

Stopping new coal and gas exports won't reduce emissions

By Janaline Oh

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As Australia braces for another summer of bushfires and world leaders gather at COP28 in Dubai, it is clear the world needs to accelerate away from fossil fuels.

[Chris Bowen](#) has made clear he supports phasing them out altogether.

In Australia, many want the federal government to stop approving new export fossil fuel production. Australia's domestic greenhouse gas emissions are dwarfed by the emissions from burning its exported fossil fuels. It is attractive therefore to suppose that stopping these exports would reduce such emissions.

But curbing Australian production alone without switching international demand to zero emissions alternatives will not reduce global greenhouse gas emissions. We need international diplomacy to bridge this gap.

Australia is a significant energy exporter, but Australian coal exports meet only about 4.5 per cent of global coal demand, and its methane exports around 2.8 per cent of gas demand.

So a unilateral reduction in Australian fossil fuel exports would most likely lead importers to source from elsewhere.

After [Russia invaded Ukraine](#), Russian gas to the EU was mostly replaced by gas imports from elsewhere, with energy shortfalls met by burning more coal.

Nobody thinks Australia should cut supply so disruptively, but even stopping new projects will not, by itself, reduce global emissions.

The government has been criticised for using this "[drug dealer's defence](#)".

But the US war on drugs tried to eliminate supply in producer countries without dealing with US domestic demand and failed to reduce illicit drug use. Maybe the drug dealers had a point.

[Diplomats for Climate](#) wants to see rapid and steep reductions in global greenhouse emissions, including from exported Australian fossil fuels. But this cannot be achieved without rapid and steep reductions in foreign demand for fossil fuels.

Australia must be the dealer who takes their clients to rehab and supports them off their habit.

Australia must leverage its reputation as a reliable and globally significant energy supplier to actively encourage its trading partners to embrace zero emissions alternatives to Australian fossil fuels.

Many of these can be sourced from Australia: think green iron, green aluminium, green zinc, refined rare earths, nickel, copper and lithium hydroxide.

But how?

Firstly, federal, state and territory governments must accelerate domestic implementation of climate policies - particularly in electricity, where skills shortages and community concerns pose a significant risk to the renewables transition.

The government must rigorously apply its rules to reduce industrial emissions, including from fossil fuel exporters, and expand and strengthen them over time.

Strong domestic action is the key to international credibility.

Secondly, Australia must advocate loudly and strongly to increase international commitment to the clean energy transition, including public financing for developing countries to provide zero-emissions energy solutions and to fund adaptation.

[Australia's bid to host the UN climate conference in 2026](#) is an opportunity to do this. A highly ambitious 2035 target - well beyond the 43 per cent reduction promised for 2030 - and a credible plan to achieve it will be needed to persuade greater ambition from others.

Thirdly and most importantly, we must leverage our bilateral relationships to support rapid and ambitious decarbonisation in our trading partners. For gas, our most important relationship is with Japan.

The Australia-Japan energy relationship is arguably the most important in the world. Japan receives about 40 per cent of Australia's liquefied natural gas (LNG) exports, and Australia supplies around 40 per cent of Japan's LNG needs.

The broader relationship is underpinned by shared values, shared strategic goals and concerns, complementary economies, strong community connections and a significant cohort of highly skilled diplomats on both sides.

As a small archipelago with limited natural resources in a difficult strategic neighbourhood, Japan sees its energy security in readily stored and transported molecules, from diversified international sources.



Climate Change Minister Chris Bowen. Picture by Elesa Kurtz

Its net-zero plan sees a continuing reliance on fossil fuels, in the hope that carbon capture and storage - a technology that has underperformed expectations for decades - will absorb the emissions.

This strategy is risky for the global climate and for Japan's own security, given its reliance on imported fuel. It's time for a strategic conversation with the Japanese government and business on what constitutes energy security in a decarbonised world. Australia should continue to deliver Japan's energy security, but based on zero-emissions technology rather than fossil fuels.

And while existing Japanese investment in hydrogen and critical minerals extraction in Australia is useful, both countries would benefit from critical minerals processing and Australian manufacture of solar panels, wind turbines and batteries, powered by cheap and abundant renewable energy.

Such a partnership would support the Australian government's renewable energy superpower ambitions while securing Japan's renewable energy supplies from a strategic ally.

Australia has experience in incentivising and managing distributed intermittent electricity generation (rooftop solar) and in addressing social licence issues. It can leverage its recent clean energy agreement with the United States - both countries' principal security partner - to exploit Japan's considerable potential for geothermal energy.

Applying our considerable diplomatic assets to shift the paradigm on energy security in our most important energy partnership - and the world's third largest economy - is the best first step to real reductions in Australian fossil fuel exports and global greenhouse gas emissions.

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