

Tax: Beer drinkers vs gas companies

Do beer drinkers really pay more tax than gas companies?

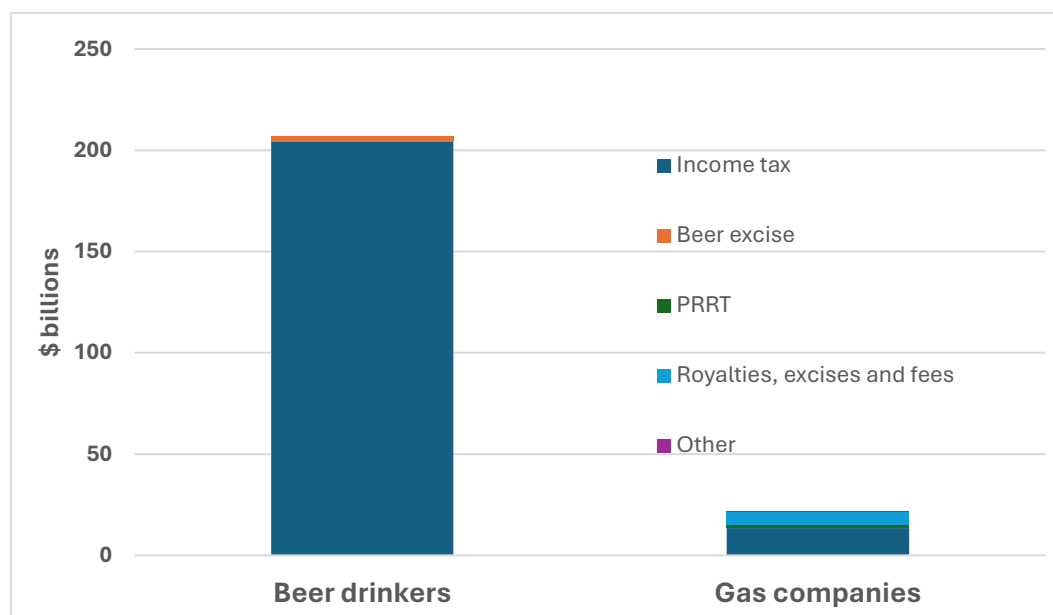
Independent Senator David Pocock recently asked Treasury officials whether beer excise raised more money than Australia's Petroleum Resource Rent Tax (PRRT). In what has become a viral video, an official looks up the government budget papers and replies that the Senator is correct – in 2025-26 beer excise is expected to be \$2.7 billion while PRRT is \$1.5 billion.

The gas industry lobby, Australian Energy Producers, has responded saying that this is not a fair comparison, and that the claim that "Australia raises more tax from beer than gas companies is false".

The gas lobby presents its own data showing that in addition to PRRT, gas companies pay income tax and a range of other government payments. They claim that these payments totalled \$21.9 billion in 2024-25, far more than beer excise.

But this comparison is misleading. It compares the special tax that applies to beer consumption not only with PRRT, the special tax that applies to gas production, but also with company income tax payments and a range of other payments. A fair comparison would include both special taxes and income taxes paid by both gas companies and beer drinkers. Under this comparison, beer drinkers pay far more tax than gas companies, as shown in the chart below:

Tax: Beer drinkers vs gas companies



Sources: Australian Government ([p 103](#)), [Australian Energy Producers](#), [Australia Institute](#)

As shown in the chart, income tax paid by beer drinkers is vastly greater than all taxes paid by gas companies. That's because total income tax paid by individuals in Australia in 2024-25 was \$335 billion, the largest source of income for the Australian Government.

Australia Institute polling shows that 61% of Australian adults drink beer, meaning that beer drinkers paid over \$200 billion in income tax, in addition to the \$2.7 billion they paid in beer excise. The gas lobby says that total payments by gas companies to all governments (state and federal), including a range of fees, taxes and royalties was \$21.9 billion in 2024-25.

Ultimately, it is not very important whether beer drinkers pay more in tax than the gas industry. What is important is that Australians get a fair return for the Australian gas that is sold overseas by multinational companies.

The PRRT is designed to raise money from gas companies when they are making particularly high profits. The past three years have seen large profits flow to the gas industry after Russia's invasion of the Ukraine sent energy prices to record levels. Australia Institute research estimates this led to windfall profits to the gas industry of \$100 billion.

While the gas industry is making record profits, PRRT should be raising record levels of public revenue.

But it isn't. It is raising less than beer excise. It raises less revenue than HECS payments, less than the tax that is paid by nurses or teachers.

Big gas companies are taking the piss. It's time they were made to pay their fair share.