

Garnaut Review Final Report
www.garnautreview.org.au
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Summary and overview from the Climate Action Network Australia

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The climate policy process so far

Once again, Professor Ross Garnaut has produced an enormous document of almost 600 pages.

This Final Report arrives at the end of over a year's work that has involved a issues papers, public submissions, an interim report, a draft report and a supplementary report. Most of the information in this final report has been seen in these previous documents.

At this stage it appears that Garnaut will make a final address at a Sydney-based event on Friday morning (book through CEDA : www.ceda.com.au, and then the Garnaut Review office will close and all staff return to their former jobs.

The next big dates on the climate policy calendar after today will be:

Nov: (Date TBA): Government decision on a 2020 range for emission reductions.

Dec: early: Announcement of an indicative range or gateway for emission reductions by 2020; Carbon Pollution Reduction Scheme White Paper and Draft ETS legislation released; 1-12: UNFCCC's COP14/MOP4 in Poznan, Poland.

Jan: (Date TBA): Government to introduce CPRS legislation into parliament.

Key points from the Garnaut Review

On the need for progressive response:

'There are advantages in aiming for an ambitious global mitigation target in order to avoid some of the high-consequence impacts of climate change.' (p. xxxvi)

'The costs of action are less than the costs of inaction.' (p. xxxiv)

Australia's role in an international agreement

Garnaut says that "Australia should indicate at an early date its preparedness to play its full, proportionate part in an effective global agreement".

Applying the *per capita* methodology

Garnaut recognises that "Australia's *per capita* emissions are the highest in the OECD and among the highest in the world", and that they are that high because we burn a lot of coal for electricity (and that we have gone against the trends in the rest of the OECD who have reduced their coal consumption and their energy intensity). Garnaut outlines principles that have been suggested to base action on, including capacity, equity, historical responsibility, and then goes on to ignore them by calling for a strictly *per capita* approach.

Greenhouse gas concentration and targets

Again, Garnaut presents two scenarios for allowing a higher CO₂^e concentration of 550ppm and 450ppm.

To play its 'full part' in reaching a 450ppm CO₂^e concentration, Garnaut calculates that Australia would have to reduce emissions by 25% by 2020 and 90% by 2050 (on 2000 levels) (p. xxxiv). When reading Garnaut's views on Australia's response, it is important to recall the 25-40% targets in the Bali Action Plan, recommended by the IPCC if we want to keep warming between 2 and 2.4°C.

If no international agreement is reached, however, Garnaut recommends that Australia only reduce its emissions by 5% by 2020 (on 2000 levels) (p. xxxiv)

Emissions trading scheme design

Garnaut is aware that any old ETS will not suffice: 'a carbon tax would be better than a heavily compromised emissions trading scheme.' (p.x1)

Garnaut proposes:

- a transition phase from 2010 to 2012.
- credits to trade-exposed, emissions-intensive industries to address the failure of our trading partners to adopt similar policies
- no permits to be freely allocated
- a judicious and calibrated approach to linking with international schemes
- scheme coverage that is as broad as possible, within practical constraints (p.xli)

Complementary measures:

The Mandatory Renewable Energy Target will be phased out once a fully operational emissions trading scheme is in place (p.x1).

Coal, coal , coal

Garnaut states, 'the future for coal-based electricity generation, for coal exports and for mitigation in developing Asia depends on carbon capture and storage becoming commercially effective. Australia should lead a major international effort towards the testing and deployment of this technology' (p.xliii).

Social protection

'At least half the proceeds from the sale of all permits could be allocated to households, focusing on the bottom half of the income distribution. The bulk could be passed through the tax and social security systems, with energy efficiency commitments to low-income households in the early years '(p.xlii)

If 'regional employment issues could arise in coal regions', Garnaut proposes that up to \$1 billion in total should be made available for matched funding for investment in reducing emissions in coal power generation, as a form of preemptive structural adjustment assistance (p.xlii).

CANA thoughts and concerns

Bouquets...

- Garnaut understands the severity of the climate change issues: 'the failure of our generation on climate change mitigation would lead to consequences that would haunt humanity until the end of time.' (p.xlv)
- the simplified overview of the ETS scheme design aligns with CANA's recommendations.
- Garnaut is honest when he notes (p.x1) that the risk still exists that the emissions trading will be so compromised that it will not effectively reduce emissions. We must all remain active in our contributions to the policy development as the White Paper and draft exposure legislation are prepared for their release in December.
- Garnaut's proposals for social protection of low income households and those whose jobs will be affected reflect well.

