRT. Woodside's view is that additional taxes on the Australian gas industry will be counter-productive, undermining the longevity of existing oil and gas projects and the commerciality of future oil and gas developments, and making Australia a less attractive investment destination. Additional taxes, with the potential to reduce investment and therefore reduce additional revenue over the longer term, potentially undermine sovereign energy capability, national prosperity, and regional energy security.

Additional gas developments have the potential to enhance sovereign energy capability, broaden the Australian Government tax revenue and support renewable energy supply. Woodside appreciates the opportunity to contribute to the Committee's inquiry and would be pleased to provide any further information or clarification that may be required.