

November 29 2013



ACF Submission: Climate Change Authority draft *Reducing Australia's Greenhouse Gas Emissions – Targets and Progress Review*

Summary and Key Recommendations

The Australian Conservation Foundation ('ACF') values the work that the Climate Change Authority ('CCA') plays in Australian climate policy, as an independent body developing transparent, long-sighted and evidence based policy recommendations for government decision makers.

The CCA's role in Australian public policy is particularly important in the current political context. Politicisation of climate policy over recent years has led to continual changes to regulatory frameworks, to ongoing business and investor uncertainty, and to higher operating costs. ACF views the CCA as essential to ensuring that Australian climate policy development is robust and impartial, and hopes that the CCA will continue to contribute to movement towards stable and effective climate policy in Australia – policy that will outlive any single government.

ACF commends the work that the CCA has done in developing its draft *Reducing Australia's Greenhouse Gas Emissions – Targets and Progress Review* ('the Review'), and welcomes the opportunity to provide feedback on the draft.

ACF's top-line recommendations are:

- The CCA's final Review should adopt a guardrail of 80% of limiting global warming to 1.5 degrees; the carbon budget should be recalculated with reference to this revision
- The CCA's final Review should recommend a 40% target to 2020, 60% to 2030, with zero carbon achieved by 2050
- The CCA should model climate related impact strictly by reference to the carbon budget methodology. The draft Review contains target ranges to 2030 and 2050 that draw on an arbitrary Australian government decarbonisation target of 80% by 2050. Target ranges determined by reference to the 80% figure should be removed from the final CCA Review
- International pollution permits should be permitted in Australia, subject to strong environmental integrity conditions standards being developed and applied

Carbon Budget

1. ACF endorses the CCA's carbon budget methodology
2. ACF's view is that the CCA should model climate related impact strictly by reference to the carbon budget methodology. Draft range targets to 2030 and 2050 draw on arbitrary government decarbonisation targets and should be removed from final CCA Review recommendations
3. ACF's view is that the CCA's should revise its decision to determine a global carbon budget by reference to a 67% chance of keeping warming to below 2 degrees. Unacceptable environmental risks are anticipated to flow from 2 degrees warming – a target based on politics rather than science
4. ACF's view is that CCA's recommendations concerning decarbonisation trajectories should be recalculated, and that Australia's decarbonisation trajectory should be determined by reference to efforts consistent with Australia's equitable contribution to global efforts to ensure an 80% chance of global warming remaining below 1.5 degrees
5. ACF's view is that the Climate Change Authority should recommend a greenhouse gas pollution trajectory of 40% target to 2020, 60% to 2030, with zero carbon achieved by 2050

The economic case for adopting a low 2020 target is weak

6. ACF notes the CCA modelling shows that the economic loss of adopting a 25% pollution reduction target over a 15% pollution reduction target to 2020 is 0.02% of per capita GNI.¹ This impact is sufficiently small that it should play no significant role in CCA deliberations. CCA modelling shows that strong 2020 decarbonisation targets can be set with low economic impact. ACF's view is that it is appropriate for the CCA to recommend ambitious targets
7. ACF notes that the CCA has not modelled the longer term impacts on Australian GNI of delaying decarbonisation efforts. A range of reports have drawn attention to the high costs of failing to cut GHG pollution; for instance, the Garnaut review found that at the global level unmitigated climate change would probably cause global economic output to fall by around 8 per cent by the end of the twenty-first century.² A ClimateWorks report also found that

¹ See Chapter 10 of the CCA's draft Review, stored at:

http://climatechangeauthority.gov.au/sites/climatechangeauthority.gov.au/files/files/Target-Progress-Review/Reducing%20Australia%E2%80%99s%20Greenhouse%20Gas%20Emissions-Targets%20and%20Progress%20Review%20Draft%20Report/CCA_TargetsAndProgressReport_Chapter10_WEB_FA.pdf

² 'The four types of benefits of climate change mitigation', Garnaut Review Update Paper, stored at:

<http://www.garnautreview.org.au/update-2011/update-papers/up1-weighing-costs-benefits-climate-change-action.html>

losses from delayed action will increase rapidly as it becomes harder to catch up over a declining number of years.³

8. ACF recommends that appropriate modelling is done to allow for a fuller and more informed Australian policy debate
9. The economic benefits of acting strongly and quickly, far outweigh the costs. Numerous studies, including modelling by the Australian Treasury, have shown that early action is more economically efficient.⁴ If Australia waits to act, required actions will result in higher costs.
10. ACF recommends that the CCA adopt an approach to determining decarbonisation trajectories that allows for a steady transition towards a low carbon future, reducing the risk of medium term exposure of the Australian economy to carbon-budget driven shock.
11. ACF recommends a strong 2020 decarbonisation target to ensure that later decarbonisation fall within the realms of the possible. The draft review itself notes that weaker 2020 targets will make it difficult to increase ambition further should global developments deem such increase necessary
12. ACF believes stronger short term targets should be endorsed in order that ambition with regards to decarbonisation can be increased in future, if appropriate

