

Submission to the Climate Change Authority's *Caps and Targets Review*

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1 Summary and recommendations

- 1.1 Oxfam Australia welcomes the opportunity to provide input to the Climate Change Authority (CCA)'s *Caps and Targets Review*. This submission is informed by Oxfam's experience as an international aid and development agency. It is based, inter alia, upon the most recent climate science, analyses of impacts, robust principles of equity and effort sharing, and the imperative for Australia and all nations of reaching a fair and ambitious global climate deal in 2015.
- 1.2 This submission comments on the following issues identified in the Caps and Targets Review *Issues Paper*:

	Page in CCA Issues Paper	Section in this submission
The extent to which the Government's existing 2020 target conditions have been met	13	9.2
The extent to which specific recommendations for emission reduction goals beyond 2020 should be made, and the merits of different approaches	15	5
The global emissions budget of most relevance to Australia's emissions reduction goals	18	4.1
The influence of Australian action upon other countries	24	10.4
The merits of different principles and approaches to determining Australia's fair and defensible share of the relevant global emissions budget	25	7

This submission is in addition to a set of responses provided online at <http://consultation.climatechangeauthority.gov.au/> and presented in the annex.

1.3 Recommendations to the Authority:

The Authority should set long term carbon budgets for Australia that are consistent with the latest science and accord with Australia's responsibilities and capabilities.

In line with our international commitments and the precautionary principle, the largest global carbon budget relevant to the Authority's *Caps and Targets Review* is one that provides an 80% probability of remaining within 2°C of warming.

Oxfam Australia's position is that 2°C carries unacceptable risks and impacts for poorer countries and that global warming must be limited to 1.5°C. We further recognize the possibility that following the UNFCCC review of the adequacy of the 2°C limit, the global goal will be revised down to 1.5°C. The authority must therefore calculate a budget for Australia that provides a high probability of keeping warming to within 1.5°C by 2100.

A fair and defensible short-term emissions reduction target for Australia is 46% by 2020 on 2000 levels (40% on 1990 levels). An unconditional target of 25% by 2020 must be considered an absolute minimum short-term target for Australia.

The Authority should not take Australia's legislated target of reducing emissions by 80% by 2020 as a given, but rather derive an appropriate 2050 goal from the reductions required to meet our national carbon budget. This is likely to require zero net emissions by 2050 and an interim 2030 target of at least 60%.

2 About Oxfam Australia

- 2.1 Oxfam Australia is an independent, not-for-profit, secular international development agency. We are a member of Oxfam International, a global confederation of 17 Oxfam affiliates that work together to fight poverty and injustice in almost 100 countries.
- 2.2 Around the world, our local partners are reporting an increase in extreme weather events and other climate pressures. These changes threaten our already fragile food system and cause many to go hungry. Oxfam International regards climate change as a fundamental development challenge, threatening decades of hard-won gains in the fight against poverty.
- 2.3 Oxfam Australia has worked with local communities around the world for over 50 years. Our organization undertakes long-term development projects, provides emergency response during disaster and conflict, and conducts campaigning and advocacy for policy and practice changes that promote human rights and justice, including scaled-up action to address the global climate crisis. We support over 400 long-term development projects in 30 countries across Africa, Asia, the Pacific and Indigenous Australia.

3 International commitments

- 3.1 Australia, though agreements reached under the United Nations Framework Convention on Climate Change (UNFCCC)¹, has committed itself to making a fair contribution towards avoiding global warming beyond 2°C above pre-industrial levels. Limiting warming to 2°C must therefore be acknowledged not only as a matter of overarching national interest (p. 3) but as a commitment that informs the scale of Australia's emissions reduction goals. Caps and targets must first and foremost be anchored in science and accord with a fair and defensible share of the global carbon budget.
- 3.2 Parties to the UNFCCC are further committed to a periodic review of the adequacy of existing commitments, including the 2°C goal². The first periodic review will take place in 2013-2015. Oxfam Australia recognizes the likelihood that some Parties will advocate strongly for the global goal to be revised down to 1.5°C, based upon the scale of impacts experienced at current levels of warming³ and the latest scientific understanding of climate sensitivity⁴. The significant possibility of the current global goal being strengthened in future must be a factor in the Authority's calculations and included in the advice given to Government in February.
- 3.3 Australia, as a developed country, is also committed to providing adequate funding towards mitigation and adaptation in developing countries⁵. While acknowledging that the purpose of the *Caps and Targets Review* is to provide

¹ The commitment to keeping the global temperature increase to within 2°C is established in the Copenhagen Accord (2009) and affirmed by subsequent decisions in Cancun (2010).

