

Garnaut Supplementary Report: Targets and Trajectories

Summary and members' perspectives from the Climate Action Network Australia

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Summary and perspective from the Climate Action Network Australia

Today at 12:30 at the Canberra National Press Club, Professor Ross Garnaut launched the *Targets and Trajectories* Supplementary Draft Report. The report is available at www.garnautreview.org.au. This report details the Garnaut Review's framework for determining national emissions reduction targets and trajectories domestically but within an international context. Thankfully, it was only 51 pages long this time!

Crucial and depressing key point from Garnaut: 'the first best approach for Australia would be to pursue a comprehensive and cooperative global agreement targeting stabilisation of atmospheric concentrations at 550 ppm' (p.45).

Garnaut's recommended targets

A 2020 emission reduction target: At long last, Garnaut has stated his recommendations for a 2020 targets..But they're pretty hopeless: If other countries commit to targets, 'Australia's target should be to reduce emissions net of international trading by **10 per cent by 2020 on 2000 levels** and 80 per cent by 2050' (p.3; chapter 5). However, in the absence of comprehensive international agreement, Australia's unconditional target should be a paltry **5 per cent reduction by 2020 on 2000 levels**. The way he has reached this interim target is by calculating 'the first step along a linear path from 2013 towards meeting the Government's stated goal of reducing emissions by 60 per cent from 2000 levels by 2050' (p.41), rather than by referring to scientific recommendations about the need for reduced concentrations of greenhouse gases.

To put Garnaut's recommendations in context, the IPCC recommends that developed countries must reduce by 25-40% by 2020 (to keep warming between 2 and 2.4oC). CANA is proposing at least a 40% reduction by 2020 based on 1990 levels, so this is not progressive at all! You can read CANA's position paper on the front page of the CANA website:

http://www.cana.net.au/Policies_positions/CANA_Emission_Reduction_Targets_PositionPaper_Aug2008v2.pdf

Furthermore, as depicted in Table 5.2 (p.18), Garnaut proposes that Australia have the lowest 2020 target of any country! He then proceeds to have steeper targets for Australia by 2050. This kind of trajectory for Australia is dangerous – it delays action to reduce emissions until it may be too late, it will make further action more difficult (particularly if CCS doesn't work) and its UNFAIR – it pushes action onto our kids, rather than taking it ourselves.

On the international community response: Of concern, Garnaut links Australia's actions with those of the international community through a 'comprehensive global agreement' (is makes it contingent on other countries taking action) to prevent the significant economic impacts occurring to Australian industry alone. He also states, 'Australia acting in isolation would be deeply problematic. It would impose domestically costs that are higher than they would otherwise need to be and it potentially leaves our traded sector at a competitive disadvantage, for no worthwhile environmental benefit' (p.40). This is against CANA policy, which encourages Australia to act bold and quickly, rather than waiting for other countries to commit to targets or to be compromised down to a lower figure.

On CO₂e concentrations: Garnaut reluctantly concludes that a global agreement to reduce CO₂e concentrations to 450ppm will be extremely difficult, and will be more likely to agree around 550ppm (noting that the global CO₂e concentration is already 455 ppm): 'But Australia alone is not in a position to achieve 450 ppm. Is the international community ready to commit itself to such a strong outcome? Not yet' (p.39). Garnaut suggests, 'Australia should now indicate its willingness to play its proportionate part in future, and if possible early, movement towards a more ambitious global goal than 550 ppm'. Apparently 'a major portion of the Review's modelling went into weighing the relative benefits of the 450 and 550 strategies' (p.37). This is a real shame, as these concentrations are far from what climate scientists- and CANA policy- are recommending. CANA's targets position paper recognises that to keep the temperature increase below 2°C of warming, global emissions and existing concentrations of CO₂e must be maintained at no more than 400ppm, with a decrease to a concentration of 350ppm CO₂e (see also 'modelling', below).

On methodology: The reasoning behind Garnaut's very low targets are based on limiting the economic impacts to Australia, rather than what the atmosphere requires, which is a grave concern. He states: 'The proposed targets for Australia have been selected because they involve comparable abatement effort to other developed and developing countries, calculated within an internally consistent framework compatible with global agreement around specified emissions concentrations objectives' (p.5).

Modelling the various scenarios

On methodology: 'Joint modelling with the Treasury and the Review's own modelling quantify market-related benefits and costs based on 'middle of the road' impacts' (p.2). For the impacts that cannot be modelled economically: 'Other costs of climate change and benefits of mitigation are discussed qualitatively' (p.2; chapter 7). The Review charged the Treasury to model three mitigation strategies: "no mitigation"; global mitigation to stabilise at 550 ppm CO₂-e; and global mitigation to stabilise at 450 ppm CO₂-e with overshooting and return (p.29). This ignored the scientific recommendations to reach 400ppm, or even 350ppm.

