Oil and Gas

6 Apr 2019

Policy Category: Energy & Resources

Nationalise our oil & gas, raw materials!

The speculation-driven skyrocketing price of petroleum is savaging all Australian citizens, and destroying our agricultural and trucking industries, among many others. This crisis is orchestrated, not only through the Amsterdam spot market, where hundreds of "paper barrels" of oil are bought and sold for every actual barrel produced, but also here at home, through the collusion of both Coalition and ALP governments with the British Imperial energy/raw materials cartel over the past two decades or more.

Our continent and surrounding waters contain some of the world's greatest deposits of oil and gas, literally oceans of it, while hundreds if not thousands of on- and offshore oil wells have been drilled and just capped, in order to create an artificial shortage.

Therefore, to protect the Common Good of this country, both in the present international hyperinflationary crisis, and to secure Australia's future, the CitizensParty calls for the nationalisation of all our oil & gas deposits, together with our raw materials in general. We must establish an Australian National Resources Company (ANRC), to control, protect and develop our almost-unimaginable wealth in energy and raw materials, which is presently being looted by Rio Tinto, BHP Billiton, Shell, BP, etc.. The September 2008 issue of the *New Citizen* newspaper contains our full proposal for the ANRC. Here, we merely highlight crucial aspects respecting the so-called "oil crisis".

1. Oil can be, and is now being produced in this country for $5 per barrel. Here it is from the horse's mouth, in a briefing given by Mike Yeager, Chief Executive of BHP Billiton's Petroleum Sector on 7th May 2008: "We're right now sitting at $5 [production price per barrel] ... That's how we're able to, to contribute these extraordinary returns and extraordinary margins to our corporation—something we're very, very pleased with."

   Allowing for refining and distribution costs etc., and retail margin, a $5 per barrel production cost would translate into an approximate petrol/diesel cost of **25 cents per litre**, before tax. As for excise taxes, their purpose is nominally to fund road maintenance; in reality, they are not only poured into General Revenue (and not mainly used for road maintenance), but are highly regressive, and therefore should be scrapped. Road maintenance, like other major infrastructure, should be funded out of a Capital Budget, as distinct from the Government's annual Operating Budget.

2. While the Coalition/ALP governments provide hundreds of millions or billions in taxpayers funds to British or British-controlled companies to develop oil and gas fields, those governments demand almost nothing in return. Yeager: "In the deepwater Gulf of Mexico and in Western Australia, we pay very, very small royalties. We keep the majority of the barrels ourselves... So, we keep all the upside. If these barrels were in Algeria or some other place of the world, then you'd be sharing that upside with the Government."

3. Numerous experts, such as Marita Bradshaw, Senior Petroleum Adviser to Geoscience Australia, and Belinda Robinson, Chief Executive of the Australian Petroleum Production & Exploration Association (APPEA), have repeatedly stated that Australia's natural gas deposits are so huge that Australia could soon be the second or third largest producer of liquefied natural gas (LNG) in the world, "another Qatar".

4. Putting aside that oil is often found along with natural gas, the *AusGeo News* observed in March 2005, regarding petroleum, "The continent and its marine jurisdiction are vastly underexplored; only 8000 wells have been drilled and many offshore basins have never been tested." Surveying the state of Australia's oil industry, *The Australian* reported on 14th April 2007, "In terms of offshore frontier basins [i.e. prospective oil fields] Australia has the largest spread and largest variety of any country in the world. There is little doubt that Australia has barely scratched the surface in terms of petroleum exploration."

5. This crisis has been orchestrated, both by lack of government policy to develop oil and gas, and because hundreds or even thousands of oil wells which *have* been drilled, *have been "cased and suspended"*, as reported by dozens of individuals active in the industry and even partially by the government itself, as in Geoscience Australia's 2006 report, "Oil and Gas Resources of Australia 2004", among other sources.

Consider: *In 1985, Australia produced 96% of all its crude oil needs through domestic production* . Then, consider the following two reports, which document the devastating effects of this Australian government collusion with the British cartels in the ensuing years:

- The U.S. Department of Energy's Energy Information Administration (EIA) reported that

Australia's "net oil imports in 2000 averaged only 65,000 bbl/d, or 7 percent of total consumption", then hit 39% of total consumption by 2006 (362,200 bbl/d of 925,000 bbl/d), but "*The Australian government expects petroleum import dependency to increase to around 80% in 2010.*" (emphasis added)

- APPEA Chief Executive Belinda Robinson on 24th June 2008 reported that Australia actually had had a small net surplus of petroleum in 2000, but that went to "a deficit of about $13.7 billion in 2007". Furthermore, she said, "Assuming no increase in refining capacity in Australia [which is entirely controlled by the oil cartel—ed.], *that could blow out to $28 billion by 2017* ..." (emphasis added)

As Australians, we must decide: Will we continue as a typical, ever more immiserated British colony looted for its raw materials resources, or shall we become, at long last, a sovereign nation state securing the Common Good for all of its citizens?

Printed from http://citizensparty.org.au/print/pdf/node/249, on 29 Mar 2024 at 04:03 pm