"To achieve the ultimate objective of the Convention to stabilize greenhouse gas concentration in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, we shall, recognizing the scientific view that the increase in global temperature should be below 2 degrees Celsius, on the basis of equity and in the context of sustainable development, enhance our long-term cooperative action to combat climate change." 1/CP.15

<http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf>

² The framework of the review is set out in decisions adopted in Cancun (2010), Doha (2011) and Doha (2012).

"Recalling the ultimate objective of the Convention, contained in its Article 2,

Also recalling decision 1/CP.16, in particular paragraph 4, which recognized the need to consider strengthening the long-term global goal of holding the increase in global average temperature below 2 °C above pre-industrial levels on the basis of the best available scientific knowledge, including in relation to a global average temperature rise of 1.5 °C." 1/CP.18

<http://unfccc.int/resource/docs/2012/cop18/eng/08a01.pdf#page=14>

³ See, for example the IPCC's 2012 special report *Managing the risks of extreme events and disasters to advance climate change adaptation (SREX)*, including section B of the summary for policy makers. <http://ipcc-wg2.gov/SREX/>

⁴ For example, in the review of climate sensitivity cited on p. 8 of the Authority's issues paper (Knutti and Hegerl, 2008), the following impacts are identified with impacts well below two degrees: changes in water availability, increased droughts in mid-latitudes; increased coral bleaching; increased extinction risk for many species; changes in cereal production patterns; localized negative impacts on food production; increased damage from floods and storms; increased burden from malnutrition and disease; increased mortality from extreme events.

See also Chapter 2 of the World Bank's 2012 report *Turn down the heat: Why a 4°C world must be avoided*

http://climatechange.worldbank.org/sites/default/files/Turn_Down_the_heat_Why_a_4_degree_centrigrade_warmer_world_must_be_avoided.pdf

⁵ International climate financing commitments are established in the Copenhagen Accord (2009) and elaborated in subsequent UNFCCC agreements.

"In the context of meaningful mitigation actions and transparency on implementation, developed countries commit to a goal of mobilizing jointly USD 100 billion dollars a year by 2020 to address the needs of developing countries." 1/CP.15

<http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf>

advice on Australia's emissions reduction goals (i.e. our commitment to climate change *mitigation*), Oxfam Australia recognizes that our level of ambition in this regard carries implications for the level of adaptation assistance that Australia will be required to deliver to poorer nations. Falling short on the emission reduction required to avoid dangerous levels of climate change will leave Australia and other Parties with greater climate financing obligations and possible liabilities under a prospective mechanism for addressing loss and damage.⁶

⁶ Decisions reached in Doha (2012) laid the ground for establishing institutional arrangements in Warsaw (2013) to address loss and damage from climate change:

"Decides to establish, at its nineteenth session, institutional arrangements, such as an international mechanism, including functions and modalities, elaborated in accordance with the role of the Convention as defined in paragraph 5 above, to address loss and damage associated with the impacts of climate change in developing countries that are particularly vulnerable to the adverse effects of climate change;" 1/CP.18
<http://unfccc.int/resource/docs/2012/cop18/eng/08a01.pdf>

