

10 April, 2026

Select Committee on the Taxation of Gas Resources
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CANBERRA ACT 2600

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Dear Committee Members,

The Western Downs Regional Council welcomes the opportunity to provide feedback on the Senate Inquiry into the Taxation of Gas Resources.

The gas industry is a critical pillar of the Western Downs' local economy, providing substantial contributions in terms of employment, investment, and regional development. Our submission highlights the vital role the gas sector plays in the Western Downs, the potential impact of a gas tax on the region, and the broader implications for future investment and regional sustainability.

The Importance of Gas to the Western Downs Economy

The gas industry is central to the economic fabric of the Western Downs region. It supports thousands of local jobs, drives investment, and provides significant economic contributions. Key statistics on the industry's impact include:

- 730 direct local jobs in the gas sector and an additional 3,505 indirect local jobs, representing 20% of total regional employment.
- A contribution of \$705 million to the Gross Regional Product (GRP), which accounts for 15% of the region's total economic output.
- Support for 632 local businesses and 312 charitable organisations, enhancing the social and economic fabric of the community.

The region also benefits significantly from the \$12.8 billion in royalties shared across Queensland, which provides essential funding for local services and infrastructure.

Since the commencement of gas production in the Western Downs in 2006, the region has experienced significant economic growth. Our GRP has more than doubled (an increase of 102%), and population growth has grown in towns such as Chinchilla, Miles, and Dalby. This growth is directly tied to the success of the gas sector, and the continued viability of the industry is crucial for the future prosperity of these communities.

Impact of a Gas Tax on the Western Downs Economy

Council is concerned about the potential introduction of a gas tax and the adverse consequences this could have on the Western Downs region. The gas sector is already

subject to multiple forms of taxation and regulation, and the imposition of an additional tax could have several negative impacts, including:

1. **Reduced Investment and Economic Growth:** The Western Downs region relies on ongoing investment in the gas sector to maintain its economic momentum. A gas tax could reduce profitability for producers, making it less attractive for new investment. This could result in delayed or cancelled exploration and production projects, which would have far-reaching impacts on local employment and economic growth.
2. **Disincentivising Regional Development:** A gas tax would increase operational costs for gas producers and related industries, reducing the capacity to invest in the community, infrastructure, and local services. This could undermine the long-term development goals of regional towns, which rely on gas industry growth for ongoing prosperity.
3. **Impact on Employment:** The gas industry is a major employer in the Western Downs, with one in four people employed in the sector at its peak. A gas tax could directly impact job retention and growth, particularly in ancillary industries that support gas production. Local businesses that depend on the gas industry, such as suppliers, contractors, and service providers, would likely face increased costs or a decline in demand, resulting in job losses and reduced economic activity.

Need for a Balanced Approach to Gas Taxation

While Council acknowledges the importance of the government ensuring a fair contribution from the resources sector, we urge caution in the design of any gas tax. It is essential that such a tax does not inadvertently undermine the economic viability of the gas sector or create barriers to continued investment in regional economies like the Western Downs.

A balanced approach is necessary—one that ensures gas companies contribute to the national economy while also protecting the interests of regional communities that rely on the sector for jobs, investment, and long-term growth. Any proposed tax should consider the unique challenges faced by regional economies and the need to preserve competitiveness, job creation, and community development.

To mitigate the negative impacts of a gas tax and support the ongoing prosperity of the Western Downs region, Council recommends the following:

1. **Consider the Impact on Regional Communities:** Any proposed gas tax should take into account the disproportionate reliance of regional communities like the Western Downs on the gas sector. The potential economic and social impacts on local economies should be fully considered before implementing new taxes.
2. **Protect Investment and Job Creation:** It is critical that any tax reforms do not discourage investment in the gas sector. Policies must aim to maintain a stable investment environment that supports long-term growth and job creation, particularly in regional areas.

3. **Support Regional Diversification:** Council supports initiatives that diversify the local economy beyond the gas sector. However, diversification efforts must be carefully coordinated to ensure that the region's economic base remains strong, and the transition to other industries is supported without jeopardising the livelihoods of those currently employed in gas-related sectors.

Conclusion

The gas industry is integral to the prosperity and development of the Western Downs region. A gas tax, if not carefully considered, could undermine the stability of the sector, reduce investment, and disrupt local economies that rely on gas production for jobs and growth.

Council urges the Federal Government to adopt a cautious and balanced approach when considering any changes to the taxation of gas resources. We are committed to continuing our collaboration with the government and industry to ensure that the Western Downs remains a competitive and thriving regional economy.

We appreciate the opportunity to submit our concerns and recommendations to the Inquiry.

If you require any further information please contact Council's Chief Executive Officer, Jodie Taylor on jodie.taylor@wdrc.qld.gov.au or via phone on 07 4679 4000.

Yours sincerely

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