

# Australian Labor government approves 40-year extension of major gas project

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In its first key announcement since being re-elected on May 3, Australia's Labor government last week approved an extension until 2070 of the giant North West Shelf (NWS) gas project operated by Woodside Energy Group Ltd.

Less than four weeks after the election, Murray Watt, newly installed as environment minister, unveiled the government's most significant fossil fuel approval since it first took office in 2022.

Prime Minister Anthony Albanese's government cynically delayed the approval until after the election because it makes a mockery of its claims to be committed to achieving net zero carbon emissions by 2050.

Woodside, one of the largest Australian-based oil and gas producing companies, holds one third of the shares as a joint venture partner of the project. The other fossil fuel giants that collectively own the NWS include BHP, BP, Chevron, Shell, Mitsubishi and Mitsui & Co.

Australia is the world's third-largest liquefied natural gas (LNG) exporter after the US and Qatar, with its transnational operators exporting nearly \$70 billion worth of the fuel in 2023-24. Australia's proven gas reserves are more than 40 times the country's annual consumption.

The NWS, operating since the 1980s on the Burrup peninsula of Western Australia, is Australia's biggest gas project. Its operations include both offshore extraction of petroleum and onshore processing at the Karratha Gas Plant, which is solely owned and operated by Woodside.

Overall, the NWS is the third-largest fossil fuel emitting facility in Australia, producing approximately 6 Mt of domestic greenhouse gases (GHG) annually. However, this is a significant underestimation of its total climate impact, because that figure does not account for gas exports from the facility.

Over 85 percent of the gas is exported to Asia, primarily to buyers in Japan, China and South Korea. The remainder is used domestically, accounting for about 14 percent of Western Australia's gas needs. The project has attracted \$34 billion in investment, making it one of the largest resource developments in Australia's history.

Watt's approval extends the life of the project by 40 years, since the project was originally slated for closure in 2030. Estimates vary, but the lifetime emissions of this extension could be up to 4.3 Gt of CO2 equivalent emissions, or over a decade's worth of domestic Australian emissions.

Furthermore, the decision opens up the possibility of approval for the Browse Basin offshore gas project off the Kimberley coast. Existing gas fields upon which the Karratha Gas Plant has relied are running out, which has prompted Woodside to seek to access the Browse Basin reserves. Woodside has pushed the proposed \$30 billion project since 2018. If approved, it would likely produce an additional two years' worth of annual domestic Australian emissions.

Beyond the climate change impacts, scientists have raised concerns about ongoing damage the Karratha Gas Plant is causing to the ancient engraved rock art of indigenous Australians a few kilometres away. The gas plant's emissions include nitrogen oxides and acidic compounds, which scientists warn are eroding the rock carvings through chemical weathering.

Professor Benjamin Smith, an archaeologist from University of Western Australia, noted that if pollution from the gas plant and nearby industrial projects did not decrease, "we will lose a lot of this priceless rock art that has been there for 50,000 years."

The NWS extension comes a year after the Labor government released its "Future Gas Strategy," which proposed to increase extraction of natural gas through to "2050 and beyond."

Shortly after this plan was published in May 2024, Labor awarded permits for companies including Woodside and Chevron to begin exploration of new gas reserves off Australia's west and southeastern coasts. Earlier, Labor approved large expansions to gas projects such as the Pluto LNG plant owned by Woodside, and others owned by companies such as Shell, Santos and Chevron.

Anticipating the backlash from this latest decision, Albanese resorted to a fraudulent claim that increased gas

extraction was part of a “transition” to renewable energy. Several deceptions are involved here.

First, the Labor government’s support for fossil fuels has hardly been limited to gas. Under the previous Environment Minister Tanya Plibersek, the government approved the expansion of 10 coal mines, which are altogether expected to produce an estimated 2.5 Gt of CO2 equivalent emissions over their lifetime.

Second, the idea itself that increased gas extraction is necessary for a transition to renewables is a lie. As one 2023 research paper from the Institute for Energy Economics and Financial Analysis (IEEFA) concluded:

“We are being misled by our government and the oil and gas industry, telling us we need more gas and more gas fields for the transition. We don’t.”

In particular, demand for gas-powered electricity generation is collapsing, due to rising prices of operating gas plants and the rapid development of grid-scale battery technology.

When it comes to gas exports, research from the Commonwealth Scientific and Industrial Research Organisation (CSIRO) indicates that an increase in Australian gas supply overseas could potentially increase emissions by delaying the transition to renewables in countries that purchase Australian gas.

Labor has further tried to deflect from its anti-scientific decision by referring to its climate targets established in 2022 with the backing of the Greens. Energy Minister Chris Bowen insisted that Australia is “on track” to reach the target of a 43 percent reduction of GHG emissions (relative to 2005 levels) by 2030.

As the *World Socialist Web Site* previously noted, this target is woefully inadequate, falling short of numerous scientific estimates that place the required emissions reductions over the same time period at around 75 percent.

The latest report published by the Department of Climate Change, Energy, the Environment and Water indicate that emissions decreased by only 27 percent from 2005 to 2024, and have largely stagnated since Labor took office in 2022.

After approving dozens of fossil fuel projects that will emit billions of tonnes of CO2, the Labor government has provided no evidence of even a plan to reduce emissions by 43 percent by 2030.

The Australian Workers Union and Maritime Union of Australia bureaucracies supported the NWS decision. Their Offshore Alliance, covering workers in the offshore oil and gas industry, fraudulently presented it as being about securing “the future” of their members and their families, rather than shoring up the profit interests of Woodside and other fossil fuel corporations.

Labor’s decision prompted criticism from environmental

groups, as well as members of the broader population who are concerned by climate change and the lack of action being taken to halt it. The May 3 election saw a collapse of support for the Liberal Party, in part due to its association with the aggressive and fascist agenda of the Trump administration, including its rejection of science, not least climate science.

But the Albanese government has matched the promise made to the corporate elite by the Liberal-National Coalition, which said it would approve the NWS within 30 days if it won the election.

Newly-elected Greens leader Larissa Waters wrote on Twitter/X days before the decision was finalised: “The Liberals said they’d approve the North West Shelf within 30 days. Labor is on track to do it even faster.” The comment, while true enough, nonetheless exposes the fraudulent posturing of the Greens, whose entire election campaign revolved around attempting to form a minority government with Labor as a supposed “lesser evil.”

Before May 3, the Greens peddled the fiction that with more of their members in parliament they could “get Labor to take real action to protect our environment and drive the transition to clean, affordable, renewable energy.”

By contrast, the Socialist Equality Party warned: “Labor and the Coalition alike have both committed to continued fossil fuel use and expansion that would see Australia’s emissions increase, not decrease.”

The real issue is not which capitalist party is in government. The fight to protect the environment and halt the disastrous global warming requires workers and young people to take up the fight against capitalism itself, for a socialist society that places science and human life above corporate profits.



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Socialist Equality Party visit:

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