4 The global carbon budget

- 4.1 Australia's international commitments dictate that the maximum global carbon budget relevant to our emissions reduction goals is that which provides a high probability of remaining within 2°C of warming. Using the figures prepared by Raupach et al. (2011) and cited by the Authority (p. 18), this is a budget of 485Gt CO₂, equivalent to 14 years of emissions at 2010 levels.
- 4.2 In light of the impending review of the adequacy of the 2°C goal, Oxfam Australia believes the Authority must also consider global carbon budgets consistent with a less than 1.5°C of warming. While consideration of possible 1.5°C pathways remains scant in the technical literature, this is largely a product of preoccupation with the 2°C goal and should not be taken as signaling that 1.5°C is unattainable.⁷ However, with 1.5°C scenarios requiring 'negative' emissions by mid century, defining a budget for this goal requires extending the timeframe out to 2100.
- 4.3 In its report *Unburnable carbon*,⁸ the Carbon Tracker Initiative asserts that by 2011 the world has used over a third of its carbon budget for 2000-2050. Proven fossil fuel reserves owned by private and public companies equate to around five times the remaining carbon budget, meaning 80% of these assets are technically unburnable. Australia, with our heavy reliance on coal for electricity generation, and with our present economy heavily tied to coal export markets, is particularly exposed to this carbon bubble.⁹ Sensible and rational action is urgently required to align public and private investment with the international climate policy agenda and global carbon budgets, beginning with the setting of appropriate national targets and budgets.

⁷ Our understanding is that pathways commensurate with high probabilities of remaining within 1.5°C of warming remain technically feasible. This is based on our review of the available technical literature and the advice of colleagues who have reviewed drafts of the IPCC's Fifth Assessment report and corresponded with authors responsible for the chapter on emissions pathways.

⁸ Carbon Tracker Initiative (2012) *Unburnable carbon: Are the world's financial markets carrying a carbon bubble?*
<http://www.carbontracker.org/carbonbubble>

⁹ The Climate Institute and Carbon Tracker Initiative (2013) *Unburnable carbon: Australia's carbon bubble*
<http://www.climateinstitute.org.au/unburnable-carbon.html>

See also the International Energy Agency's *World Energy Outlook 2012*

5 Long term emission reduction goals

- 5.1 The most important measure of Australia's emission reduction goals is whether they are consistent with a fair share of the global carbon budget. The appropriate and indeed simplest way to define Australia's long-term emissions goals is therefore to set a national carbon budget, consistent with Australia's responsibilities and capabilities, and against which targets and trajectories can be set. As noted by Raupach et al. (2011), *"the budget approach ...provides a simple, minimally ambiguous link between potential policy commitments and warming outcomes, while allowing considerable flexibility in implementation details"*.¹⁰
- 5.2 Oxfam Australia cautions against regarding the legislated target of 80% below 2000 levels by 2050 as 'an important reference point' and 'a given' (p. 14), noting that credible international observers regard 80% by 2050 as falling short of an equitable long-term goal for Australia.¹¹ A fair and defensible contribution from Australia towards global efforts to limit temperature rises to 2°C or 1.5°C will likely require zero net emissions by 2050 and an interim target of at least 60% by 2030.¹²
- 5.3 The Authority should set out a clear timeframe and process for including uncovered emissions under Australia's emissions caps. This should include international transport emissions and the land sector.

¹⁰ Michael R. Raupach, Ian N. Harman and Joseph G. Canadell (September 2011, Centre for Australian Weather and Climate Research), *Global climate goals for temperature, concentrations, emissions and cumulative emissions*
As noted by Raupach et al. on p. 27, while global warming is a consequence of greenhouse gas concentrations and their radiative forcing, several recent papers have established the relationship between observed temperatures and *cumulative* greenhouse emissions since the start of industrialization. 'Carbon budgets' are therefore considered an appropriate guide to policy commitments and emissions reduction goals.