The economic impacts of responding: 'The Type 1 and Type 2 [impact] costs amount to approximately 8 per cent of GDP, 10 per cent of GNP and consumption, and 12 per cent of wages by the end of the century ... These are significant damages' (p.32). However, these findings are really meaningless, as so many other impacts could occur that would have enormous implications. The high chance that the Greenland ice sheet would melt under increased global temperatures would translate into sea-level rises (with large negative impacts on the world) and bring risks of severe and possibly catastrophic impacts, and effects on non-market values (p.33). Garnaut concludes, though, that 'The costs of well-designed mitigation, substantial as they are, do not threaten to derail the longterm growth path of Australia, its developing country neighbours, or the global economy. Unmitigated climate change probably would' (p.36).

Working within the international community

Garnaut has proposed to allocate emissions between countries using the 'contraction and convergence' model: 'the idea that over time the entitlements of countries to emit should increasingly be linked to their population ...this is the only practicable principle for the allocation of emissions between countries' (p.16). If Australia followed this allocation, then it would see per capita emissions decline from the current 26tCO₂e pp to 2.5 CO₂e pp by 2050, equivalent to all other citizens in the world, to achieve a global concentration of 450ppm CO₂e (p.17).

Garnaut's proposed structure of this C&C model for per capita convergence by 2050 recommends:

- demands a modest departure from developing countries' current emissions
- growth path in the short term, and strong deviations in the medium term
- Developing countries will generally favour earlier convergence towards equal per capita rights than is embodied in the Review's proposal. High-emitting developed countries would obviously find it more congenial to have later convergence. There will need to be extensive discussion within the international community, involving varying proposals for allocation of emissions entitlements, before there is a chance of agreement.
- Emissions targets would be binding for high-income countries and China.
- During a transition period, targets could be one-sided for developing countries except China, providing the option to sell permits internationally but no obligation to buy for compliance.
- Least developed countries would not be expected to take on targets for the time being, but would be expected to implement agreed policies in trade-exposed, emissions-intensive industries.
- Commitments by high-income countries to funding research, development and commercialisation of low-emissions technology, and adaptation in developing countries, will need to be part of the package.
- Can purchase as many permits as you want – no domestic reduction requirement.
- The proposed base year appears to be 2012.
- As a transitional measure, developing countries are guaranteed growth in emissions allocations at half the rate of their GDP, if this is greater than the growth in allocations under the convergence rule. This 'headroom' applies until 2020 or until such countries reach the developed country average, whichever occurs first.

However, per capita is only one input taken into account at the international level - equity, capacity and responsibility are the agreed measures. Garnaut has most likely selected a per capita approach because it suits Australia. Under Garnaut's scheme, Australia starts as the highest polluter, and therefore stays the highest polluter until 2050 when all countries are working toward the same level. This is clearly not fair – that Australia's position as the highest polluter should be entrenched into the system to fix global warming. If Australia were to follow this path we would not be doing our fair share to fix the problem (see Garnaut's Figure 5.2, p.17). Using Garnaut's 550ppm pathway, by 2020 the average Australian would still emit nearly twice as much as the average Chinese, and roughly 8 times as much as the average Indian. It's important to note that other countries have decoupled emissions growth with population. In the UK between 1990 and 2002 CO2 emissions dropped 6.2% whilst population grew by 3%, in Germany emissions dropped 13% whilst population grew by 3.9%.¹

Garnaut seems to be very pessimistic on the international negotiations for a post-2012 deal only 1/3 of the way in (see p.4, for example). But we've still got until December 2009 to get a deal at Copenhagen, and the head of the UNFCCC, Yvo de Boer, was recently very upbeat about the pace of the negotiations after the Accra, Ghana meeting.

It is not fair, not is it politically viable, to single China out, as Garnaut has done in this report. All countries have to take action in line with their responsibilities and their capacity. It is not acceptable to take one country outside the rules, and penalise it. In suggesting this, Garnaut is displaying a naivety in how international negotiations work. (ie – 'China will never agree to this, if China doesn't agree then other countries won't and we're stuffed').

What to do with coal?

Garnaut is willing to let the coal industry continue to function, with great optimism for burying the resulting emissions underground: 'The modelling assumes that CCS technologies from 2020 onwards are able to capture 90 per cent of coal-fired electricity generators' emissions' (p.12).

¹ Climate Analysis Indicators Tool (CAIT) Version 5.0. (Washington, DC: World Resources Institute, 2008).

Final thoughts

Despite his awareness that 'the impact of unmitigated climate change on Australia would be severe' (p.2), Garnaut is hopeful on responding adequately to climate change: 'There is a chance, just a chance, that humanity will act in time and in ways that reduce the risks of climate change to acceptable levels' (p.7).

