



THE CLIMATE CHANGE AUTHORITY RELEASES FIRST DRAFT REPORT OF ITS SPECIAL REVIEW: AUSTRALIA'S FUTURE EMISSIONS REDUCTION TARGETS

Statement by the Chair, Mr Bernie Fraser

22 April 2015

In December Australia will come together with other countries in Paris to pledge national targets to reduce their greenhouse gas emissions in the post-2020 period.

Collectively, these pledges will be a critical marker of the adequacy of global efforts to avoid the worst impacts of climate change by limiting warming to less than 2 degrees above pre-industrial levels; individually, they will become a ready-reckoner for judging the willingness of different countries to accept their fair share of that task.

The Authority's views, and preliminary recommendations on the emissions reduction targets Australia should be taking to the Paris conference, are outlined in a draft report released today: *Australia's future emissions reduction targets*.

This draft report follows the comprehensive review released in February 2014 in which the Authority recommended, among other things, a 19 per cent reduction in Australia's greenhouse gas emissions by 2020, compared with 2000 levels. That remains an appropriate target for 2020 in the Authority's view, if Australia is to be a serious contributor to achieving the 2 degrees goal. The Government, however, has shown no inclination to budge from the minimum target of a 5 per cent reduction by 2020; if that turns out to be the best Australia can do over the next few years it will necessitate more rapid and potentially more costly reductions post-2020.

In this draft report the Authority is recommending that Australia target a 30 per cent reduction in its emissions by 2025, compared with 2000 levels. The Authority has not recommended a specific target for any year beyond 2025—providing flexibility to adjust to changing circumstances—but it has recommended that Australia pursue further emissions reductions within a target range of 40-60 per cent below 2000 levels by 2030.

These are challenging targets, but not more so than the targets now being adopted by many other countries.

The Authority's recommendations in this report (as in its earlier report) are based squarely on an assessment of the science of climate change and its impacts, the efforts of other countries to reduce their emissions, and on judgments on what is in Australia's own best interests.

These considerations are discussed in some detail in the report. What emerges is a picture of greenhouse gas emissions from human activities contributing to the warming of the atmosphere and changes to the climate system, the adverse impacts of which are becoming apparent for communities, economies and environments.

The goal of containing global warming to 2 degrees is consistent with limiting these adverse impacts to manageable—but still damaging and costly—proportions. Global actions to date fall short of what is required to get on track to meeting this goal. Pledges now being made to reduce future emissions—including by China and the US, the two largest emitters—will move the world closer to that track. Further sustained efforts, however, will be required by all countries to achieve the 2 degree goal, and to avoid the paths of greater warming which lead into truly dangerous territory.

As the world's driest inhabited continent, Australia is particularly exposed to climate change impacts. Some are already becoming apparent, including more frequent and intense heatwaves and bush fires, as elaborated in the report. To the extent that support for global action on climate change and doing its fair share of emissions reductions can avoid these dangerous impacts, it is clearly in Australia's interests to do so.

It is often asserted that because Australia is such a small emitter, whatever it does won't make much difference to the global picture. Australia's emissions do represent less than 1.5 per cent of global emissions but it has less than 0.5 per cent of the world's population, making Australia the largest per capita emitter of all developed countries. In absolute terms Australia's emissions are on par with those of the UK, which has about three times the population of Australia; the fact that UK emissions are also less than 1.5 per cent of global emissions has not deterred that country from continuing to adopt ambitious actions to wind back its emissions to support the 2 degrees goal.

The assertion that, as a small emitter, Australia could sit on the sidelines of this particular global contest was always more self-serving than credible; to maintain that posture in the light of increasing international actions to reduce emissions—by developed and developing, big and small countries—makes it even less credible. The fact is that Australia stands to be massively affected by global warming whatever its share of global emissions.

The Authority's recommended target for Australia of a 30 per cent reduction in emissions by 2025 would be broadly comparable with the targets that other wealthy developed countries will be bringing to the table in Paris. In the event this target were to be adopted and achieved, in terms of per capita emissions Australia would remain an outlier at the high end.

If Australia were to pledge the recommended 30 per cent target at the Paris conference this would likely be considered the behaviour of a good global citizen, and go some way to answering those who have questioned Australia's commitment to climate change policy in recent times. It would also give Australia the right to expect other countries to behave in like fashion.

It is not possible at this time to provide any meaningful cost analysis of the Authority's recommendations. As noted earlier, the main benefits would accrue from helping to avoid the dangerous consequences of strong global warming for the community, the economy and the environment—none of which is easily valued. The costs, on the other hand, will depend very much upon the particular policies adopted to implement the target, as well as the size of the target itself. With a suite of efficient policies the Authority considers the recommended target could be achieved at acceptable cost.

The Authority is also of the view that concerns about possible cost impacts of particular measures on vulnerable community groups and businesses would be best addressed through the design of the measures in question, rather than winding back the target to try to accommodate them. These issues of possible measures and their costs and other implications will be addressed in the second and third reports of this Special Review.

Preparations for the Paris conference are well underway and several countries have already announced their post-2020 targets. The Government intends to announce Australia's target in mid-year; this report is intended primarily as an input to the Government's deliberations.

The Authority proposes to consult further with stakeholders on this report, and is inviting submissions from interested parties: it will review its preliminary recommendations in the light of those consultations and submissions.