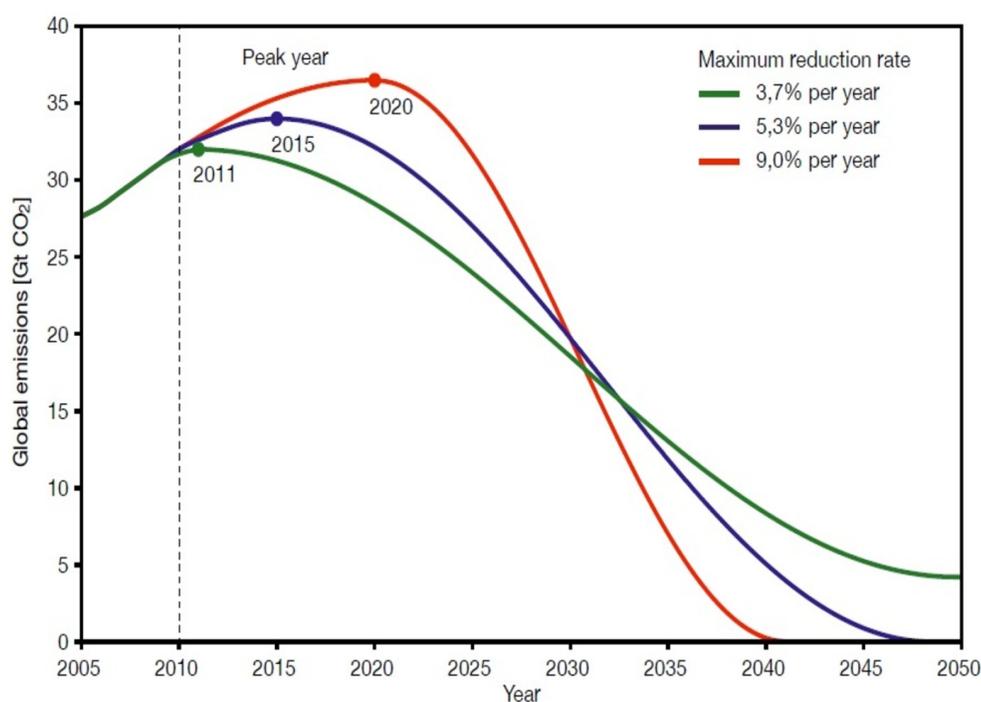
¹¹ See, for example: *Climate Action Tracker* <http://www.climateactiontracker.org/> (an initiative of Ecofys, Climate Analytics, and the Postdam Institute for Climate Impact Research)

¹² Analysis by The Climate Institute shows that a carbon budget based on the Governments' minimum targets to 2020 and an 80% reduction by 2050 would see Australians emit four times as much as the global per capita average (based on a global carbon budget of 1,500 billion tonnes to 2050.)

The Climate Institute (2013) *Operating in limits: Defining an Australian carbon budget*
http://www.climateinstitute.org.au/verve/resources/TCl_OperatingInLimits_PolicyBrief.pdf

6 Benefits of early action

- 6.1 Numerous studies have presented convincingly the economic benefits of early action.¹³ In addition to the far greater cost in terms of adaptation and disaster recovery, failure to decarbonize risks rendering Australia uncompetitive.
- 6.2 Like any budget, the more we spend in the near future the less we have available for later. This reality is neatly illustrated by the ‘ski slopes’ graph included below and on p. 17 of the Authority’s position paper. A later peak and the consequent need for an even steeper drop in emissions increases the risk of stranded high-carbon assets and having to compensate for decades of underinvestment in clean technologies.



Source: Richard Somerville and Susan Joy Hassal

- 6.3 In addition to the domestic economic imperative for early action, the setting of an ambitious 2020 target and appropriate long term carbon budget will signal Australia’s seriousness in contributing to the global goal of limiting warming to 2°C and help spur international action.

¹³ See, for example, the *Stern review on the economics of climate change* (2006) and the *Garnaut Climate Change Review* (2008, updated 2011)

6.4 Last but not least, in assessing the benefits of early action we must take particular note of Australia's acute vulnerability to climate impacts. In 2008 Professor Garnaut concluded that Australia has an "exceptional sensitivity to climate change" and warns we will be "possibly the biggest loser amongst developed countries" if the world, including Australia, fails to rein in emissions.¹⁴