... and Brickbats

- With his pessimistic attitude to the potential failure of the Copenhagen talks next year, Garnaut has a "playing to lose" strategy with the international negotiations. If you're taking your team into the grand final you don't talk about what your strategy is if you start to lose - you set your strategy to win. Without a strategy to win losing is certain.
- Garnaut underestimates Australia's obligation to reduce our emissions. It is not good enough to have a target that lets us off easily because of our population growth. And it is not good enough to blame other countries, like China. We have to do our fair share to reduce emissions. Coming up with excuses for a lower target (like population growth) is just trying to come up with another way for us to sin bin ourselves out of the final by not doing our fair share.
- Garnaut says straight out that "it will be easier [for Australia] to cut emissions in per capita rather than absolute terms." He talks about emissions growth coming from China (and developing countries), but in taking this approach of assessing current *per capita* emissions, he fails to fully acknowledge the responsibility of developed countries for the emissions historically already in the atmosphere, and built into our economic and production systems. He also doesn't emphasise enough the need for us to act first. Any allocative formula that does not base long-term emissions rights on population has no chance of being accepted by most developing countries- an assertion for which Garnaut offers no foundation. Indeed, many developing countries would argue that a per capita approach does not go far enough as it does not address the issue of historical responsibility. Crucially, the convergence date is the main equity lever in such a scheme, yet Garnaut does not canvas any other date than the very far off 2050.
- We should be aiming for a reduction in global CO₂^e concentration *below* 450ppm. Scientists have calculated that to be 'very likely' to keep the temperature increase below 2°C, global emissions and existing concentrations of carbon dioxide equivalent ('CO₂^e') in the atmosphere must be maintained at no more than 400ppm, with a decrease to a concentration of 350ppm CO₂^{e1}.
- The atmosphere does not negotiate. However, you may doubt this when you read Garnaut's very political proposal for a weak emission reduction target by 2020 of 5% if no international agreement is reached at the UNFCCC talks in Copenhagen in 2009.
- Garnaut places a high level of hope in the ability of Carbon Capture and Storage becoming commercially

¹ Meinshausen, M. (2006), '<2°C trajectories: A brief background note', *KyotoPlus – Escaping the Climate Trap Conference*, September 28- 29, Berlin.

effective. However, CCS technology is not commercially available and is still being tested!! How about getting realistic and the sector and much more rapidly effective and aligning with CANA's recommendation for 'no more coal fired power stations'??

Perspective from CANA's member organisations

Friends of the Earth: Rudd must reject Garnaut's low climate change targets

Friends of the Earth Australia has described Garnaut's report as a "recipe for disaster" and called on the government to reject his proposed low-end carbon pollution targets.

Professor Garnaut's Final Report outlining the science and economics of climate change and emission trading was released today.

"The Garnaut review has outlined the looming catastrophe of climate change and the economic costs of not taking action but has failed to recommend action that will solve the problem."

"A target of 550 ppm of carbon dioxide is a recipe for disaster and even the lower target of 450 ppm will mean we will face runaway climate change.

"The Arctic sea ice and Himalaya glaciers are already disappearing and the permafrost bomb is looming. We need much deeper cuts. "

"This is a deeply contradictory report. On the one hand the threat and costs of climate change are clearly outlined and on the other a plan for failure is recommended."

"Professor Garnaut has described strong targets as delusional, but he continues to feed a delusional policy debate that recognises the problem but doesn't want to implement the solution."

"The government must take heed of the science and economics in this report but should ignore the deeply political recommendations for low targets."

"We can not wait for the rest of the world before we act and we will not be listened to unless we act strongly."

"We urge the government to urgently convene a panel of Australia's climate scientists to outline clearly the targets that the climate science demands and inform the urgent development of emergency action on climate change."

Friends of the Earth Australia has previously written to Professor Garnaut and the government calling for modelling to be conducted on a program to reduce emissions to 300-325 ppm of CO₂.

For information: Damien Lawson 0419 253 342

GetUp: Garnaut Reports, Wall St Melts Down: Time to Drive a New Clean Energy Economy

GetUp is responding to the final Garnaut Report by today calling on the Prime Minister to ensure Australia becomes one of the economic winners from the transition to a new economy based on renewable energy.

"In tough financial times Australia needs a sure bet and investing in strong reduction targets to drive our new economy is a sure bet" said GetUp National Director Simon Sheikh.

"We know the future must be renewable, and the winners of this new global economy will be the countries that can get there first."

“As Kevin Rudd himself has said: ‘The Garnaut report is just one input into the overall debate’. We must go further than the trajectory the Garnaut report sets us on.”

“Now its time for the Prime Minister to guarantee our future prosperity by delivering strong short term targets to drive our new economy,” said Mr Sheikh.