The environmental case for adopting a strong target is compelling

13. Australia's national interest is best prosecuted by ensuring that run-away global warming doesn't inflict a 4-6 degree world on Australia, with consequent collapse of vital ecosystem support systems in Australia, increased risk of extreme weather, and inundation of coastal areas by rising oceans and tidal surges. Adopting strong domestic decarbonisation targets gives a higher likelihood that international efforts will succeed
14. The consequences on the Australian environment of global warming are anticipated to be severe. Significant impacts are already being seen with warming of 0.8 degrees, inclusive of localised extinction, increases in bushfire, flooding and heatwaves, and decreases in rainfall in agriculturally important areas of Australia such as the WA wheatbelt, and the south east
15. ACF notes that global warming has emerged as the single greatest threat to Australia's biodiversity. Scientists predict that a 1.5°C global temperature rise may see 25% of the Earth's animals and plants disappear; a 3°C rise may see 30% disappear.⁵ The Great Barrier Reef will

³ See:

http://www.climateworksaustralia.org/sites/default/files/documents/publications/climateworks_lcgp_australia_2011_update_april2011.pdf, accessed Nov 29, 2013

⁴ Overview, Key points' p1, stored at:

cache.treasury.gov.au/treasury/carbonpricingmodelling/content/report/downloads/Modelling_Report_Consolidated.pdf accessed 29/11/13

⁵ IPCC report 2013 http://www.ipcc.ch/publications_and_data/ar4/wg2/en/ch19s19-3-4.html

also be significantly affected by climate change, with scientists predicting that a 1.5°C temperature rise will result in 97% of the Great Barrier Reef affected by bleaching.⁶ These are unacceptable environmental impacts that should spur prompt action

16. ACF notes that early action to reduce pollution will result in lower eventual warming than will equivalent later pollution reductions, largely because of thermal inertia in the ocean⁷
17. The economic case for unambitious targets is weak, while the environmental and geopolitical case for higher targets is strong. It is presumed that barriers to recommending a high (25%+) decarbonisation target are domestic-political. ACF's strongly held view is that the CCA should allow the strong public policy case for higher targets to trump short term political considerations that may be pressuring it towards weak short-term pollution reduction target recommendations

International Issues

18. ACF believes that the approach of recent Australian governments, in which decarbonisation activities are indexed to those of other economies, is contrary to Australia's national interest, which lies in acting in ways that are most likely to secure a safe climate for current and future Australians, and for the Australian environment
19. ACF believes that Australia should act to implement appropriate pollution reduction targets unilaterally and without conditions, given its status as a wealthy and high polluting economy with a legacy of high quantities of historic pollution
20. Australia should clearly signal to the world that it is a leader in pollution reduction. Australia's current approach to setting targets presumes the world fails, by setting targets that mirror inadequate global progress which will result in +4 degrees of warming. Australia should set targets that presume success
21. ACF believes that Australia's current approach to climate policy telegraphs a lack of political will to the international community; so too would a low 2020 target. Australia failing to take sufficiently prompt steps to decarbonise what is the world's most pollution intensive major industrialised economy may undermine international decarbonisation efforts

Australian Public Opinion

22. There is strong support for action on climate change in Australia. For instance, 61 per cent of Australians believe the Government should do more to tackle global warming⁸; 60,000 Australians rallied recently to express strong support for climate action - including 640 in Castlemaine, 5,000 in Perth, and 500 in Darwin. In a recent Essential Media poll, 22% of

⁶ http://www.ipcc.ch/publications_and_data/ar4/wg2/en/ch11s11-4-2.html

⁷ See, e.g., Wigley's 'The Climate Change Commitment', 2005, <http://www.sciencemag.org/content/307/5716/1766>

⁸ <http://www.abc.net.au/news/2013-08-26/vote-compass-climate-change-environment/4908224> - August 2013

people nominated it in a recent Essential poll as the non-economic issue that they are most concerned about.⁹ Another Essential media poll, conducted for GetUp, found that only 23% of Australians believe that a 15% pollution reduction target for 2020 is too high

International Permits

23. ACF recommends that international pollution permits should be permitted in Australia subject to strong environmental integrity conditions standards being developed and applied

For more information contact: [DELETED]

The Australian Conservation Foundation strives to advance lasting solutions to Australia's environmental problems and to create a sustainable future and better quality of life.

www.acfonline.org.au

⁹ <http://essentialvision.com.au/other-issue-of-most-concern-2>