



Five reasons Australia should strengthen its 2020 and 2030 targets



**AUSTRALIAN
CONSERVATION
FOUNDATION**

The Australian Conservation Foundation (ACF) believes the government's target of a minimum 5 per cent reduction of greenhouse gas emissions on year 2000 levels by 2020 – and the subsequent 2030 target – should be strengthened considerably.

Australia is one of the world's highest per capita emitters of climate pollution. Our minimum 2020 emissions reduction target is extremely low and ineffective. Our 2030 target puts Australia at the 'back of the pack' of developed nations, meaning we are not taking responsibility for our contribution to global warming. It is important Australia takes a leading role in reducing pollution levels to do our part as responsible international citizens and help give the world the best chance to avoid catastrophic climate change.

If Australia does not transform its economy to address climate change it will be at the expense of new economic opportunities and jobs. ACF calls on the Government to set a stronger 2020 target of a 25 per cent cut to greenhouse gas emissions on year 2000 levels by 2020, a 40-60 per cent reduction on 2000 levels by 2025 and a 60-80 per cent emissions reduction target on 2000 levels by 2030.

1. The climate change science is in

As stated by the Intergovernmental Panel on Climate Change:

Human influence on the climate system is clear, and recent anthropogenic emissions of greenhouse gases are the highest in history. Recent climate changes have had widespread impacts on human and natural systems.¹

Therefore it is imperative that every country endeavour to restrict its greenhouse gas emissions and transition its economies to zero emissions through ambitious and immediate action.

2. Under international agreements Australia promised to increase its 2020 target if certain conditions were met. These conditions have been met.

Australia has committed to a target to cut emissions by between 5 and 25 per cent (on 2000 levels) by 2020. The previous Labor government established this 2020 target range with the support of the then Coalition opposition. This commitment was then presented to the United Nations as Australia's formal commitment at the International Climate Change negotiations at Cancun in 2010.²

As part of this commitment, stronger action beyond the minimum 5 per cent reduction was predicated on the condition other countries commit to more ambitious targets.³ The then opposition (now Government) explicitly expressed its support for this conditional action.⁴

Both the Climate Change Authority (CCA) and Professor Ross Garnaut have stated that the conditions for moving beyond the 5 per cent target have been established.⁵

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¹ Intergovernmental Panel on Climate Change, *Climate Change 2014, Synthesis Report*, November 2014 https://www.ipcc.ch/news_and_events/docs/ar5/ar5_syr_headlines_en.pdf

² Ross Garnaut, Submission to Government's Review, *Setting Australia's post-2020 targets for reducing greenhouse gas emissions* 2015 http://www.dpmc.gov.au/sites/default/files/unfccc-public-submissions/A24%20Garnaut_Redacted.pdf

³ Climate Change Authority, *Reducing Australia's Greenhouse Gas Emissions – Targets and Progress Review Final Report*, February 2014, p.65. <http://www.climatechangeauthority.gov.au/files/files/Target-Progress-Review/Targets%20and%20Progress%20Review%20Final%20Report.pdf>

⁴ The Climate Institute, *Coalition commitments to 5-25 per cent emissions reduction targets*, 5 September 2013. www.climateinstitute.org.au/verve/_resources/TCL_MediaBrief_Coalitiontargets_5September2013.pdf

⁵ Ross Garnaut, Submission to Government's Review, *Setting Australia's post-2020 targets for reducing greenhouse gas emissions* Climate Change Authority, *Special Review Draft Report, Australia's future emissions reduction targets*, April 2015, p. 2. <http://www.climatechangeauthority.gov.au/sites/prod.climatechangeauthority.gov.au/files/Australia%27s%20future%20emissions%20reduction%20targets.pdf>

3. The minimum 5 per cent target is easily achievable

The government's unrealistically high projections for Australia's future emissions make the task of achieving the 5 per cent target seem more challenging than it really is. To reach the 5 per cent target by 2020, Australia needs to have reduced total emissions to 530 Mt CO₂-e a year. According to the latest update of the National Greenhouse Gas Inventory, from March 2014 to March 2015 Australia produced 545.1 Mt CO₂-e.⁶ So to meet the target, Australia only needs to make a small reduction in emissions over the next five years.

