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Tax change to compel gas giants to pay fair share

The ACTU welcomes changes to the Petroleum Resource Rent Tax (PRRT) announced this morning that will raise \$2.4 billion by closing loopholes on offshore liquefied natural gas projects.

There have been long-standing issues with the design of this tax, and the reforms announced today begin to address these. The tax is levied on profits generated from the sale of petroleum products such as crude oil, gas, shale oil and liquefied natural gas to ensure the entire nation benefits from its natural resources.

Global energy companies including Shell, BP, Chevron, Ampol and ExxonMobil are raking in billions in income from Australian resources. But they have long exploited concessions and credits in the PRRT, depriving the nation of substantial income.

Economist Ross Garnaut told the ABC last week that energy prices have been the biggest contributors to higher inflation in Australia over the past 12 months, with gas prices in particular up by more than 26%. The result is that working people are struggling to pay their bills.

The ACTU welcomes today's announcement as a step towards repairing this structural unfairness.

Quotes attributable to ACTU Secretary Sally McManus:

"Australia's natural resources belong to all Australians. Companies that enjoy profits from access to Australia's natural resources should pay fair returns to the Australian people, so everyone benefits.

"Despite the big gas companies' rising incomes from natural resources, loopholes mean the PRRT has failed to bring in substantial revenue. Working people have to pay tax, and it's past time these big companies started paying their fair share.

"Not only do the big energy companies not pay tax, they are price gouging like there is no tomorrow, delivering themselves massive profits. This is not only unfair, it's unconscionable. Australians have had enough of these companies taking advantage.

"With utility bills rising sharply and 11 interest rate increases in 12 months, working Australians are doing it tough, bearing all the pain of an inflationary environment they did not cause and have no control over."

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Media: Monica Crouch 0411 645 751