¹⁴ *Garnaut Climate Change Review (2008)*

7 A fair and defensible share for Australia

- 7.1 Oxfam Australia welcomes the Authority's wish to determine a 'fair and defensible' share of a global carbon budget for Australia and its consideration of a range of possible approaches to equity and effort sharing.
- 7.2 Following discussions with Authority staff, Oxfam Australia understands 'defensible' to mean a share that can be defended within international climate negotiations, i.e. that is broadly acceptable to the international community.
- 7.3 Oxfam Australia recognizes that those with the least responsibility for climate change are hit first and hardest by its impacts. Increasing hunger is likely to be one of climate change's most savage impacts on humanity.¹⁵
- 7.4 Oxfam Australia notes the attention being given to equity and effort sharing under ADP negotiations.¹⁶ We welcome the authority's recognition that, while there are a range of perspectives on how factors such as income levels and cumulative historical emissions should determine fair shares, *"all agree that these differences matter"* and *"how these differences are resolved is likely to affect significantly the nature, acceptance and effectiveness of future international action"* (p. 25).
- 7.5 Oxfam Australia believes that the principles of the UNFCCC, including the principle of common but differentiated responsibilities and respective capacities (article 3.1), the precautionary principle (article 3.2), the right to sustainable development (article 3.4) and the overall adequacy of the global response (article 2), provide a firm foundation for determining fair shares among countries.
- 7.6 In its fourth assessment report, the IPCC correlated reductions of 25-40% below 1990 levels by 2020 in Annex 1 countries to stabilization of temperatures below 2.0-2.4°C. If we are to keep warming as far below 2°C as possible and hedge against the setting of a more ambitious global goals in future, it follows that Annex 1 countries should adopt the upper end of the IPCC range.

¹⁵ For further details on the impacts of climate change upon the world's poor, see: Oxfam International (2012) *Extreme weather, extreme prices: The costs of feeding a warming world* <https://www.oxfam.org.au/2012/09/extreme-weather-extreme-food-prices/>
Oxfam International (2009) *Suffering the science: Climate change, people and poverty* <http://www.oxfam.org/en/policy/bp130-suffering-the-science>

¹⁶ For an account of equity discussion during the most recent round of UNFCCC meetings (Bonn, 29 April - 3 May 2013), see: Tom Athanasiou (8 May 2013) *The climate talks: Could an equity tipping point be on the horizon* <http://www.ecoequity.org/2013/05/the-climate-talks-could-an-equity-tipping-point-be-on-the-horizon/>

7.7 In our 2009 paper *Hang together or separately*¹⁷ Oxfam International calculated a fair share of these reductions for each Annex 1 country using a Responsibility and Capability Index. Our approach has some commonalities with the Greenhouse Development Rights framework.¹⁸ Responsibility is derived from cumulative emissions since 1990¹⁹ and available economic capability from total income above a development threshold.²⁰

RESPONSIBILITY and CAPABILITY INDEX	
% Australian responsibility	= Australia's cumulative emissions ÷ Total cumulative emissions of all developed countries
% Australian capability	= Australia's available economic capability ÷ Total available economic capability of developed countries
% share of total emissions reduction target that should be met by Australia	= (Australia's Responsibility + Capability) ÷ 2

7.8 Oxfam International calculated Australia's fair share of total emissions reductions as 2.29%. In accordance IPCC recommended targets and for 2020, this requires an emissions target for Australia of 40% below 1990 levels or 46% below 2000 levels.²¹

7.9 To resolve the 'equity deadlock' in international negotiations, Oxfam Australia, along with international colleagues in the Climate Action Network, is promoting an 'equity spectrum' approach that aims to be both fair and dynamic (i.e. evolving and re-balancing along with changes in the global economy). This approach is grounded in the principles of the convention. It establishes an 'equity corridor', which will help to inform political negotiations by identifying the parameters of

¹⁷ Oxfam International (2009) *Hang together or separately: How global cooperation is key to a fair and adequate climate deal at Copenhagen* <http://www.oxfam.org/en/policy/fair-climate-deal-copenhagen>

¹⁸ While the approach outlined in *Hang together or separately* share much in common with Greenhouse Development Rights (GDR), note that in assigning more than three quarters of total required global effort to developed countries, the GDR approach suggests obligations for developed countries that are significantly higher than the 25-40% IPCC range. As noted in the Authority's issues paper (p. 27), the GDR model "explicitly allows for responsibility and capacity in a transparent way", "takes within-country income inequality into account", and "allows developing nations to focus on poverty eradication and growth". While the paper identifies the scale of the implied near-term targets for developed countries as a drawback to this approach, this ought not be regarded as a flaw with the framework per se, but rather a reminder of the scale of reductions likely to be required under a fair global climate deal capable of keeping warming to within 2°C or 1.5°C.