Despite official projections suggesting emissions will be much higher (656 Mt CO₂-e) in 2019-20, Environment Minister Greg Hunt has repeatedly stated he is confident that Australia will reach the minimum 2020 target.⁷ However, as has been outlined by analysts and media commentators, these projections have consistently been inaccurate in predicting actual emission figures (i.e. they have tended to project higher emissions than have occurred or are likely to occur). ACF expects this will again be the case with the latest predictions.

Part of the reason for this is that the latest projections released by the Government contain several flaws and exclude a number of important issues that will affect Australia's real emissions. For example, in the latest (March 2015) projections the economic assumptions underpinning the data overestimate the rate of economic growth and therefore the emissions likely to be created.⁸ Projections regarding growth in coal and gas exports are incorrect. Some large LNG projects have been delayed and the agricultural sector has been hit by drought in many parts of the country.⁹ The revised Renewable Energy Target is not included in the projections. The projections use the Government's starting negotiation point of 26,000 GWH of renewable energy by 2020 rather than the final deal of 33,000 GWH.¹⁰ The deal Minister Greg Hunt did with landfill owners to buy emission abatement credits to cancel out the windfall gain they made when the carbon price was

repealed will also skew the projections.¹¹ Landfill owners must use the windfall gain to buy abatement credits (most likely international credits). These will count towards the Government's greenhouse targets, estimated at 16 million tonnes of abatement. Contracted abatement purchased through the Emissions Reduction Fund isn't included.¹²

The Department acknowledged these factors in its recent emissions projections report, citing "worse than expected agricultural conditions due to drought; lower manufacturing output due to industrial closures [and] weaker growth expectations for local coal production due to a fall in international coal prices". Despite these statements the projections still show a steep increase in emissions of 17 per cent above 2000 levels by 2020 and 30 per cent above 2000 levels by 2030.

4. The transformation of our economy has stalled, electricity emissions are increasing

In 2008-09 emissions from electricity generation started steadily declining. However since September 2014 they have been rising again. This is of concern because electricity emissions make up 33 per cent of total emissions.¹³ The Department of Environment asserts that this increase is because of changes in the fuel mix for electricity (the use of dirtier fuels such as brown coal have increased), not because of increased demand. Other analysis suggests demand for electricity has increased.¹⁴

The minimum 5 per cent target is so weak that an ongoing rise in electricity emissions may not affect our ability to reach the target, however it makes the transformation of the economy more difficult than it would otherwise be. Australia is one of the world's highest per capita emitters and according to the CCA even if Australia managed to meet the CCA's recommended 2025 target of 30 per cent below 2000 levels Australia would still have "a more emissions intensive economy (and higher per person emissions) than any other major developed country other than Canada".¹⁵

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⁶ Department of the Environment, *Quarterly Update of Australia's National Greenhouse Gas Inventory: March 2015*, August 2015, p.6

⁷ Department of the Environment, *Australia's emissions projections 2014-15*, March 2015, p.3

⁸ Tristan Edis, *The Minister whose success was built on a forecast revision*, *Climate Spectator*, 8 October 2015, <http://www.businessspectator.com.au/article/2015/10/8/policy-politics/minister-whose-success-was-built-forecast-revision?t=e0b7c9c8abe1776ed274cbf99d07df32aac555fd>

Reputex, *Fair game or gaming the system? Australia's emission forecast mess*, *Climate Spectator* 15 June 2015, <http://www.businessspectator.com.au/article/2015/6/15/policy-politics/fair-game-or-gaming-system-australias-emissions-forecast-mess>

⁹ Tennant Reed, Australian Industry Group, *Greenhouse emissions – where Australia's headed (and how tough it will be to cut back)*, 28 May 2015, <http://blog.aigroup.com.au/greenhouse-emissions-wheres-australia-headed-and-how-tough-will-it-be-to-cut-back/>

¹⁰ Tristan Edis, *The Minister whose success was built on a forecast revision*, *Climate Spectator*, 8 October 2015.

