Chief Minister's private shares in major gas company revealed

[Full article in the NT Independent by Christopher Walsh:]

EXCLUSIVE: Chief Minister Natasha Fyles currently holds an undisclosed number of shares in an oil and gas giant backing the proposed Middle Arm industrial precinct, raising concerns by critics that her private business interests could affect her government's policy decisions around gas development, the NT Independent can reveal.

Ms Fyles disclosed her shares in Woodside Energy seven weeks after becoming Chief Minister on her Register of Members' Interests forms, but it was not released publicly until March of this year, buried on page 366 in the bundle of all 25 NT MLA's interests.

The shares in the company were not previously publicly reported or acknowledged, but have been confirmed as current by the NT Independent following an inspection of the hard copies of Ms Fyles' disclosure forms last week.

The amount of those shares was not disclosed when she updated her public interests register in July 2022, that was signed and witnessed by her chief of staff Gabrielle Mappas.

The private shareholding raises a perceived conflict of interest for Ms Fyles that the Federal Labor Government moved to stamp out around the same time Ms Fyles disclosed her Woodside shareholdings last year, with federal ministers forced to divest any shares they had in any public or private company as part of a new code of conduct established to ensure ministers acted with "the highest ethical standards".

Ms Fyles' main focus during her leadership has centered on expanding the Northern Territory's gas industry, including green-lighting fracking in the Beetaloo Basin and promoting the controversial Middle Arm industrial precinct as part of the Territory Labor Government's ambitious target of a $40 billion economy by 2030.

In August, she flew at Territory taxpayer expense to Canberra to deliver a speech at the National Press Club that attacked "teals and trolls" for criticising the NT's gas industry, while explaining to the rest of the country "why we love Middle Arm".

She accused environmentally-conscious federal politicians of "bagging out [gas] development" and running a "misleading scare campaign" about the NT's gas industry, at one point evoking Margaret Thatcher during the nationally televised address, stating that the "Territory is not for turning" on natural gas development or Middle Arm.

At no time during her taxpayer-funded national pro-gas campaign did Ms Fyles publicly indicate she had a personal financial interest in major gas company Woodside, that is backing the proposed carbon capture and storage hub to be built at Middle Arm.

That facility has been identified as a linchpin in the multi-billion dollar Middle Arm precinct moving forward, that has been backed with $1.5 billion of federal taxpayer money.

Environment Centre NT executive director Kirsty Howey said Ms Fyles' personal shares in Woodside Energy were concerning.

"This revelation should raise serious alarm bells for anyone worried about the influence of the fossil fuel industry on governments in Australia," she said.

"Any suggestion the Chief Minister could have a personal interest in a company associated with the scandal-plagued Middle Arm gas and petrochemical hub requires the highest level of scrutiny."

Ms Howey called on the Chief Minister to immediately disclose how many shares she holds in Woodside, as well as disclosing “her involvement in any decisions that involve Woodside, including relating to the [carbon capture and storage] facility at Middle Arm”.

“For years, it’s been hard to tell where the gas industry ends and the Northern Territory Government begins,” she said.

“Middle Arm is already the poster child for state capture by the fossil fuel industry in Australia.”

Perth-based Woodside Energy is Australia’s largest oil and gas company with a number of massive offshore gas projects in WA, including joint ventures with Inpex and Santos. It is also moving ahead with the controversial Scarborough project, as well as holding a long-standing interest in the proposed Greater Sunrise gas development in the Bonapatre Basin between Darwin and Timor-Leste.

Industry insiders have indicated the Darwin Middle Arm precinct and its potential carbon capture and storage facility aligns with Woodside’s current offshore interests.

In September 2021, Woodside executive vice president of sustainability Shaun Gregory was quoted in an NT Government press release about a feasibility study into the Carbon Capture Utilisation and Storage (CCUS) facility at Middle Arm being conducted by CSIRO in partnership with Santos, Inpex, Woodside, Eni, Origin and Xodus.

“This collaboration has potential to progress the development of a globally significant CCUS hub in the NT,” Mr Gregory was quoted saying in the release.

“CCUS technology can deliver large-scale, permanent carbon sequestration and we believe there is no sector better placed to invest and deliver CCUS projects than ours.”

How Fyles acquired the shares; why she did not divest unclear

Woodside overtook BHP’s petroleum subsidiary in June 2022, which was billed as creating “high margin operating cash flows to fund shareholder returns”, with Woodside Energy’s shares averaging around the $34 mark on the ASX since the merger.

Ms Fyles did not disclose how many shares she has in Woodside Energy, listing them in an amendment to her register of members’ interests on July 7, 2022 – seven weeks after she became Chief Minister, but which were not publicly released until March.

Under “addition”, she wrote, “shares – Woodside (change of ownership in previously owned shares)”.

Ms Fyles acquired shares in mining company BHP Billiton some time between March and November 2020, in the months surrounding the last NT election, according to disclosure records.

It is understood she would have acquired the Woodside shares when BHP’s petroleum branch merged with Woodside in June 2022, as part of BHP’s effort to decarbonise its operations, a month before her disclosure.

A BHP briefing about the merger to shareholders stated the “combined business is expected to have a high margin oil portfolio, long life LNG assets and the financial resilience to help supply the energy needed for global growth and development over the energy transition”.

It added the merger “is expected to deliver substantial value creation for both sets of shareholders…” with “high margin operating cash flows to fund shareholder returns and support the energy transition”.

Ms Fyles’ office refused to respond to questions about her Woodside and BHP shareholdings and how she manages the perceived conflict of interest while leading Cabinet discussions and decisions around the Territory’s policies on gas production and the Middle Arm project.

She also did not explain why she would not have divested the shares while Chief Minister to avoid a perceived conflict of interest, or why she acquired the BHP shares around the 2020 election, while a sitting Minister.

Prime Minister Anthony Albanese moved to “clean up” federal politicians’ shareholdings in private and public companies in the days leading up to Ms Fyles’ disclosure in July 2022, changing the federal ministerial code of conduct to force any minister holding private shares in a private or public company to divest immediately, including those that may result in a perceived conflict of interest.

“Ministers hold high public office and are entrusted with considerable privilege and power,” Mr Albanese said about the new code of conduct in July 2022.

“The people of Australia are entitled to expect that, in the discharge of our duties, we will act in a manner that is consistent with the highest ethical standards.”

The NT’s current Legislative Assembly Disclosures of Interests Act does not require a sitting MLA or minister to report how many shares they have in any public or private company.

Ms Fyles has routinely parroted the gas industry’s talking points while building the case for the Middle Arm industrial precinct, which she later dubbed the “Middle Arm Sustainable Development Precinct”, while scrubbing any reference to petrochemicals from NT Government websites.

“The opportunities for energy transition, exports and jobs are why we love Middle Arm – that’s why we are building it,” Ms Fyles told the nation during her August press club address.

“The teals and the trolls can spread their nonsense about it all they want but they should know it’s going to take a lot more than a couple of tweets for us to back down. The Territory is not for turning.”

Ms Fyles’ predecessor, former chief minister Michael Gunner, also held shares in BHP while in office and resigned a few weeks before the official merger with Woodside Energy.

Six months after resigning from Parliament, Mr Gunner took a job with Fortescue Future Industries, another proponent of the Middle Arm industrial precinct.