

From laggard to leader? Why Australia must phase out fossil fuel exports, starting now

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For years [large fossil fuel producers](#)—including Australia—have [expanded](#) fossil fuel production while maintaining rhetorically that the world needs to reduce greenhouse gas emissions. But global emissions are overwhelmingly caused by the extraction, transport and burning of fossil fuels. Unless fossil fuels are phased out, emissions will grow and the climate crisis will worsen.

At COP28 climate negotiations in Dubai, which wrapped up last week, this fact finally became the center of attention. And fossil [fuel](#) producers were [feeling the pressure](#)—forced to [defend their expansion of fossil fuels](#) or change their tune.

Interestingly, Australia seems to be doing the latter, at least rhetorically. While successive governments have [worked assiduously](#) to keep fossil fuel production out of the spotlight at the UN talks, Climate Change Minister Chris Bowen [said](#) Australia supports the global phasing out of [fossil fuels](#) in [energy systems](#) by 2050. Clearly eager to avoid being seen as the villain at the talks, Bowen named Saudi Arabia as the main blocker to an agreement on phasing out fossil fuels.

But the text of COP decisions matters much less than the actions states and companies take. Australia—one of the [world's largest producers and exporters](#) of fossil fuel-based carbon dioxide—is fueling the problem, not solving it. Currently, Australian companies are moving to expand fossil fuel production: [more than 100 major coal, oil and gas projects](#) are in planning, at a cost of around A\$200 billion. Some of these are "[carbon bombs](#)," likely to add huge quantities of emissions.

Why Australia faces charges of hypocrisy

The Albanese government has already [approved](#) a number of new fossil fuel projects, [embracing](#) the fossil fuel expansionism of its conservative predecessors. But now that Australia has declared support for a global

phase-out of fossil fuels, it must curtail its own exports or face continued [charges of hypocrisy](#).

How could Australia do that while managing the fallout? Interestingly, Bowen's [rhetoric at COP](#) contained the seeds of an answer: a "phase out of fossil fuels is Australia's economic opportunity as [a] renewable energy superpower". In line with this sentiment, Australia should adopt the mission of leading the Asia-Pacific region to a prosperous future by simultaneously phasing out its fossil fuel exports while phasing up its clean energy exports; by becoming a [clean energy superpower](#) instead of a dirty energy one.

Doing so would require a dramatic shift in Australia's international climate posture: from a defensive, parochial, technocratic stance aimed at protecting fossil fuel expansion to proactive, outward-looking and pragmatic leadership; from merely focusing on its own territorial emissions to using all powers at its disposal in its [sphere of influence](#).

First a new project ban, then a net zero plan

Our coal and gas exports are entirely within our sovereign control and give us enormous leverage over our regional trading partners. No one is suggesting stopping fossil fuel exports overnight. But we could start by [banning new projects](#), and then convening our regional partners to work out a plan to phase out existing production and consumption. Australian leadership would involve supporting our neighbors —through investment, trade, and aid —to ensure their populations can access energy from zero-carbon sources, just as we're aspiring to do at home.

Phasing out fossil fuel exports is thus best conceptualized as part of a shift in our foreign and trade policy aimed at securing our and our region's prosperity against the existential threat of climate change—and amid a global pivot to clean energy. Call it "[cooperative decarbonization](#)"

". Viewed in this light, the typical objections to a fossil fuel phase-out in Australia look pathetic.

The weak objections to a phase-out

The first objection claims we are not responsible for the overseas emissions produced from burning our exported coal and gas. This falsely conflates Australia's national interest in reducing emissions globally with its international legal responsibility for [reporting emissions](#) locally.

Nothing in the Paris Agreement prevents a country from taking actions that would reduce or avoid emissions in another country. It is reckless and self-defeating to concern ourselves only with emissions produced on our territory when our power to influence [global emissions](#) is so much greater. Let's hope that Bowen's rhetorical shift at COP28 signals acceptance of this fact.

The second objection is that leaving our fossil fuels in the ground will not affect global emissions, because if we don't sell our coal and gas, someone else will. Aside from its immorality (the "drug dealer's defense"), the objection defies Economics 101: if you reduce supply of a product, its price goes up, causing demand to contract. Other countries might supply some of the shortfall, but Australia is such a big producer that it is implausible to think we could exit the coal and gas markets without dramatically reducing global emissions.

Moreover, it's shortsighted to think of fossil fuel export policy in isolation from the wider foreign policy choices we face. Australia's current foreign policy is to [promote our coal and gas exports](#): we literally pay public servants to help multinational companies sell more coal and gas. But if we gave our diplomats the nobler mission of leading our region's decarbonization, our leadership would help to make trade in fossil fuels redundant.

The last oft-heard objection is that phasing out fossil fuel production would cost too much. The foreign-owned corporations that produce most of our coal and gas [pay little tax](#) and [employ relatively few people](#), while capturing [billions of dollars in state and federal government subsidies](#). Scaling up as a clean energy superpower could bring more economic growth, jobs and tax revenue than would be lost from fossil fuels—especially if we [taxed the fossil fuel industry properly](#) on its way out.

Phase-outs can be done: Lessons from overseas

Denmark, France, Ireland, and Costa Rica are [among a number](#) of countries that have foregone new fossil fuel exploration and production opportunities; others are [working to phase out existing](#) operations. Doing so is undoubtedly challenging: firms, workers, and the communities in which fossil fuel operations are located understandably tend to resist policies that would close their industry.

However, [government support](#) can smooth the transition. The Spanish government, for instance, negotiated a "just transition agreement" with unions and businesses to phase out coal mining, support affected workers, and invest in their communities. My co-authors and I [found](#) this strategy actually increased the government's vote share at a subsequent election in the coal regions.

A phase-out of fossil fuel production is [entirely feasible](#) for a country with our resources, skills and diverse economy. The standard objections provide fossil fuel companies and the politicians they've captured with convenient excuses for cashing in while the planet—and Australia—burns. It's time, instead, for bold actions that lead us and our region to a prosperous, fossil-free future.

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