



Correspondence:
Lighter Footprints Inc.
Reg. No. A0095302A
C/O 12 Segtoun Street,
Kew, VIC 3101

Submission to the Senate Environment and Communications References Committee Inquiry into oil and gas exploration and production in the Beetaloo Basin

Terms of reference

Oil and gas exploration and production in the Beetaloo Basin, with particular reference to the Industry Research and Development (Beetaloo Cooperative Drilling Program) Instrument 2021, which provides public money for oil and gas corporations.

Submission

Lighter Footprints is a community based group that aims to influence Australian local, state and national decision makers to take the action necessary to halt global warming as a matter of urgency. For over a decade, we have educated, advocated and brought people together in Boroondara and surrounding suburbs to inform the community and promote a clean energy future. We have over 2,500 people on our mailing list.

We are seriously concerned about the federal government's failure to take action to address climate change and how this will lead to Australia suffering economically through stranded assets, falling export volumes, the impact of carbon tariffs and stranded assets. In particular we believe that committing new funding to support the development of the Beetaloo Basin as a gas field at this time is particularly inappropriate. Far from supporting further fossil fuel development with taxpayers' money we should be banning further exploration and development.

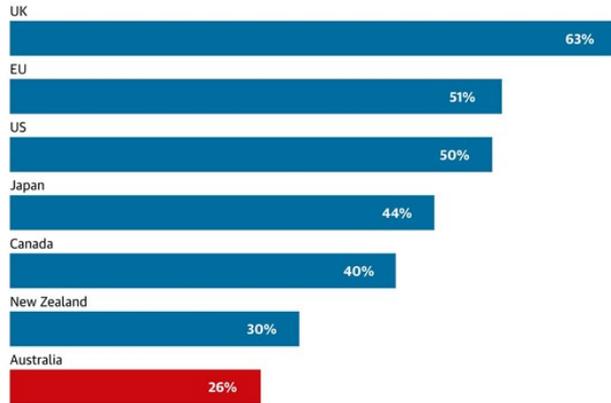
On the basis of our research we set out a number of reasons why this development should not go ahead, as set out below:

1. Traditional owners within the Beetaloo Basin do not consent to fracking activity on their country. If our government proceeds with supporting this development it will not be able to hide behind the traditional defence of blaming our colonial past. The Federal Government will be supporting this development on behalf of the Australian people fully aware that they do not have the support of the traditional owners and fully aware of the negative environmental impact of the development.

- The world is moving away from fossil fuels and Australia will not be allowed to carry on as usual without incurring penalties. The transition is not a smooth orderly move but it is happening nevertheless. The table below shows Australia's emission reduction pledge compared to those of world leading countries:

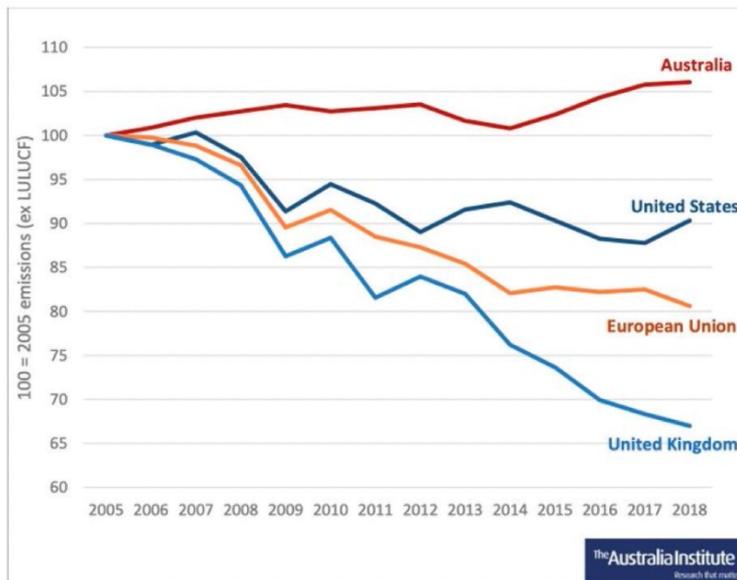
Climate pledges compared: 2030 emissions reduction targets relative to 2005 levels

Showing the minimum pledge value if there is a range



Guardian graphic | Source: Investor Group on Climate Change

In addition, the table below shows how Australian emissions (excluding LULUCF) are tracking compared to the rest of the world:



In conclusion Australia has done the least so far and has no intention of helping in the future.