“Building a new renewable energy economy is like taking out an insurance policy for our kids and grandkids, an insurance policy we need in tough economic times. If anything, the Wall St meltdown should highlight the need for greater action, not delay or timidity.”

“Only by aiming for a global target of 450 parts per million or less can we drive future prosperity and secure jobs growth.”

“Wall Street investors made irresponsible decisions with the US economy. Who’ll be there to bail us out if we don’t pursue the responsible course and build an innovative green economy?”

GetUp’s Climate Torch Relay, calling for strong short-term targets, entered Sydney today and met the world’s largest human solar panel under the Sydney Harbour Bridge. The Relay finishes in Canberra on October 12th.

For further information call Simon Sheikh on 0422 252 483 or Ed Coper on 0408 662 575.

Australian Conservation Foundation: PM must go in to bat for Australian icons

The Australian Conservation Foundation has welcomed the Garnaut Review’s finding that it is achievable, affordable and in our national interest to reduce our emissions by 25% as part of a global agreement that stabilises carbon pollution at 450 parts per million (ppm). This is the very least Australia can do to give our natural icons like the Great Barrier Reef a fighting chance against climate change.

However ACF is urging Prime Minister Rudd to listen to the call for urgency from climate scientists, and not settle for Professor Garnaut’s second best option of 550ppm and a weak 2020 target of 10%.

“Our Australian cricketers don’t enter a test match with the aim to draw; they enter with the aim to win and that’s what we need to do for our kids’ future in the fight against climate change” said ACF Climate Change Program Manager, Tony Mohr.

“A decision by the Government, Opposition or business to support the weak 10% target is a decision to support the devastation of our natural icons – the Great Barrier Reef, Kakadu and the Murray Darling.”

Prime Minister Kevin Rudd himself has acknowledged that we can’t go for second best:

“Unless we are able to stabilise greenhouse gas emissions at something in the order of 450, 490 parts per million, then frankly we’ve placed the planet in grave danger of not being able to correct itself.” – Kevin Rudd, 21/10/07

“The Intergovernmental Panel on Climate Change’s advice that developed countries, as a group, must reduce

their carbon pollution by 25-40%, is already on the table of international negotiations” said Mr Mohr.

“It’s in Australia’s national interest to achieve a strong global agreement on climate change and the best way for us to encourage other countries to reduce their carbon emissions is to lead by example and set strong targets to reduce our own.

“Australia should have a target to cut emissions by at least a third by 2020 and raise that target to 40% if other developed countries do the same.”

Contact: Kate Fenby, ACF communications adviser, 03 9345 1126 or 0439 342 992

WWF: Small cuts not enough to halt climate change

WWF-Australia today urged the Federal Government to take decisive action and adopt Professor Ross Garnaut’s recommendation that Australia should aim to achieve an emissions target of 450ppm CO² equivalent by the year 2100.

WWF believes that a strong international agreement is achievable but only if countries like Australia show leadership and commit to deep cuts.

“Australia must make cuts of at least 25 per cent by 2020 and take this commitment to Copenhagen,” said Kellie Caught, WWF’s Climate Change Policy Manager.

Professor Garnaut recognised the impending crisis of inaction stating in his report: “The failure of our generation would lead to consequences that would haunt humanity until the end of time”.

“Australia cannot afford to be pessimistic about the international negotiations, it has too much to lose economically and environmentally if we do not take a lead,” Ms Caught said.

“There was a commitment at Bali to put emission cuts of 25-40 per cent by 2020 on the negotiating table. Australia shouldn’t walk away from this.

“If the world’s biggest emitters focus their significant intellectual and production resources on cutting emissions, there is a genuine possibility of achieving 450ppm - and ultimately reducing atmospheric carbon to 400ppm.”

Professor Garnaut’s report shows the costs of action are less than the cost of inaction, and Australia can remain prosperous with living standards improving even if it agrees to deep cuts.

“Even without an international agreement Australia should still commit to a cut of 25 per cent by 2020, as we have the resources and technology to achieve this,” Ms Caught said.

“It is important not to delude ourselves into thinking that small activities will be sufficient to avoid dangerous climate change.

“If we do not implement the right policies now to support a low emission technological revolution, the

chance of avoiding a two degree temperature rise is rapidly diminished.

“As the rest of the world inevitably moves to take on a carbon price, Australia can take advantage of being an early mover.

“With world methane levels again on the rise, and the two per cent increase in Australia’s carbon emissions announced recently by the Global Carbon Project, it has never been more important for Australians to act to preserve our future,” Ms Caught said.

For more information: Alvin Stone, WWF-Australia Press Office. Phone: (02) 8202 1259 or mobile 0410 221 068.