

5 May 2022

To:

James M Millar AM

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Jodie Baker

David Bennett

Rob Chapman

Lynda Cheng

James Douglas

James Wilson

Kathryn Campbell

Tim Yeend

Export Finance Australia

Australian Government

CC:

The Hon Dan Tehan MP

Minister for Trade, Tourism and Investment

Madeleine King MP

Shadow Minister for Trade and Resources

The Hon. Chris Bowen MP

Shadow Minister for Climate Change and Energy

Senator the Hon. Penny Wong

Shadow Minister for Foreign Affairs

Senator Dorinda Cox

Senator for Western Australia

Helen Stylianou

First Assistant Secretary Trade, Investment and Business Engagement Division, DFAT

Dear Board members,

Shortly after the [Intergovernmental Panel on Climate Change has published its latest report](#)—which warns that the worst ravages of climate breakdown can only be averted through a near immediate shift to a low-carbon economy and society—we urge Australia to join governments worldwide that are moving away from using export finance to fund fossil fuel projects.

Climate science shows that the world needs a rapid and just transition from fossil fuels to renewable energy to limit average global warming to 1.5°C above pre-industrial times and avoid the worst impacts of climate change. To do this, the International Energy Agency (IEA) has stated that we need [an immediate halt to any new fossil fuel developments](#). Even if coal

use was phased out overnight, the [emissions from oil and gas in existing fields alone would push average global temperature rise above 1.5°C](#). Already, the global average temperature has increased by 1.1°C, and in Australia it has increased by 1.4°C, according to [research by the Climate Council](#). People in Australia are experiencing more powerful storms, dangerous floods, destructive marine and land heatwaves, coastal erosion, and a new age of megafires. A transition away from fossil fuels must happen this decade to protect Australians from a future unliveable world, made so due to climate change.

Export Finance Australia (EFA) has a long history of supporting fossil fuel projects both overseas and in Australia. Jubilee Australia's review of EFA's transaction registers, the findings of which can be found in [the report, Hot Money](#), shows that between 2009 and 2020, EFA provided up to \$1.69 billion in financing to coal, oil and gas developments and related infrastructure. These figures include two refinancing commitments to two massive fossil fuel projects in Australia which EFA failed to disclose: a contribution to the Ichthys LNG project in 2020 of \$164.12 million and a \$124.65 million contribution as part of the refinancing of the Wiggins Island Coal Export Terminal in 2018. EFA's total exposure to the LNG industry as per its [annual report of 2021](#) is \$598.4 million dollars.

Australia is behind the rest of the world when it comes to shifting export finance away from fossil fuels. In March 2021, the UK ended its public finance for fossil fuels overseas, including export finance. On 14 April 2021, seven European countries launched the [Export Finance for Future \(E3F\) coalition](#), agreeing to end official trade and export finance directed to unabated coal power and other thermal-coal related infrastructures and assess how best to phase out support for other fossil fuel sectors. At the 2021 United Nations Climate Change Conference in Glasgow, [39 signatories promised to end their international public financing of unabated fossil fuels](#) by the end of 2022 and prioritise their support towards the clean energy transition. With signatories like Canada, the US, France and New Zealand, the Glasgow statement could shift at least USD 24 billion in influential, government-backed finance away from fossil fuels and into clean energy every year.

Australia has not only turned a blind eye to this turning tide but continues to actively place us on the fast track to climate disaster by continuing to invest in the fossil fuel industry. These investments will likely soon become stranded assets—thorns in EFA's finance portfolio. They also ignore the fact that the cost of renewable energy is fast decreasing and is already vastly cheaper than most unabated fossil fuels, in particular when fossil fuels are [paired with the unproven and expensive technology of CCS](#).

Now is the time to act. Major economies across the globe are shifting public finance away from fossil fuels, and Australia must also step up. We must take responsibility for the emissions we contribute overseas—including through fossil fuel exports and export finance of coal, oil and gas projects—as well as our domestic emissions. Ending financing for new

fossil fuel projects in Australia and overseas is a crucial step to limiting global warming to 1.5°C.

We therefore ask the EFA Board to join other export credit agencies and global leaders in directing EFA to stop all financing of coal, oil and gas projects, including infrastructure supporting such projects. As a first step, Australia must sign the Glasgow Statement on International Public Support for the Clean Energy Transition and immediately end finance for fossil fuel developments both overseas and in Australia.

We acknowledge that the government has a role of setting policy on these matters, and that the Trade Minister lays out the Minister's expectations of EFA in the Statement of Expectations. However, the EFA board also has a duty to define EFA's risk appetite, and we consider this a risk management issue. We look forward to receiving your response to this letter and we are available for a meeting to discuss this further.

Signed,



Luke Fletcher

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On behalf of

350.org Australia

ActionAid Australia

Australian Conservation Foundation

Climate Action Network Australia

Climate Action Moreland

Conservation Council of Western Australia

Edmund Rice Centre

Environment Centre NT

Friends of the Earth Australia

Jubilee Australia Research Centre

GetUp

Nature Conservation Council of NSW

Neighbours United for Climate Action

Oxfam Australia

The Australia Institute

The Sunrise Project