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Oil giants' sky-high profits fuels cost of living crisis

Shell, Chevron, Exxon Mobil and now BP posted global record profits according to half yearly earnings, off the back of rising world energy prices, according to reports released in the last week.

Half-yearly Profits for all companies together had almost doubled to \$55.2 billion (USD) up from \$28.7 billion (USD) for the same period last year, despite BP incurring a first-quarter tax loss after exiting Russia.

While their reporting does not have a detailed breakdown of Australia's activity, the four companies have previously reported to the ATO annual income of \$56.3 billion (AUD) from oil and gas in 2019-20.

These companies have paid little or no tax in Australia according to the most recent ATO data from 2019-2020. Then, Chevron had revenue of \$12.1 billion (AUD) and taxable of income of \$169 million (AUD) and paid no corporate tax. Exxon had revenue of \$15.1 billion (AUD) and paid no corporate tax. Shell had Australian revenues of \$5.3 billion (AUD) and also paid no corporate tax. In that tax year BP paid \$352, million (AUD) in corporate tax off revenues of \$23.2 billion (AUD).

Australian consumers are paying the price as these oil and gas giants post windfall profits primarily by increasing their margins as the world market price for oil and gas skyrockets.

Petrol prices in Australia have doubled since the Russian invasion of Ukraine, and Australian wholesale energy prices in the June quarter have tripled from last year.

Such results have meant that the profit share of GDP is at an all-time high, while the workers share of GDP is at an all-time low. This is as the oil and gas companies pay shareholders billions in dividends and share by-backs.

Oil and gas company CEO's pay is also up significantly while their Australian subsidiaries refuse to even negotiate with workers.

Workers employed by Shell on the Prelude offshore facility have been taking industrial action for the past 53 days in pursuit of job security and career progression claims after 18 months of fruitless negotiations. Instead of negotiating a fair outcome with its workers and their unions, Shell has threatened workers with a lock out and has refused to negotiate since 13 July.

Another huge oil and gas corporation, Woodside, is refusing to commence negotiations with its offshore gas workforce despite the majority of these workers indicating that they wanted to engage in collective bargaining and their union applying to the Commission for an order for bargaining to commence.

Quotes attributable to ACTU President Michele O'Neil:

"These energy giants are posting staggering profits while fuelling our cost-of-living crisis.

"Their shareholders are pocketing billions while working people are wondering how on earth they can afford to fill up their car, or heat their homes.

“The big oil and gas companies booked super windfall profits while Australian taxpayers have subsidised the bowser price of petrol. It’s time that big businesses do their part to address the cost of living crisis gripping Australians right now.

“If the bargaining system was working the way it is supposed to, workers’ standard of living wouldn’t be hit as hard by big increases in power, gas, and petrol prices.”

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