

# Australian government to fast-track gas projects in new pro-business blueprint

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Despite the increasingly disastrous impacts of climate change, primarily driven by fossil fuel emissions, the Australian Labor government pledged to a big business gathering yesterday to “streamline” approvals of new gas and other mining projects.

Treasurer Jim Chalmers also appealed for backing from the Liberal-National Coalition, as well as from the mining giants, for the dismantling of supposed regulatory “red tape” on business more broadly. In doing so, he signalled the government’s push for a bipartisan front to satisfy the demands of the corporate ruling class in the leadup to the next federal election.

Under the slogan of “Labor is modernising the economy,” Chalmers laid out a series of proposals for an even further pro-business program than that already implemented by Prime Minister Anthony Albanese’s government, spearheaded by the fast-tracking of new mines.

Chalmers made his pitch at the *Australian Financial Review* Business Summit 2024 in Sydney, winning a favourable response from mining executives at the event, including Woodside chief executive Meg O’Neil and BHP president Geraldine Slattery.

Mining and energy conglomerates operating in Australia and internationally are making superprofits from the global surge in prices fuelled by the US-NATO war against Russia in Ukraine. But they are insisting on ever-greater concessions and faster approvals for their operations.

Chalmers said the Labor government had met the demands made by the Coalition to speed up the environmental approvals process for mining projects. In return, he urged the Coalition to quickly pass legislation for watered-down changes to the Petroleum Resources Rent Tax (PRRT).

The government’s proposed PRRT changes would only bring forward \$2.4 billion in this tax on some oil and gas

mining operations over the next four years. This is a relatively miniscule amount compared to the huge profits being extracted each year.

Mining profits made in Australia grew 89 percent from the end of 2019, reaching \$295 billion in 2022, or over 12 percent of the country’s gross domestic product, underscoring Australian capitalism’s dependence on resource exports.

This bonanza has also been at the expense of workers. The share of mining revenues going to workers, in the form of wages and other labour compensation, has halved, falling from 13 percent in 2015 to just 6 percent in 2022.

Chalmers said he had met Coalition preconditions for its support of the new project approval processes, including changes to regulations “to provide clarity on consultation requirements and restart offshore gas investment...”

“In recent days, I’ve written back to the Shadow Treasurer [Angus Taylor] and Senator [Susan] McDonald regarding the PRRT, to assure them that some of the changes to environmental approval processes they are seeking to negotiate are already happening.”

Chalmers emphasised the government’s stepped-up commitment to meeting the requirements of the energy conglomerates. “We understand and value the contribution the mining and resources sector makes to our national economy and our changes will strengthen this sector,” he said.

“We’re looking to improve and streamline a range of approvals and regulatory processes. Including through reforms to streamline the Environmental Protection and Biodiversity Conservation process and make sensible changes to the petroleum resource rent tax (PRRT)...”

“Our changes will... provide industry and investors the certainty they need to invest in sufficient supply of domestic gas and ensure Australia remains a reliable international supplier and investment partner.”

Chalmers presented the changes as showing the

government's support for the importance of gas during the transition to cleaner energy sources. In reality, the opening up of new long-term gas projects, both offshore and onshore, will add to greenhouse gas emissions for decades to come.

The treasurer outlined a suite of similar measures across the economy. These included the abolition of what he called hundreds of "nuisance" tariffs on imports, the easing of regulations covering the financial sector and faster approvals of mergers and acquisitions.

"We'll make our economy more productive by easing compliance costs on business where we can, as well, and that's a key focus," he said. To highlight the government's pro-business thrust, Chalmers said Labor was undertaking "the biggest unilateral tariff reform in at least two decades."

This would "cut compliance costs, reduce red tape, make it easier to do business, and boost productivity." Chalmers claimed that removing the tariffs would save businesses over \$30 million in compliance costs each year, or over \$120 million over the next four years.

Representing the largest companies operating in the country, however, the Business Council of Australia (BCA) used the summit to demand that the Labor government go further. The BCA insisted that the government had to match other countries, particularly the US, UK and the European Union, in offering subsidies, tax cuts and incentives to attract corporate investment. The BCA declared that the country was already suffering an "investment drought."

The BCA said Australia had dropped from fourth place for "global competitiveness" in 2004 to the 19th spot. It voiced concern that the country had been a net exporter of capital for the past four years, saying this had not happened in more than 100 years.

Even as the major imperialist powers escalate their military spending and commitments to war, including against Russia in Ukraine, support for the Israeli genocide in Gaza and the US-led confrontation with China, they are fighting with each other to win corporate investment.

In 2022, the US Congress approved the Biden administration's mistitled Inflation Reduction Act as part of a protectionist drive to boost US corporations. It included \$369 billion in tax credits over 10 years for "renewable energy" corporations, combined with far-reaching concessions to the fossil fuel industry.

More recently, last November, UK Prime Minister Rishi Sunak's government adopted recommendations from a review calling for new measures to attract foreign

investment to counter such subsidies from the EU and the US.

Chalmers' announcement further exposes the efforts of Labor's affiliated trade union apparatuses to promote illusions that the Albanese government can be pushed into increasing taxes on the mining giants, even slightly, in order to ease the housing, cost-of-living and social crisis that is devastating working-class living conditions.

Before last August's Labor Party national conference, the Construction Forestry Mining and Energy Union (CFMEU) bureaucrats claimed that they would propose a mining "superprofits" tax that would raise \$290 billion over the next decade to provide social housing. This was dropped entirely on the conference floor, replaced by a consensus motion acceptable to the government that effectively greenlighted the continued pro-business tax regime.

This is not an aberration. The Labor Party and the union bureaucracies are totally committed to the interests of Australian imperialism, both economically and militarily.

Previous Labor governments have all bent over backwards to satisfy the ever-more rapacious demands of the mining companies and the corporate ruling class as a whole.

The Rudd-Gillard governments of 2007 to 2013 initially sought to introduce a mining superprofits tax but immediately abandoned the proposal after Kevin Rudd's June 2010 removal as prime minister in a US-backed ouster over his failure to line up sufficiently behind US war preparations against China. The mining companies had also funded a massive advertising campaign against the proposed tax and the CEO of the transnational giant Rio Tinto then publicly warned all governments globally against any such moves.



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