

From: Mark Zirnsak
To: [fracking inquiry](#)
Subject: ACIL Allen
Date: Monday, 5 June 2017 7:46:03 PM

Dear Fracking Inquiry,

The Tax Justice Network Australia is a network of individuals and organisations calling for fairer tax systems. Our work in Australia has included extensive consideration of how gas companies operate and how gas is taxed in Australia.

We are concerned about your appointment of ACIL Allen as consultants to your inquiry. ACIL Allen have a long track record of promoting the interests of the gas industry. Perhaps most notably, they provided [the analysis](#) that Chevron relied on to claim their gas projects would pay a staggering \$355 billion in taxes. This claim was used by the company to lobby governments and public opinion. Chevron has since [contradicted this claim](#) itself and, in fact, Chevron pays [very little tax in Australia](#).

Relevant to your consideration of unconventional gas, ACIL Allen have [helped Santos](#) lobby for its coal seam gas project in NSW. That report was used by Santos [to claim](#) "Allowing the natural gas industry to develop in NSW will deliver once-in-a-generation economic opportunities for the state, especially in regional areas". Six years later these benefits and associated tax revenues have not materialised.

Furthermore, ACIL Allen have written multiple reports for gas lobby group APPEA that promote the gas industry. The 2012 report on [Economic Significance of Coal Seam Gas in Queensland](#) claims Queensland government receipts could increase by \$32.0 billion to 2035. Given the Queensland government expects just \$68 million in petroleum royalties this financial year ([p100](#)), this claim is clearly flawed. Similarly, the projected tax and royalty impacts in the 2013 report [Potential Economic Significance of NSW Coal Seam Gas](#) seem calculated to enable ACIL's clients to claim economic weight that subsequent years have shown to be questionable.

With these examples in mind, we urge you to ensure that ACIL's analysis is fully transparent and that a range of stakeholders have input into any economic or tax modelling assumptions. We would be happy to provide advice on this.

Regards,

Dr Mark Zirnsak

Tax Justice Network Australia

