



| Deliver a National Gas Plan – introduce a gas security incentive | |
|--|---------------|
| Party: | The Coalition |
| <p>Summary of proposal:</p> <p>The proposal would introduce a Gas Security Incentive charge on gas exports, excluding long-term foundation contracts.</p> <p>The charge would be just above the difference between the long-run marginal cost of production and the export parity price.</p> <p>Once an exporter meets its annual obligation to supply the domestic market, the charge would be rebated, and its exports would no longer be subject to the charge.</p> <p>The proposal would start on 1 July 2025.</p> | |

Costing overview

The quantifiable aspects of the proposal would be expected to decrease the fiscal and underlying cash balances by around \$9.6 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in departmental expenses to design and implement the proposal, but does not include the revenue impacts of the proposal that are unquantifiable.

Some of the key policy information required to cost the impacts of the Gas Security Incentive charge and rebate is not available, including but not limited to:

- the annual level of domestic supply required from an exporter to receive the rebate
- the mechanism for carving out “long-term foundation contracts”
- the nature of the timing of the incentive payments made by the exporters and of the rebate payments made back to the exporters.

As such, the Parliamentary Budget Office (PBO) has determined that these impacts are unquantifiable.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Deliver a National Gas Plan – introduce a gas security incentive – Financial implications (\$m)^{(a)(b)(c)}

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Total to 2028-29 |
|-------------------------|---------|---------|---------|---------|------------------|
| Fiscal balance | -4.4 | -4.4 | -0.4 | -0.4 | -9.6 |
| Underlying cash balance | -4.4 | -4.4 | -0.4 | -0.4 | -9.6 |

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

(c) Unquantifiable impacts are not included in the totals.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- Resourcing would be required for 2 years to design and implement the Gas Security Incentive scheme, including system build to determining the incentive charges, tracking exporters' supply to the domestic market, and administering rebates.
- The level of resourcing would reduce from 2027-28, to monitor the scheme once operational.

Methodology

Departmental expenses were estimated based on an assumed staffing profile using the PBO's departmental costs calculator, which includes indexation to the Wage Cost Index 3 less an efficiency dividend. Provision was made for a system build in the first 2 years.

The revenue collected and rebates paid under the proposal have been deemed unquantifiable.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

The Department of Industry, Science and Resources provided departmental effort insights as at 2 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Deliver a National Gas Plan – introduce a gas security incentive – Financial implications

Table A1: Deliver a National Gas Plan – introduce a gas security incentive – Fiscal and underlying cash balances (\$m)^{(a)(b)}

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | Total to 2028-29 | Total to 2035-36 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------------------|
| Revenue | | | | | | | | | | | | | |
| Administered tax | | | | | | | | | | | | | |
| <i>Gas Security Incentive revenue</i> | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Total – revenue | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Expenses | | | | | | | | | | | | | |
| Administered | | | | | | | | | | | | | |
| <i>Gas Security Incentive rebates</i> | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Departmental | | | | | | | | | | | | | |
| <i>Departmental expenses</i> | -4.4 | -4.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -9.6 | -12.4 |
| Total – expenses | -4.4 | -4.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -9.6 | -12.4 |
| Total (excluding PDI) | -4.4 | -4.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -9.6 | -12.4 |

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) This costing includes an unquantifiable aspect.

* Unquantifiable – not included in totals.

Table A2: Deliver a National Gas Plan – introduce a gas security incentive – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)(c)}

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | Total to 2028-29 | Total to 2035-36 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------------------|
| <i>Fiscal balance</i> | -0.1 | -0.3 | -0.4 | -0.5 | -0.5 | -0.5 | -0.6 | -0.6 | -0.7 | -0.7 | -0.8 | -1.3 | -5.7 |
| <i>Underlying cash balance</i> | -0.1 | -0.2 | -0.4 | -0.4 | -0.5 | -0.5 | -0.6 | -0.6 | -0.6 | -0.7 | -0.7 | -1.1 | -5.3 |

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary.²
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (c) This costing includes an unquantifiable aspect.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)