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oil and gas industry

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Natural gas can deliver economic growth and cut emissions

Australia's oil and gas industry welcomes a new report that shows international action on climate change must recognise the link between carbon emissions and economic output.

The study – *Emissions metrics: Australia's carbon footprint in the G20* – was prepared by Deloitte Access Economics and released today by Origin Energy. It finds national emissions comparisons typically measure carbon emissions on a per capita basis, but comparing carbon dioxide equivalent (CO₂-e) to GDP is a more sensible measure. The report shows that Australia's carbon emissions relative to Gross Domestic Product (GDP) are actually below the average of the G20 countries.

In recent years, Australia's carbon emission productivity has been improving in both absolute terms and relative to the G20 average. Over the period from 2001-2011, Australia averaged 1.6% economic growth while keeping total carbon emissions growth to an average of 1.2% – meaning carbon intensity improved.

APPEA Chief Executive David Byers said: "This report is an important contribution to debate on energy policy and climate policy."

"The G20 aims to enhance global prosperity while also reducing global emissions. To achieve these goals, energy policy and climate policy must recognise the link between emissions and GDP, as well as the differing roles of various nations."

Australia is the G20's second-largest natural gas exporter (after Russia). Australia's major liquefied natural gas customers – Japan, China and South Korea – are also G20 members. Australia's large natural gas resources mean it can deliver secure, cleaner energy over the long-term – domestically and internationally.

Mr Byers said: "Australia's role as an exporter of flexible and reliable lower-emissions energy – in the form of LNG – means it can help drive economic growth as well as reductions in emissions."

"Because natural gas is a much cleaner-burning fuel than traditional energy sources, exporting natural gas to the world and using more natural gas domestically are among the most meaningful contributions Australia can make to reducing global greenhouse emissions."

The International Panel on Climate Change's recent [Fifth Assessment Synthesis Report](#) highlighted the important role of natural gas in reducing greenhouse gas emissions, noting on page SYR-51:

GHG emissions from energy supply can be reduced significantly by replacing current world average coal-fired power plants with modern, highly efficient natural gas combined-cycle power plants or combined heat and power plants ...

In February, G20 Finance Ministers and Central Bank Governors committed to developing new measures aimed at raising G20 economic output in the next five years by at least 2 per cent above the currently projected level. This would boost global GDP by more than \$2 trillion and create millions of additional jobs.

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