

## Media Release

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# GARNAUT REVIEW: GLOBALLY COMPETITIVE GAS INDUSTRY VITAL

The Garnaut Review Draft Report is the long-awaited signpost to practical and realistic climate change policy action and Australia's gas industry is well-placed to play a key role, Australian Petroleum Production & Exploration Association (APPEA) Chief Executive Belinda Robinson said today.

"In response to on-going calls for urgent action, the debate is now firmly on action and the policy settings needed to reduce greenhouse gas emissions at the least cost to Australian consumers, businesses and the economy," Ms Robinson said.

"In acknowledging the magnitude of what's at stake, Professor Ross Garnaut's Draft Report confirms the vitally important and complex nature of Australia's greenhouse policy response and, more importantly, the critical need to get this right.

"The upstream gas industry agrees that Australia's proposed policy response must be comprehensive, introduced in a consistent and coordinated way, integrated with effective global action, and in a manner that is sensitive to the competitive position of Australia's exporters.

"APPEA welcomes Professor Garnaut's proposal that the proceeds from the sale of permits are quarantined for households and business adjustment and for funding research, development and commercialisation of new technologies. As we move to the next stage, further work will be needed in two important areas:

1. Ensuring that policy recommendations are made on the basis of full and accurate information; and
2. The best means of transition for exporters as global negotiations continue;

"Clearly, information has been difficult to acquire and industry is in a position to help fill in the gaps.

"Australia's liquefied natural gas (LNG) industry is an example of an industry that is not only trade exposed and emissions intensive but also provides low-emissions fuel for the Asia-Pacific region. The Australian Government will want to avoid any perverse outcome that would limit the growth of an industry that will enable developing economies to reduce emissions.

"The industry also welcomes the Draft Report's analysis of the role of policy measures additional to an emissions trading scheme and its particular focus on the need to ensure such policies focus on clearly identified 'market failures' in a way that does not undermine or distort an emissions trading scheme."

Ms Robinson said the Australian upstream oil and gas industry is in a unique position to be part of the solution – given that natural gas technologies deployed in Australia today represent the most viable means for Australia to make the transition to a cleaner energy future.

"If the industry's aspirational export and domestic growth targets over the next decade are met, Australian and Asia-Pacific greenhouse gas emissions avoided would total at least 180 million tonnes per year," Ms Robinson said.

"This is equivalent to more than one quarter of Australia's projected greenhouse gas emissions in 2017 or equal to the emissions of 36 million cars."

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