Radio Program: Government facilitates gas resource rip-off by foreign corporations.

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ANDREW 1: My name's Andrew and I have with me Bevan Ramsden. We're from IPAN, the Independent and Peaceful Australia Network. In today's CICD Alternative News we look at the impact of foreign control and exploitation of Australia's resources, in particular our huge reserves of natural gas. We first covered this topic in 2022 and are revisiting it because of publicly expressed concern that Australia's east coast consumers will face a gas shortage requiring expensive imported gas while Australian gas continues to be exported, reaping massive profits for foreign-owned energy corporations. Bevan, what do we know about this predicted gas shortage?

BEVAN 1: On September 5th this year, the ABC news reported that: "For the first time, and in spite of Australia's position as one of the world's biggest gas exporters, the country is preparing to do something that was once unthinkable. It is on the cusp of becoming a gas importer. At Port Kembla, a little more than 100 kilometres south of Sydney, the energy company controlled by iron ore magnate and climate evangelist Andrew Forrest is building a 1 billion dollar terminal to *import* liquefied natural gas, or LNG. Rob Wheals, the chief executive of Mr Forrest's Squadron Energy, says the reasons are simple enough — the east coast is about to run short of gas. "I would go as far to say the outlook is dire," Mr Wheals tells the ABC on a rare tour of the facility."

The Australian Energy Market Operator (AEMO) is forecasting that within a few years, east coast gas supplies could fall well short of demand at peak times, especially in winter. In 2022 Australia was the world's seventh largest gas producer, with exports of natural gas at a record 81 million tonnes. Why, then, is there a shortage?

ANDREW 2: Firstly let's look at how these foreign-owned energy corporations manage to profit so handsomely from their control of Australia's gas reserves. I quote from our 2022 program because the ownership situation has not changed in the years since. In 2022 we said that: "An article in The West Australian newspaper on June 13th this year is headed "Gas exporters mostly foreign owned" and deals with a recent study by the Australia Institute which states that: "Companies exporting gas from Australia are 95 per cent in foreign hands, new analysis from a think tank shows." The Australia Institute also found that seven out of 10 gas export projects are at least 90 per cent foreign owned."

BEVAN 2: Former WA premier Colin Barnett said that: "The gas resources are owned by the Australian people and not these corporations." However, long term leasing and exploitation licences granted by successive Australian governments give these corporations exclusive rights to extract and sell our natural gas. The major exporter of Australian natural gas is Woodside Petroleum, which is 64 percent U.S-owned. These corporate profiteers effectively decide what percentage of Australia's natural gas goes to the domestic market and what percentage is exported.
Three quarters of Australia's natural gas is exported and in 2022 the incoming Albanese Labor government predicted a shortage of domestic natural gas, accompanied by a drastic price increase. It is surely scandalous that these foreign energy corporations are allowed to

squeeze Australian domestic gas consumers and profiteer from engineered shortages and massive price hikes and that the government, having predicted this situation 2 years ago, has done nothing to rectify it.

ANDREW 3: And it gets worse. The Australia Institute looked at the taxes paid by these foreign energy corporations who make such huge profits from Australia's gas. It found that Australian teachers collectively pay more in personal income tax than the entire oil and gas industry pays in company tax and Petroleum Resource Rent Tax, the PRRT. Its research shows that according to the Australian Taxation Office, over the last ten years Australia's school teachers collectively paid 95 billion dollars of personal income tax, an average of 9.5 billion dollars per year. In contrast, the oil and gas industry paid only 12.5 billion dollars in PRRT and 33 billion dollars in company tax over ten years, an average of just 4.6 billion dollars per year. The teachers are collectively paying twice as much tax as these oil and gas corporations.

BEVAN 3: The Australia Institute also claims that six out the ten LNG export facilities, comprising 56 percent of Australia's gas export capacity, pay no royalties to state or federal governments. This means that over half of the gas exported from Australia is given for free to foreign-owned corporations."

ANDREW 4: The energy corporations are supposed to pay royalties for the right to extract and sell Australian gas, but the Commonwealth doesn't collect royalties from most off-shore projects.