At the same time that governments are taking action a number of organisations have produced reports showing the difficulty of meeting the target set out in the Paris Climate agreement. In particular, the International Energy Agency has produced a report that sets out how the world can meet the targets and concluded that there can be no further fossil

fuel developments past 2021. The report also includes a roadmap showing actions that need to be taken to meet those targets.



While the world may not directly intervene in Australian decisions it is highly likely that over the coming decades demand for Australian gas will fall and tariffs will be raised on Australian fossil fuels and goods produced using fossil fuels that will make any gas developments either without a market or uneconomic.

3. We are also of the view that Australia will suffer economically if it develops further oil and gas fields. There are a couple of reasons for coming to that conclusion:
 - a. The oil and gas companies are amongst the largest organisations in the world and have adequate resources to develop a gas resource on their own. If these super-rich corporations require government support to develop the Beetaloo Basin there can be no strong business case.
 - b. Even when the oil and gas companies do develop resources our Federal Government pays more in subsidies to these companies than it collects in taxes. Australians are being short-changed when it comes to royalties and tax for its oil and gas¹, with one expert saying "we're giving away our natural resources". Is this incompetence or a result of the power of political sponsors and lobbyists?
 - i. It is not getting any better as this article on rising subsidies explains².
 - ii. Petroleum Resources Rent tax receipts are falling to about \$1 billion per annum³.

¹ <https://www.news.com.au/finance/business/mining/tax-and-royalty-systems-for-australias-gas-and-oil-industries-need-reform-experts-argue/news-story/a900c328f1a01bf4e3aee8b867138262>

² <https://www.abc.net.au/news/2019-04-01/tax-credits-for-oil-and-gas-giants-rise-to-324-billion/10959236>

³ <https://thenewdaily.com.au/finance/finance-news/2020/02/18/lng-producers-tax-revenue/>

- iii. Shell (in its annual report) forecasts that it expects to pay Australia no resource tax on gas drawn from our largest gas project⁴.

No successful commercial organisation would approve the payments contemplated by the Federal Government. It is to be hoped that the consideration of funding is not connected to lobbyists.

4. The Federal Government should concentrate on spending our taxpayer funds on renewables and developing new revenue sources that will serve Australia in the future such as hydrogen and electricity export via cables.
5. The Federal Government should put a stop to any further fossil fuel development based on the intergenerational impact of any decision to proceed. According to The Australia Institute, "The emissions from just one field in the Beetaloo Basin would cause up to 117 million tonnes of CO2 equivalent." Proceeding with developments like the Beetaloo Basin will make the task of controlling global warming impossible for future generations. We owe it to future generations to take action now.

Conclusion

We urge the Senate Committee to consider a "duty of care" for the Traditional Owners and the young people of the world who are most affected by climate change.

There appears to be no justifiable reason for the Federal Government to proceed with this proposal and it is clear that if it does proceed the Federal Government has paid scant regard to the issues that we have raised and issues raised by others.

It is time that the Federal Government listened to the people of Australia, our Pacific Island neighbours and leading governments and ceased approving any further oil and gas exploration.



Michael Nolan

Co-Convenor Lighter Footprints



David Strang

Convenor, Lighter Footprints Energy
Transition Group

⁴ <https://www.theguardian.com/business/2021/apr/12/shell-expects-to-pay-australia-no-resource-tax-on-gas-drawn-from-gorgon-project>