However, he knows better than any of us that his advice is only 'input' to the Government's policy-making process on the Carbon Pollution Reduction Scheme, and is unlikely to be adopted at the low level he proposes, but more likely at an even lower level. It is very disappointing, therefore, that he has presented such low emission reduction targets for Australia today, and that these are based on economic, rather than scientific, projections of climate change responses. Furthermore, Garnaut's optimism to continue to allow coal-fired electricity with plans for burying 90% of it underground are of great concern, especially when Australia has a burgeoning, clean renewable energy industry just waiting for investment to grow..

The next stage

It does not appear that Garnaut will host public forums around Australia following this release, and he is not calling for any submissions in response to this report.

The next report will be the final Garnaut Report, due on September 30.

Don't forget that the political side of this process is the Green Paper on the Carbon Pollution Reduction Scheme, currently seeking submissions. These are due next week on September 10. You can view the CANA submission on CANA members' website, www.cana.net.au/members, under 'resources' (un: canamember; pw: 2020leader).

CANA Member perspectives

1. Environment Victoria media release: Environment Victoria comments on Garnaut Review Targets and Trajectories Report (<http://www.envict.org.au/>)

Environment Victoria Campaigns Director Mark Wakeham said today:

"If the Federal Government adopts the proposed targets of 5-10% cuts to greenhouse pollution from 2000 levels by 2020, Australia will reinstate its international reputation as a rogue state on climate change. Over 20 countries in the European Union have already committed to cutting their greenhouse pollution by 10% from 1990 levels by 2010 under the Kyoto Protocol. From a European viewpoint why should Australia have an extra decade to achieve cuts of a smaller magnitude than what Europe has already achieved?"

"From a developing country standpoint, if Australia is only prepared to make very minor emissions cuts then the argument that countries like China and India should attempt to even stabilise emissions in the coming decades will be extremely weak. And from a US perspective, such a target would relieve any pressure to adopt a responsible target that would see us avoid runaway climate change."

"In making allowances for Australia's growing population Professor Garnaut is potentially leading us down a slippery slope given that the global population is expected to increase to 9 billion people by 2050."

"Professor Garnaut's exploration of climate change and its impacts on the Australian economy has been invaluable. This latest report highlights that deeper cuts than what he is suggesting will be needed to avoid climate change of greater than 2 degrees. However, unfortunately the Garnaut Review's central recommendation around targets, which is the critical recommendation from the whole body of work produced by the Garnaut Review, is a

major political compromise that, if adopted by the Rudd Government, will not stand Australia in good stead at future international negotiations, nor will it be adequate to safeguard the climate".

2. Friends of the Earth Australia: Garnaut recipe for catastrophe (www.foe.org.au)

Friends of the Earth Australia fear The Supplementary Draft Report released by Professor Garnaut today models emission reduction targets that would lock us into a future of catastrophic runaway climate change.

"By adopting targets of 450 parts per million or 550 parts per million, he guarantees Australia will face the worst affects of climate change, with increasing droughts, species extinction, rising sea levels and loss of the Great Barrier Reef," said Louise Morris, Friends of the Earth Climate Campaigner.

"In this report Professor Garnaut admits that "Australia is in no danger of leading the world in greenhouse gas mitigation" and with the recommendations of paltry reduction targets in the near future that continue our high emissions, he is making sure this stays the status quo."

"Climate scientists are telling us we are already locked into a .6 degree average increase. Prof Garnaut admits that adopting cuts of 5-10% aimed towards 450 parts per million will lock us into a 2.6 degree increase."

"The current loss of the Arctic sea ice and the inevitable loss of the ice sheets and permafrost is happening at 380 ppm, this will condemn us to runaway climate change. Therefore only targets of below 350 ppm that aim at returning us to a safe climate can be justified," said Ms Morris

"Under Professor Garnauts' strongest recommendations we have more than 50% chance of irreversible melt of the Greenland ice sheet, almost 80% death rate in tolerant coral species and around 23% of species committed to extinction. This is simply not acceptable. We are talking about the lives of billions and the survival of most life on this planet. We cannot trade that against the ability for the fossil fuel industries to continue profiting from polluting."

"We have an opportunity that will escape us if we fail to act now. We must work towards what we know is necessary, not easy. We need to cut our emissions by at least 50% by 2020 and 100% by 2050 if we are to stand any chance of having a stable climate that will allow us to live in a world with adequate food, clean water and opportunities for sustainable industries."

"To achieve this we need a moratorium on new coal and political leadership that is up to this most important of all challenges." Ms Morris concluded.

For a more comprehensive analysis of the report go to www.foe.org.au.

3. Australian Conservation Foundation: Government must aim higher than Garnaut's targets (www.acfonline.org.au)

Professor Ross Garnaut's proposed carbon pollution reduction targets would not do enough to position Australia as a credible player in the critical upcoming global climate negotiations, the Australian Conservation Foundation said.