¹⁹ 1990 is adopted as a base year for reasons of data availability, its coinciding with the publication of the first IPCC assessment (and therefore broad awareness of the impacts of greenhouse gas emissions) and for consistency with the base year adopted by the IPCC itself.

²⁰ The development threshold is set at \$9,000 - 50% above a global poverty line of \$6,000 and a point at which people can be considered to have fully escaped poverty and adopted middle-class consumption patterns.

²¹ Oxfam calculations were originally to a 1990 baseline. Our target for Australia has been updated to a 2000 baseline as follows:

Total emissions in 1990 (excluding LULUCF)	Recommended reduction below 1990 level by 2020	Target 2020 emissions	Total emissions in 2000 (excluding LULUCF)	Recommended reduction below 2000 level by 2020
417.742Mt	39.7%	264.431MT	493.272Mt	46.4%

(Emissions data is from the Australian Government's National Greenhouse Gas Inventory: <http://ageis.climatechange.gov.au/>)

what can reasonably be expected of different Parties. Under the equity spectrum approach, Parties must then devise an 'equity index' based on a basket of more specific and well-designed indicators that, taken together, provide a reasonable measure of both responsibility and capacity. This may include per capita income and standard of living, per capita emissions and historical responsibility. The development of an 'equity index' alongside the impending adequacy review will allow Parties to objectively assess pledges in terms of both adequacy and fairness.

8 International action

8.1 Oxfam encourages the Authority to make a broad and future-focused assessment of international action that includes, among other considerations: formal pledges; voluntary action; investment trends; projects in the pipeline; developing country actions; regional, bilateral and other non-UNFCCC mechanisms.

8.2 Global climate action trends

Energy giants on the move

- China and the US, who together produce 37% of global emissions, are on track to meet their international commitments and have signaled they will be strengthening efforts.²² In April they struck an agreement to tackle climate change together.²³

Strong signals from International Monetary Fund,²⁴ World Bank,²⁵ International Energy Agency²⁶ and other powerful institutions

Every major economy has initiatives to tackle climate change²⁷

98 countries have made commitments under the Cancun Agreements²⁸

- 80% of global emissions and around 90% of the global economy

118 countries have renewable energy targets²⁹

62 countries have economy-wide energy efficiency or intensity targets³⁰

35 countries have national emissions trading schemes³¹

²² The Climate Commission (2013) *The critical decade: global action building on climate change*

<http://climatecommission.gov.au/report/global-action-building/>

²³ *Joint US-China statement on climate change*, 13 April 2013 <http://www.state.gov/r/pa/prs/ps/2013/04/207465.htm>

²⁴ International Monetary Fund (Press Release: 27 March 2013) *IMF Calls for Global Reform of Energy Subsidies: Sees Major Gains for Economic Growth and the Environment* <http://www.imf.org/external/np/sec/pr/2013/pr1393.htm>

²⁵ World Bank (2012) *Turn down the heat: Why a 4°C warmer world must be avoided*

http://climatechange.worldbank.org/sites/default/files/Turn_Down_the_heat_Why_a_4_degree_centrigrade_warmer_world_must_be_avoided.pdf

"Lack of action on climate change threatens to make the world our children inherit a completely different world than we are living in today. Climate change is one of the single biggest challenges facing development, and we need to assume the moral responsibility to take action on behalf of future generations, especially the poorest."

²⁶ *Statement by International Energy Agency Executive Director on COP 18* (3 December 2012)

http://www.iea.org/newsroomandevents/news/2012/december/name_34193_en.html

"IEA analysis shows that achieving the internationally agreed climate goal of limiting warming to 2 degrees C is becoming more difficult and more expensive with every passing year. Without concerted action soon, the world is on track for a much warmer future with possibly dire consequences."

