

# Australia's cleaner energy future

The Australian oil and gas industry has a key role to play in a cleaner energy future, both in Australia and globally.

## APPEA's position on climate change

APPEA supports a national climate change policy that delivers greenhouse gas emissions reductions, consistent with the objectives of the Paris Agreement, and applies a broad-based price signal on emissions to facilitate broad-based investment decisions at the lowest cost to the economy.

Australia's goal should be an approach to climate policy that is national, consistent with the objectives of the Paris Agreement and which supports the environmental objectives and industries that provide jobs and economic growth.

Policies should achieve emissions reductions consistent with net zero emissions across the Australian economy by 2050 as part of a contribution to a goal of global net zero emissions by 2050.

APPEA's *Climate Change Policy Principles* are designed to assist policymakers in developing efficient and effective responses to deal with climate change.



## Policy principles

### 1 Net zero emissions by 2050 should be the goal of national and international policy

The objectives of the Paris Agreement are to keep a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. Policies should be consistent with and support these objectives.

Policies should achieve emissions reductions consistent to achieve net zero emissions across the Australian economy by 2050 as part of a contribution to a goal of global net zero emissions by 2050.<sup>1</sup> The Australian Government has the responsibility to set interim targets and for the policy framework that meets them.

Australia should continue to engage the international community to pursue environmentally effective and economically efficient climate change policies.<sup>2</sup>

An international policy framework should:

- promote international participation
- minimise the costs and distribute the international burden equitably
- ensure the task of reducing emissions is inclusive of all sectors and countries
- allow for the unrestricted flow of credible emissions units between international jurisdictions
- be underpinned by transparent reporting arrangements.



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## Policy principles *continued*



### 2 Climate policies should be efficient, enduring and integrated with economic, social, technology and energy policies

Australia's policy response should seek to:

- Set clear, long-term targets for emissions reduction that are consistent with the objectives of the Paris Agreement and provide predictability to industry to support planning and future investment.
- Deliver low-cost greenhouse gas emissions abatement through an appropriately designed price mechanism that provides an economy-wide transparent signal to shape business and consumer plans and investments.
  - The mechanism should be efficient, have low compliance costs, and support international trade that recognises different national circumstances.
- Recognise and allow the use of the widest range of credible domestic and international offsets.
- Provide a level playing field for new entrants and avoid penalising early movers who have previously implemented abatement measures.
- Support the development and deployment of pre-commercial / new and emerging low-emissions technologies.
- Support climate adaptation efforts, including through international and national modelling to provide location-specific climate change forecasts and impacts, risk management strategies to reflect likely impacts of climate variability and protect people and critical infrastructure from the negative impacts of climate change.

In delivering this policy response, the Australian Government and the state/territory governments have separate and distinct roles. The Australian Government should set the Nationally Determined Contributions (NDCs). States and regulators should support delivery of the nationally set target and avoid any overlap or duplication.

### 3 Australia's international competitiveness should be enhanced

The Australian Government should pursue climate policies that maximise growth in jobs and investment. In the event Australia takes action before comparable action is taken by the nations with which we compete, the Australian policy response should maintain the competitiveness of Australian trade-exposed industries, such as LNG, by minimising the costs the industry faces in the absence of a carbon price being imposed on energy sources in customer countries and competitors.

As part of its international engagement, Australia should:

- continue to pursue economically-efficient climate change policies, including the development of international accounting of greenhouse gases and offset markets, for example, through Article 6 of the Paris Agreement.
- support the use of its gas resources to assist in the decarbonisation pathways of other countries by promoting its LNG export sector in trade negotiations.

### 4 Universal access to affordable, reliable, sustainable and modern energy must be achieved

Australia's policy response should recognise:

- UN Sustainable Development Goal 7<sup>3</sup> to ensure universal access to affordable, reliable, sustainable and modern energy— noting that increasing global population and urbanisation are generating growing demand for energy.
- Secure energy supply is crucial for a strong modern economy and a healthy, vibrant society.
- Natural gas has a key role to play as we continue to move towards a low-carbon economy.

1 A number of APPEA members have set net zero emissions targets.

2 Australia's contribution to the global climate change effort as set out here reflects the principle in Article 3.1 of the *United Nations Framework Convention on Climate Change* (UNFCCC) (see [unfccc.int/process-and-meetings/the-convention/what-is-the-united-nations-framework-convention-on-climate-change](http://unfccc.int/process-and-meetings/the-convention/what-is-the-united-nations-framework-convention-on-climate-change)).

3 See [sdgs.un.org](http://sdgs.un.org) for more information on the United Nations Sustainable Development Goals (SDGs) and [sdgs.un.org/goals/goal7](http://sdgs.un.org/goals/goal7) for more information on SDG7 (Ensure access to affordable, reliable, sustainable and modern energy for all).