Tennant Reed, *Greenhouse emissions – where Australia's headed (and how tough it will be to cut back)*, 28 May 2015.

¹¹ Lenore Taylor, *Greg Hunt's 'gift' will bring Coalition closer to 2020 emissions reduction goal*, *The Guardian*, October 2 2015, <http://www.theguardian.com/environment/2015/oct/02/greg-hunts-gift-will-bring-coalition-closer-to-2020-emissions-reduction-goal>

¹² Department of the Environment, *Quarterly Update of Australia's National Greenhouse Gas Inventory: March 2015*, August 2015, p.6

¹³ Department of the Environment, *Quarterly Update of Australia's National Greenhouse Gas Inventory: March 2015*, August 2015, p.6

5. With better climate policies Australia could easily meet higher targets

Putting to one side the debate about the effectiveness of the Government's policy, its impact will be minimal before 2020. Only two auctions have been held under the Emissions Reduction Fund and the safeguard mechanism hasn't been implemented yet. The auctions awarded contracts that run well past the 2020 period, with some projects finishing in 2025 and others in 2022. Therefore much of the abatement purchased in these auctions will not help to meet the 2020 target.¹⁶ If emissions are going down, despite the fact that Government policy is not yet having an impact, then there is room to strengthen the target and set policies that actually begin the transformation of the whole economy.

Will the Prime Minister provide leadership?

When he announced his challenge to Tony Abbott's leadership, Malcolm Turnbull said:

*Now, we are living as Australians in the most exciting time. The big economic changes that we're living through here and around the world offer enormous challenges and enormous opportunities and we need a different style of leadership.*¹⁷

The response to climate change is the most pressing economic challenge facing Australia and the world. It requires considerable economic transformation and leadership. At present Australia is showing very little leadership with Prime Minister Turnbull stating a review of climate policy will not be held until 2017.

Conclusion

Australia needs to act to rein in its climate pollution. The science is clear and conditions for increasing Australia's 2020 target have been met. The existing minimum 5 per cent reduction target is likely to be easily achieved, before the government's climate policy has delivered any significant abatement. The new Prime Minister should show leadership on environmental and economic issues by strengthening Australia's 2020 targets and implementing policies that actively transform the economy to address climate change. An increase in the 2020 and 2030 target would send a very positive message about the Government's commitment to climate action leading up to the meetings in Paris. It would also start the process of adapting Australia's economy to meet the enormous challenges – and grasp the significant opportunities – that come with climate change.

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¹⁴ Pitt and Sherry, The Australia Institute, *Carbon Emissions Index, National Electricity Market Update, data to September 2015*, p. 2 <http://www.pittsh.com.au/latest-news/cedex/>

¹⁵ Climate Change Authority, *Final Report on Australia's Future Emission Reduction Targets*, 2 July 2015, p.4

¹⁶ James Fernyhough, *Greg Hunt's dubious carbon claims exposed*, The New Daily, April 24 2015 <http://thenewdaily.com.au/money/2015/04/24/greg-hunt-blind-optimist-outright-liar/>

Thom Mitchell, *Greg Hunt is still lying about Direct Action*, New Matilda, November 13 2015. <https://newmatilda.com/2015/11/13/greg-hunt-is-still-lying-about-direct-action/>

¹⁷ Malcom Turnbull, Press Conference announcing he was challenging Tony Abbott for the leadership, via ABC, <http://www.abc.net.au/news/2015-09-14/malcolm-turnbulls-full-press-conference/6774744>



AUSTRALIAN CONSERVATION FOUNDATION

Change today for
a sustainable future

Australian Conservation Foundation

Floor One, 60 Leicester Street Carlton, Vic 3053

Phone (03) 9345 1111

Email acf@acfonline.org.au

Web www.acfonline.org.au

Twitter @AusConservation

Facebook Australian Conservation Foundation

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The Australian Conservation Foundation (ACF) stands for ecological sustainability. We get to the heart of environmental problems by tackling the underlying social and economic causes. We work across society to influence urgent, transformative action to deliver lasting change on the scale required to secure a sustainable environment. We bring people together to champion the true value of our environment and its critical role in sustaining all other systems and in achieving human wellbeing.