²⁷ The Climate Commission (2013) *The critical decade: global action building on climate change*

<http://climatecommission.gov.au/report/global-action-building/>

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

9 Current targets

- 9.1 While accepting that the Authority must have regard to the Government's stated conditions for its 2020 targets, Oxfam Australia welcomes the Authority's clear statement that it is not constrained by these conditions. Oxfam Australia's long-held assessment is that the Government's 2020 target range falls short of a fair contribution to global mitigation efforts.
- 9.2 While having regard to point 9.1 above, Oxfam Australia asserts that the Government's conditions for moving to a target of reducing emissions by 15% by 2020 on 2000 levels have been met.

CONDITION	REALITY
International agreement where major developing economies commit to restrain emissions substantially and advanced economies take on commitments comparable to Australia's	This condition is satisfied by the Cancun Agreements and the Durban Platform for Enhanced Action
Global action on track to stabilization between 510 and 540 ppm CO ₂ e	While current unconditional pledges put us on a path to 550 ppm, many countries look set to exceed their low-end targets
Advanced economy reductions in aggregate in the range of 15-25% below 1990 levels	High pledges place advanced economies well within the 15-25% range
Substantive measurable, reportable and verifiable commitments and actions by developing economies, in the context of a strong international financing and technology cooperation framework, but which may not deliver significant emissions reduction until after 2020	This condition is satisfied by the Cancun Agreements and the Durban Platform for Enhanced Action From December 2014 developing countries must report on their emissions, including their methodologies and measurement, reporting and verification processes
Process towards inclusion of forests (reduced emissions from deforestation and forest degradation) and the land sector, deeper and broader carbon markets, and low carbon development pathways	Australia has accepted new rules for the land sector under the Kyoto Protocol and has access to Kyoto markets through participation in the second commitment period

10 Our national interest

- 10.1 In closing, Oxfam Australia wishes to further emphasize two central considerations identified by the Authority: Our national interest in an effective global climate response and the influence that the level and type of action taken by Australia has upon the international community.
- 10.2 As noted in section 6.4, Australia's particular geographic and economic conditions leave us acutely vulnerable in a warming world. These include the high impacts of rising temperatures and shifting rainfall patterns upon our agricultural systems, increases in the frequency and severity of weather-related disasters and the exposure of many populated areas to sea-level rise. Surrounded by the developing nations of the Pacific and Southeast Asia, Australia would also be expected to help bear increased disaster recovery costs associated with climate change, as well as the costs of managed migrations from areas rendered uninhabitable by seawater inundation. Climate change is likely to prolong the dependence of many developing nations upon Australia aid. In short, failure to reach a global solution to climate change will leave Australia exposed to increasing financial liabilities and multiple threats to our national interest.
- 10.3 Whether negotiations towards a new climate agreement lead to a top-down allocation of emissions budgets or to Parties selecting³² their own targets and budgets, ability to reach an effective deal is dependent upon ambition and trust.
- 10.4 Given our national interest in an effective global response, Oxfam Australia encourages the Authority to consider how Australia can best support and shape international action through its domestic goals. For negotiations to succeed it is imperative that Parties set goals that are consistent with at least the 2°C goal and accord with the principles of the Convention. The best way for Australia to protect its national interest while ensuring climate justice for the world's poor is to set targets and budgets that accord with the science and have full regard for our responsibilities and capabilities.

³² Under a "bottom up" approach, the international community would review each Party's pledge in terms of adequacy and equity, with Parties re-pledging as necessary.

Annex

Responses provided through the *Caps and Targets Review* online submission form

AUSTRALIA'S EMISSIONS REDUCTION GOALS TO 2020

Q What should Australia's 2020 emissions reduction target be? Why?