BEVAN 4: The Australia Institute said that exports of royalty-free LNG were valued at 149 billion dollars. To put it another way: in the last four years alone, Australian governments have given the foreign-owned energy corporations a profit windfall of 149 billion dollars.

ANDREW 5: Further, several energy corporations paid little or no corporate income tax in the 2020-2021 financial year, with U.S-owned Chevron thumbing its nose at the Australian people by paying a whole 30 dollars.

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BEVAN 5: Andrew, how can this situation be rectified for the benefit of the Australian people?

ANDREW 6: In its aims and objectives IPAN states: "That IPAN is opposed to foreign ownership and control of Australia's strategic resources and industries and supports genuine public ownership of our strategic industries, resources and infrastructure".
Public ownership through the democratically elected government would ensure that Australia's natural resources can be utilised for maximum benefit of the Australian people. It would also allow the government to bring about the efficient changeover from fossil fuels to the renewable and sustainable energy resources which Australia possesses in such abundance.
Norway provides us with an example of how resources can be managed to benefit the people.

BEVAN 6: Professor Clinton Fernandes, an economist and former major in the ADF, described Norway's approach in his submission to a recent Senate Inquiry into ownership of Australia's resources, and we thank him for allowing us to quote from his submission.

Professor Fernandes states that: "By contrast, Norway made better use of the oil and gas in its continental shelf. The Norwegian government owns 67 percent of the shares in Equinor, formerly known as the Norwegian State Oil Company. Equinor's workers elect three of the 11 directors. The Norwegian government created the Government Pension Fund Global in 1990 to invest Norway's oil revenue. The Ministry of Finance owns the fund on behalf of the Norwegian people and determines its investment strategy. The Fund had more than 11 billion kroner, more than 1.7 trillion Australian dollars, in 2021. This was a handsome investment for a country with 5.5 million people." Professor Fernandes recommended that:

"The Australian government should have insisted on equity in the North West Shelf Project at the very beginning, when share prices were affordable.

It should have insisted on a golden share of any future commercial opportunities arising from the project over its lifetime. These alternatives would reward investors whilst also giving society some additional benefits.

If it has the boldness and imagination, the Australian government can compulsorily transfer 51 per cent of the shares into a social holding entity. It can compensate the owners via long-term bonds and share dilutions. Such an action would bring billions of dollars under public control and permit investment in much-needed national infrastructure, advanced manufacturing, energy efficiency, high technology research and development, and other forms of domestic innovation."

ANDREW 7: Unfortunately, the Albanese government has ignored Professor Fernandes' recommendations and has continued the policy of abject subservience to foreign capital interests, to the point of actually encouraging and facilitating their plunder of Australia's resources and not even making them pay for the privilege

BEVAN 7: Recently the Greens made some constructive proposals regarding the energy crisis. Greens leader Adam Bandt announced the Green's plan to stop big corporations ripping people off. He said: "Our plan will raise 514 billion dollars for cost of living relief that everyone needs. And we will make Woodside and the big banks pay for it. 1 in 3 big corporations pay no tax, while 2 out of every 3 coal and gas corporations pay no tax at all. That means a nurse pays more tax than 33 gas companies and 21 coal and gas companies combined. It's time that big corporations pay their fair share. If you are struggling with the costs of rent, mortgage, groceries degree or medical bills, we want you to know you're not alone. The Greens are fighting for you."

ANDREW 8: It's possible that the Greens could gain a place in government at the next election. However, both major parties are so totally beholden to foreign, mainly U.S, corporate interests that any attempt by the Greens to implement their policy would result in these corporate interests waging an all-out public campaign against them, as happened in 2010 when Prime Minister Rudd proposed a resources tax, only to be unseated and replaced by Gillard, who was more amenable to the wishes of the resource corporations and the White House.

BEVAN 8: Very commendable though the Greens proposal is, we believe that only through a broad-based mass movement can the Australian people regain our national sovereignty, allow our natural resources to be used for the benefit of the Australian people and break the U.S. death grip which threatens to drag us into a catastrophic war with China.

ANDREW 9: That's all we have time for today. As always, we welcome listeners comments and suggestions, which can be emailed to peacecentre@cicd.org.au, that is peacecentre@cicd.og.au. Good morning and thanks for listening.

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