

Australian Petroleum Production & Exploration Association (APPEA)

General information

APPEA is a national body representing Australia's oil and gas exploration and production industry. It has about 60 full member companies. APPEA members account for an estimated 98 per cent of the Australia's petroleum production. APPEA also represents about 140 associate member companies that provide a wide range of goods and services to the upstream oil and gas industry.

About 60 full member companies

About 140 associate member companies

Equinor does not sit on the APPEA Board. We sit on some APPEA Committees, such as Exploration and Corporate Affairs. Equinor informed in February 2020 the Australian authorities of its decision to discontinue its exploration drilling plan (Stromlo-1) in the Ceduna sub-basin, offshore South Australia. We will however stay in Australia and hence remain as a member of APPEA to help shape industry climate change policy, leverage the organisation to influence Government, ensure ambitious climate change targets are set, share industry intelligence on reducing emissions and encourage the use of technology as a key driver in emissions reductions.

APPEA's climate policy

APPEA plans to update their Climate Change Policy Principles in 2020 following engagement with members and stakeholders.

The Australian government supports a carryover of credits from the first and second Kyoto protocol periods (2008-2012 and 2013-2020) to satisfy the obligations under the first Paris Agreement period (2021-2030)²¹. This may reduce the ambitions of the Paris Agreement²².

APPEA has no position on carryover of credits and have been referring to the Australian Government's position in their communication²³. APPEA is advocating for emissions reductions in Australia to support the Paris Agreement ambitions²⁴. Equinor will encourage APPEA to take a clear position on not accepting carryover of credits ahead of the UN Climate Change Conference (COP26) in Glasgow, UK in November 2020.

APPEA has been criticised for lobbying for exemptions from Australian climate policy for emissions intensive, trade-exposed industries such as LNG production²⁵. APPEA's policy position states²⁶: "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 minimizing the costs the industry faces in the absence of a carbon price being imposed on energy sources in customer countries and competitors." We do not see this as APPEA advocating exemptions for LNG from Australian climate policy.

APPEA's position on carbon pricing is set out in APPEA's Climate Change Policy Principle²⁵: "deliver lowest cost greenhouse gas emissions abatement through an appropriately designed mechanism that provides an economy-wide transparent price 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." We do not see this as APPEA advocating against a price on carbon. However, Equinor will encourage APPEA to take a clear stand on supporting carbon pricing in Australia.

Conclusions and actions

Our review has concluded that there are some misalignments between APPEA's and Equinor's climate policy position.

Equinor will remain a member of APPEA. We will use our membership position to continue to engage with APPEA by seeking membership of their Climate Change Committee to progress their climate change policy principles in Australia. We will also encourage APPEA to take a clear stand on supporting carbon pricing in Australia and not supporting carryover of credits from the Kyoto protocol to the Paris Agreement.

²¹ https://unfccc.int/files/national_reports/national_communications_and_biennial_reports/application/pdf/024851_australia-nc7-br3-1-ous_natcom_7_br_3_final.pdf

²² <https://www.carbonbrief.org/cap25-key-outcomes-agreed-at-the-un-climate-talks-in-madrid>

²³ https://climateanalytics.org/media/report_australia_kyoto_carryover_3dec2019.pdf

²⁴ https://climateanalytics.org/media/carry_over_ca_briefing_11dec2019.pdf

²⁵ https://www.appea.com.au/media_release/an-efficient-global-carbon-market-essential/

²⁶ <https://www.appea.com.au/2016/02/appea-updates-climate-change-policy-principles/>

²³ <https://accr.org.au/wp-content/uploads/190328-Trede-Associations-Report-FINAL-1.pdf>

²⁴ <https://www.appea.com.au/wp-content/uploads/2016/02/Climate-Change-Policy-Principles-APPEA-final.pdf>

²⁵ <https://www.appea.com.au/wp-content/uploads/2016/02/Climate-Change-Policy-Principles-APPEA-final.pdf>