A A fair and defensible short-term emissions reduction target for Australia is 46% by 2020 on 2000 levels (40% on 1990 levels). This figure is based upon the IPCC target range for developed countries and a Responsibility and Capability Index derived from cumulative emissions since 1990 and available economic capability. Further details are provided in section 7 of the supporting materials. An unconditional target of 25% by 2020 must be considered an absolute minimum short-term target for Australia.

AUSTRALIA'S EMISSIONS REDUCTION GOALS POST-2020

Q What guidance should the Authority provide the Government on emissions reductions post-2020? Over what timeframe, and in what form?

A The most important measure of Australia's emission reduction goals is whether they are consistent with a fair share of the global carbon budget. The appropriate and indeed simplest way to define Australia's long-term emissions goals is therefore to set a national carbon budget, consistent with Australia's responsibilities and capabilities, from which targets and trajectories can be set.

In line with our international commitments and the precautionary principle, the largest global carbon budget relevant to the *Caps and Targets Review* is one that provides an 80% probability of remaining with 2°C of warming.

Oxfam Australia's position is that 2°C carries unacceptable risks and impacts for poorer countries and that global warming must be limited to 1.5°C. We further recognize the possibility that following the UNFCCC review of the adequacy of the 2°C limit, the global goal will be revised down to 1.5°C. The Authority must therefore calculate a budget for Australia that provides a high probability of keeping warming to within 1.5°C by 2100.

The Authority should not take Australia's legislated target of reducing emissions by 80% by 2050 as a given, but rather derive an appropriate 2050 goal from the reductions required to meet our national carbon budget. This is likely to require zero net emissions by 2050 and an interim 2030 target of at least 60%.

GENERAL COMMENTS

Q Please provide general comments regarding the Caps and Targets Review here (in particular reflecting on the issues identified in Chapter 6 of the Issues Paper).

A Oxfam Australia wishes to emphasize four further considerations relevant to the Authority's *Caps and Targets Review*: Our national interest in an effective global climate response, the importance of equity and effort sharing in a 2015 global climate deal, the influence that the level and type of action taken by Australia has upon the international community, and the impact that any shortfall in mitigation ambition will have upon our climate finance obligations and possible liability under a future mechanism to address loss and damage from climate change.

Whether negotiations towards a new climate agreement lead to a top-down allocation of emissions budgets or to Parties selecting³³ their own targets and budgets, ability to reach an effective deal is dependent upon ambition and trust. Given our national interest in an effective global response, Oxfam Australia encourages the Authority to consider how Australia can best support and shape international action through its domestic goals. For negotiations to succeed it is imperative that Parties set goals that are consistent with at least the 2°C goal and accord with the principles of the Convention. The best way for Australia to protect its national interest while ensuring climate justice for the world's poor is to set targets and budgets that accord with the science and have full regard for our responsibilities and capabilities.

Oxfam Australia recognizes that those with the least responsibility for climate change are hit first and hardest by its impacts. Addressing the core issue of equity and effort sharing will be central to achieving a fair and ambitious global climate deal in 2015.

Given our national interest in an effective global response, Oxfam Australia encourages the Authority to consider how Australia can best support and shape international action through its domestic goals. Given the form of negotiations under the Durban Platform for Enhanced Action, it is imperative that Parties set goals that are consistent with at least the 2°C goal and accord with the principles of the Convention. The best way for Australia to protect its national interest while ensuring climate justice for the world's poor is to set targets and budgets that accord with the science and have full regard for our responsibilities and capabilities.

Australia, as a developed country, is also committed to providing adequate funding towards mitigation and adaptation in developing countries. While acknowledging that the purpose of the *Caps and Targets Review* is to provide advice on Australia's emissions reduction goals (i.e. our commitment to climate change *mitigation*), Oxfam Australia recognizes that our level of ambition in this regard carries implications for the level of adaptation assistance that Australia will be required to deliver to poorer nations. Falling short on the emission reduction required to avoid dangerous levels of climate change will leave Australia and other Parties with greater climate financing obligations and possible liabilities under a prospective mechanism for addressing loss and damage.

³³ Under a "bottom up" approach, the international community would review each Party's pledge in terms of adequacy and equity, with Parties re-pledging as necessary.