

Hitting the accelerator into a dead end – Commonwealth Government paying to prop up fossil fuel projects

August 2022

God calls us to live in harmony with our natural environment and to seek justice and well-being for all creation.

The Synod resolves to acknowledge the need for immediate and substantial action by governments, businesses and communities, including the councils and institutions of the church in this Synod, to mitigate climate change caused by human activity and the threat it poses to God's good creation.

Synod of Victoria and Tasmania resolution from February 2021

Society and most businesses are now moving to reduce greenhouse gas emissions to stave off the worst impacts of climate change. However, the Commonwealth Government wants to intervene to prop up new fossil fuel projects. It makes no sense for the Commonwealth Government to accept that climate change is a major global problem we need to act on and then fund the development of new gas, coal and oil projects to fuel greenhouse gas emissions. Furthermore, over 80% of fossil fuels extracted in Australia are exported overseas.

The report released by the Intergovernmental Panel on Climate Change (IPCC) in April 2022 indicated that to reverse the path of increasing climate change that will harm billions of people, there needed to be "immediate and deep" cuts in emissions everywhere. "It's now or never if we want to limit global warming to 1.5°C", said Professor Jim Skea, a co-chair of the IPCC report.

The UN General Secretary, Antonio Guterres, said in response to the IPCC report, "Increasing fossil fuel production will only make matters worse. It is time to stop burning our planet and start investing in renewable energy all around us."

Prime Minister Anthony Albanese has stated that the Labor Government will approve new fossil fuel export projects if they "stack up environmentally" and companies consider them commercially viable. However, it is unclear if the Labor Government will continue with the policy of the previous Coalition Government to prop up commercially unviable fossil fuel projects with government revenue.

The previous Coalition Government committed \$224 million in government revenue to prop up the development of more gas extraction from the Beetaloo Basin in the Northern Territory. In addition, the Coalition Government committed \$50 million to support gas fracking operations in the Northern Territory, despite opposition from Traditional Owners to the projects. Traditional Owners travelled from the Northern Territory to Parliament House in Canberra to argue that instead of providing a hand-out to multinational gas corporations to boost their profits, the government revenue could be better spent on the things the Government has responsibility for. These needs included improved healthcare centres, schools, housing and fixing the pothole-filled roads around their communities.

Traditional Owners and Sweetpea Petroleum in the Northern Territory

Traditional custodians and a cattle station owner are locked in a legal battle with multinational gas corporation Sweetpea Petroleum over the corporation having access to the lands of the Tanumbirni Station 400 km south of Darwin. The station owners failed in a Supreme Court challenge, so the gas corporation began clearing land on the cattle station.

Traditional Owners have accused the corporation of bulldozing two large stands of Bullwaddy trees to begin laying seismic lines. Johnny Wilson is Chair of the Nurrdalinji Native Title Aboriginal Corporation, which represents Traditional Owners of the area. "This shows no respect to my people, my culture or my country. My heart is broken", he said in a statement. "We ask

Sweetpea to stop further work so we can meet and discuss the consequences of what has happened, together with custodians, the Aboriginal Areas Protection Authority and the Northern Land Council.” Sweetpea Petroleum is ultimately partly owned through a shell company in the notorious US state of Delaware. Shell companies in Delaware are used to conceal the real owners and controllers of companies, including from law enforcement investigations.

The previous Coalition Government also promised \$10 million in hand-outs to speed up gas extraction in the North Bowen and Galilee Basin in Queensland. In addition, it provided \$30 million to Australian Industrial Power for a gas-powered generation project at Port Kembla, NSW.

Multinational gas corporations focus on their profits and seek to minimise their contributions to the communities in the countries where they extract gas. An analysis released in May 2022 by The Australia Institute found that five of the gas industry’s most prominent corporations had paid no income tax in Australia for at least seven years. However, their combined earnings in that time had been \$138 billion. Chevron and Shell have paid no income tax in Australia since 2015.

The new Labor Government committed in February 2022 to spend \$1.3 billion on a gas-fired power plant in Kurri Kurri, NSW. They did commit to the plant swapping to 100% renewably produced hydrogen gas by 2030. However, credible analysis has shown that the plant is unnecessary and a waste of government funds. Furthermore, documents lodged by the corporation that will run the plant with the NSW Government indicate that it will be expected to run at 2% of its capacity annually.

The environment group, the Sunrise Project, has identified 27 coal mining developments up for approval. All these projects are in NSW and Queensland. Thirteen of them are for new coal mines, and 14 are for the extension of existing mines.

What You Can Do

Write polite and respectful letters to:

The Hon Anthony Albanese MP

Prime Minister
PO Box 6022
House of Representatives
Parliament House
Canberra, ACT, 2600

Salutation: Dear Prime Minister

The Hon Dr Jim Chalmers MP

Treasurer
PO Box 6022
House of Representatives
Parliament House
Canberra, ACT, 2600

Salutation: Dear Treasurer

Points to make in your letters:

- Express deep concern that climate change is a global problem that Australia must play a leadership role in addressing by contributing to the international efforts to reduce greenhouse gas emissions.
- Point out, consistent with warnings from the Intergovernmental Panel on Climate Change report, the Australian Government should not be approving new fossil fuel extraction projects as part of its contribution to limiting climate change to a 1.5°C average global temperature increase.
- Ask, at the very least, the Labor Government to commit to not providing any government revenue to prop up new fossil fuel projects in Australia. Such projects should include any extraction projects for the export of fossil fuels.
- Seek assurances that Commonwealth Government money will not be used to assist in the development of more gas extraction in the Beetaloo Basin.
- Ask the Labor Government not to proceed with a gas-fired power generator at Kurri Kurri.