



Parents for Climate Darwin and NT Submission in response to the Petroleum Resources Rent Tax Review

To Whom it may concern,

Thank you for the opportunity to make a submission in relation to the Petroleum Resources Rent Tax (PRRT). This submission is made by Parents for Climate Darwin and NT. We are a local grassroots group made up of volunteers and we are members of the national Parents for Climate (PFC) not for profit.

Our group represents hundreds of families in the Northern Territory (NT) and we are united by our pressing concern about climate change and the harmful impacts it will have on young people in the NT now and into the future as they grow up in a hotter and more dangerous climate. Our group is dedicated to advocating for a safe and healthy environment and climate for our kids and young people. We are also very concerned about the increasing financial pressures on families and ensuring a fair future for all Territorians.

Reducing emissions is the number one concern for our group and we are firm in our position that no new fossil fuel projects should be approved as we know new fossil fuels are inconsistent with a safe climate – a position that the International Energy Agency (IEA) has backed in¹.

However, we regrettably see new fossil fuel projects that unlock vast emissions still being approved. In the NT there are a number of alarming new gas projects being rolled out including offshore gas such as Barossa, fracked gas from Beetaloo and the Middle Arm gas and petrochemical hub. The Barossa gasfield has some of the highest CO₂ content in the world and Beetaloo is estimated to produce over \$1.3billion tCO₂e over 20 years. All this gas will then be channelled through Middle Arm at great risk to the people of Darwin and Palmerston. It is incomprehensible that in 2024 – half way through this critical decade for action on climate – these projects are still allowed.

¹ <https://www.climatecouncil.org.au/resources/iea-net-zero-2050/>

The science has been very clear for a long time now and the projections are stark. These gas companies and supportive governments know full well the risks they are exposing our communities to. Children of today will experience three times as many natural disasters as the adult population². We all know climate change will drive unprecedented ecosystem collapse. And that climate change poses one of the biggest national security risks of our time threatening our food security including production and supply and creating more politically unstable world.

We are bestowing our children with a dangerous, unstable and costly world as a result of fossil fuel production and consumption. The burden we are saddling our young people with is life threatening and takes an emotional, psychological and financial toll.

Much could be said on each if these deeply concerning aspects but for the purpose here we will focus on the financial cost of responding to climate change. One in 25 homes in Australia will be uninsurable by 2030. Climate adaptation costs to support communities in efforts to alter or relocate existing infrastructure are ballooning and clean up costs from more frequent and intense natural disasters are skyrocketing. Currently the cost of natural disasters is at approximately \$38 billion a year but is projected to grow to \$73 billion annually by 2060³.

There is absolute scientific consensus about the causes of climate change. The fossil fuel companies that are producing dangerous GHGs should be held accountable for the damages caused by their industry and the PRRT is a prime opportunity to do that. Many other countries around the world such as Norway and Qatar collect much higher taxes on their oil and gas resources and there is no reason why Australia can't do the same. We carry all the risk while these corporations access out publically own wealth and pay a pittance and the tax reform proposal put forward does not go anywhere near far enough to rectify the problem.

As highlighted above there are many areas that urgently need funding to safeguard our communities and to support our neighbouring countries against the impacts of climate change. We need a national climate disaster fund to boost funding for communities and to rebuild public infrastructure damaged by extreme weather events. We need to be ready to provide more aid

² <https://www.washingtonpost.com/climate-environment/2021/09/26/change-disasters-kids-science-study/>

³ <https://documents.uow.edu.au/content/groups/public/@web/@gc/documents/doc/uow270728.pdf>

to our Pacific neighbours as they deal with climate change. We need to fund programmes aimed at limiting species extinction caused by climate change. And we need to substantially increase funding for health, including mental health, as climate change will create an extra burden on our health system.

We also need a fund dedicated to ensuring ongoing monitoring and repeat capping of abandoned oil and gas wells. 'Phantom' or 'zombie' wells are a huge problem in the US leaking methane and other toxins leaving environmental, climate and health disasters in their wake. The Biden administration allocated \$4.7billion US dollars to cleaning up some of the millions of phantom wells in the US. Over 6000 fracking wells are likely in the Beetaloo region, which is another environmental and health disaster in waiting. As a bare minimum we need to tax these companies sufficiently to ensure there are funds for centuries worth of monitoring and repair.

The oil and gas industry will be highly resistant to any increases in the PRRT taxes as they are solely focused on increasing their profits and they have no concern or consideration to the people of Australia, our communities or children.

However, this government must have concern and consideration for our communities and our children. In the face of ruthless lobbying the government must put people before profits. The PRRT must be substantially raised to go some way to assist in safeguarding our communities against the ever-increasing impacts and costs of climate change.

We submit the following recommendations:

- 1. A 20-fold increase from the current rate of PRRT petroleum companies pay, which would make Australia's taxation level similar to Qatar;**
- 2. The closing of loopholes that enable petroleum companies to evade paying taxes, and;**
- 3. Income gained through increasing the PRRT should be channelled towards:**
 - i. Disaster response;**
 - ii. Supporting states/territories, councils and communities with climate adaptation costs;**
 - iii. Aid support for our neighbouring countries dealing with the impacts of climate change;**
 - iv. Environmental rehabilitation programmes aimed at stemming the rate of species extinctions;**
 - v. Ongoing monitoring and works at abandoned petroleum wells, and;**
 - vi. Ensuring food security.**

We sincerely hope our submission and those of other community groups and NGOs are considered and recommendations are taken on board as part of this process. The petroleum lobbyists will be relentless, but it must be remembered that they act in the best interests of their corporations and their industry, not the Australian people. We need our governments to imagine a world after fossil fuels and make it happen. And while the architecture of the fossil fuel industry is being dismantled we need to ensure companies are paying a fair share of tax in relation to the damage they cause.

With thanks and kind Regards,

Parents for Climate - Darwin and NT