

Adam Watson

Chief Executive Officer and Managing Director

24 October 2024

APA

Level 25

580 George Street

Sydney NSW 2000

Dear Adam Watson,

Re: Environmental, social, reputational and financial risks related to APA unlocking the Beetaloo gas basin.

Market Forces, GetUp, AYCC, Nurrdalindi Aboriginal Corporation, Friends of the Earth, The Wilderness Society, Healthy Futures, Jubilee, ARRCC, Environment Centre NT, Lock the Gate, Solar Citizens, Move Beyond Coal, Parents for Climate, Doctors for the Environment, Pacific Climate Warriors, Arid Lands Environment Centre, SEED, AG Zero 2030, Democracy in Colour, and the Australian Conservation Foundation are concerned about APA's involvement with Tamboran Resources and Empire Energy in constructing pipelines enabling the development of both firms' pilot projects in the Beetaloo Basin.

We are particularly concerned with the multiple large-scale pipelines proposed to connect the Beetaloo Basin to both the East Coast gas market and to Darwin for LNG export.

We are all calling on APA to rule out developing any pipelines that would open up the Beetaloo Basin.

Incompatible with climate goals

APA's pipelines could unlock emissions from the Beetaloo's vast gas reserves that would be incompatible with global, domestic and APA's own climate goals.

Climate Analytics estimates annual domestic emissions from fracking in the Beetaloo and processing the gas at Middle Arm would produce up to 49 million tonnes of carbon dioxide equivalent (CO₂-e) per year, adding 11% to Australia's current annual emissions. Including end-user burning of the gas, total emissions could run to 2.3 billion tonnes of CO₂-e over 25 years.

Developing any new gas field, let alone the gargantuan Beetaloo Basin, is incompatible with the climate goals of the Paris Agreement. The International Institute for Sustainable Development has found that "according to a large consensus across multiple modelled climate and energy pathways, developing any new oil and gas fields is incompatible with limiting warming to 1.5°C". Similarly, the IPCC states the "projected CO₂ emissions from *existing* fossil fuel infrastructure without additional abatement would exceed the remaining carbon budget for 1.5°C."

APA's Beetaloo plans also threaten APA's own climate goals. Initial analysis suggests if Empire and Tamboran were to achieve their full – admittedly optimistic – Beetaloo production forecasts by 2030, APA's potential involvement could cancel out the company's 30% emission reduction target multiple times over. The need for a reasonable basis underpinning climate goals is increasingly being highlighted with regulators and policy-makers sharpening their focus on greenwashing.

Financial risks

The Institute for Energy Economics and Financial Analysis (IEEFA) has found that gas from the Beetaloo is unlikely to be commercially competitive. The report also states that Tamboran Resources, Empire Energy and Falcon Oil and Gas would need significant external funding to realise their plans.

IEEFA finds “the projects may have low economic value, with high costs and risks, and uncertain returns.” This may lead to significant underutilisation of APA’s proposed pipelines, following significant up-front construction costs for APA.

Traditional Owner and local opposition

Traditional Owners including the Nurrdalinji Aboriginal Corporation, as well as local farmers and landholders, have voiced vehement opposition to the Beetaloo fracking plans, including raising concerns about risks to the Cambrian Limestone Aquifer.

An unreleased report commissioned by the Morrison government found Traditional Owners were unlikely to gain economic, social, cultural or other benefits from fracking plans in the Beetaloo region.

Chair of Nurrdalingji, Djingili Elder Samuel Janama Sandy has stated:

“Thousands of wells across our country will do untold damage to our culture, our water, our sacred sites. Once done, it can’t be undone. What we want is no fracking. Fracking is already destroying our country and Tamboran has already been found to be cutting corners and polluting our water. We want the gas companies to pack their bags and go home, so we can live in peace and protect our trees, our plants, our animals, our birds, our water.”

In September 2023, independent expert and UN Special Rapporteur Marcus Orellana, criticised the Beetaloo Basin gas plans over climate, human rights and environmental concerns. A full report will be published in September this year.

Health impacts

In August 2023, the Royal Australian College of General Practitioners wrote in a letter to Prime Minister Albanese, stating:

“The proposal to frack shale gas in the Beetaloo Basin and construct a gas processing hub at the Middle Arm Precinct in the centre of Darwin Harbour poses serious threats to the health and wellbeing of our children and our communities.”

The letter pointed to a number of studies showing children living near fracking have significantly higher rates of defects and disease. Associate Professor Melissa Haswell has also highlighted the international evidence of serious health impacts of unconventional gas mining including asthma exacerbations, cardiovascular disease, low birth weight and birth defects, and psychosocial and mental health impacts.

Nature impacts

New pipeline construction will damage the unique ecosystems and native species of northern Australia, cutting up from the Lake Eyre Basin, through the heart of the largest intact globally significant Northern Savanna. The Lake Eyre Basin covers 1% of the continent and is a complex system of internally draining waterways at the heart of Australia. The diverse landscape of deserts and vast wetlands are feeding and breeding grounds to millions of birds and vertebrates. Fossil fuel expansion and the damaging infrastructure that comes with it – pipelines, roads, gas wells, wastewater storage ponds – risk fragmenting and polluting this fragile network of waterways that rely on water going where it's intended.

APA's relationships with Empire and Tamboran not only present serious risks to communities and climate but grave reputational, financial and regulatory risks to APA itself.

The undersigned people and organisations are calling on APA to rule out developing any new pipelines connecting the Beetaloo Basin.

We ask that you please produce a public statement to this effect.

Sincerely,

