

The Hon Dan Tehan MP
Minister for Trade, Tourism and Investment
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

21 April 2021

Dear Minister,

In the week of the Leaders Summit on Climate, we urge Australia to join governments worldwide who are moving away from using export finance to fund fossil fuel projects.

Climate science shows that the world needs a rapid transition from fossil fuels to renewable energy in order to limit global warming to 1.5°C. Even if coal use were phased out overnight, the [emissions from oil and gas in existing fields alone would push average global temperature rise beyond 1.5°C](#). According to [recent research by the Climate Council](#), already, at a global average temperature rise of 1.1°C, we are experiencing more powerful storms, destructive marine and land heatwaves, and a new age of mega-fires. A rapid transition away from fossil fuels needs to happen this decade to protect Australians from the worsening effects of climate change.

Export Finance Australia (EFA), Australia's export credit agency, has a long history of supporting fossil fuel projects both overseas and on Australian shores. These loans have included US\$350 million for the Papua New Guinea Liquefied Natural Gas (LNG) project in 2009, and US\$150 million to the Ichthys LNG project off the Northern Australian coast in 2012. A review of EFA's transaction registers, conducted for a forthcoming Jubilee Australia briefing paper, shows millions of dollars in taxpayer-backed loans and guarantees is flowing to fossil fuels each year. On top of this, at this very moment, overseas Export Credit Agencies (ECAs) like Japan's Japan Bank for International Corporation (JBIC) are considering financing highly polluting onshore and offshore gas fields in Australia, such as the Barossa and Waitsia fields.

Australia lags behind on shifting export finance away from fossil fuels. In December 2020, the UK [announced](#) that it will end all public finance for fossil fuel projects 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. The [US](#) and [Korea](#) are taking steps towards change in this area. While some of these international moves [could and should be more ambitious](#), Australia's conspicuous silence and complete lack of action are leaving us increasingly isolated on the world stage.

Now is the time to act. As major economies move to shift public finance away from fossil fuels, Australia needs to step up and stop lagging behind. This week, organisations and individuals around Australia are [urging Australia to step up and do our fair share](#) by committing to net zero by 2035 and a complete phase-out of fossil fuels. As well as our

domestic emissions, Australia needs to take responsibility for the emissions we contribute to overseas – including through exports and export finance. Ending financing for new fossil fuel projects in Australia and overseas is an essential step to limit global warming to 1.5°C.

We call on the Australian government to join global leaders and direct EFA to stop all financing for fossil fuel-related projects, including coal, oil and gas. As a first step, Australia should become a member of the E3F coalition and immediately end finance for coal projects. Australia also needs to join other countries in phasing out export finance for gas projects and contributing to stronger global action.

Signed,

- 350.org Australia
- Action Aid Australia
- Australian Conservation Foundation
- The Australia Institute
- Australian Religious Response to Climate Change
- Climate Action Moreland
- Edmund Rice Centre
- Environment Centre NT
- Jubilee Australia Research Centre
- Lighter Footprints
- Neighbours United for Climate Action
- ParraCAN