The Garnaut Review's supplementary report, released today, has found Australia's climate damage bill will be massive unless we take action now and it is in Australia's national interest to achieve a strong global agreement on climate change.

“Professor Garnaut is absolutely right that international action is needed to avoid dangerous climate change climate,” said ACF executive director Don Henry.

“The best way for Australia to encourage other countries to reduce their carbon pollution is for us to lead by example and set strong targets to reduce our own.

“To be a credible global player Australia’s target must be within the range already on the table of the international negotiations, which have recognised that developed countries, as a group, need to cut their carbon pollution by at least 25–40 per cent by 2020 to keep global warming below dangerous levels.

“If we allow carbon pollution to reach dangerous levels in the atmosphere, Australians will have to deal with a doubling of temperature-related deaths, a 100–300 per cent increase in extreme bushfire weather and, as today’s report notes, the disappearance of the Great Barrier Reef as we know it.

“ACF believes Australia should have a target to cut emissions by at least 30 per cent by 2020 and strengthen that to 40 per cent if other developed countries do the same.

“Cutting carbon emissions by at least a third by 2020 is affordable and achievable – economists McKinsey & Co estimate the cost to Australian families at less than \$1 a day – but the longer we stall and the weaker our target, the more it will cost our kids, our economy and our environment.

“Meeting a strong target to cut emissions will be a big challenge, but it is do-able. If we care about the world our children will inherit it’s a challenge we absolutely must meet.”

4. Rising Tide: Garnaut report a cop-out (www.risingtide.org.au)

Economist Ross Garnaut’s Supplementary Report, released today, is a “cop-out” according to climate action group, Rising Tide.

The respected economist has today put forward recommendations not based on need, but on political outlook.

The report recommends greenhouse gas emission reduction targets of 10 per cent from 2000 levels by 2020 and 80 per cent by 2050.

The report also delivers much-needed reality-checks, including a warning that we face “fateful choices” and the very real possibility that the entire planet, its societies, economies and ecosystems will be devastated by climate change to the point of “collapse and chaos.”

But Rising Tide claims that Garnaut’s emission reduction trajectory will trigger the much-feared “feedback” mechanism – where the natural systems of the planet begin to die and emit greenhouse gases of their own accord in vast quantities – thereby pushing climate change out of control.

Rising Tide spokesperson, Georgina Woods said, "Professor Garnaut admits that more should be done, and frankly acknowledges what we have to lose, but claims that more effective reductions are not achievable. This is an unacceptable admission of defeat before we have even begun to try. We owe the global community, not to mention our children, a better effort than that.

"Australia has a shameful record in the international community, and it looks like very little has changed. We are still clinging to the lowest common denominator."

"At the end of next year, Australia will join the rest of the world in Copenhagen to try to reach agreement to cut greenhouse gas emissions and avert the unimaginable impacts of runaway climate change. To have any chance of success, we have to be ambitious, stout-hearted and inspirational."

"Garnaut's advice to the Government is: don't even try."

5. Australian Youth Climate Coalition: Garnaut's Targets Not Enough to Renew Our Future (www.youthclimatecoalition.org)

Australia's peak body of youth organisations on climate change have given Professor Garnaut a low score for his speech today, which outlined his low targets for reducing Australia's greenhouse pollution by 2020.

The youth coalition is made up of over 20 youth organisations working on diverse issues who come together to form a united voice on the common issue affecting the future of young Australians: climate change.

"Professor Garnaut's target of between 10 – 25% [25% is based on 450ppm scenario] by 2020 from 2000 levels is a disservice to our generation. We are the ones who will have to live with the disastrous effects of climate change he outlined in his draft report," stated Amanda McKenzie, Co-Director of the Australian Youth Climate Coalition.

"The Intergovernmental Panel on Climate Change data showed that to be 'very likely' to keep the global average temperature rise below 2°C, the world must stabilise carbon pollution at 350 parts per million (ppm). Professor Garnaut's lowest stabilisation pathway was 450 ppm. This is an unacceptable risk for today's youth," added Co-Director Ms Anna Rose.

The Garnaut Review's conclusion that "an international agreement on a global goal of 450ppm or less is not immediately feasible" shows a lack of leadership. We need our government and their advisors to show courage and vision to solve the climate crisis."

"Australia must reduce greenhouse pollution as quickly as possible to the lowest levels possible, and rapidly transition to a new, more efficient economy with new investments, new industries and thousands of new, green jobs for our generation".

6. Greenpeace Australia Pacific: Garnaut gives up on safe climate (www.greenpeace.org.au)

Canberra, Friday September 5, 2008: Prime Minister Kevin Rudd must go far beyond the 5 to 10 per cent 2020 target recommended by economist Professor Ross Garnaut, which flies in the face of the UN range agreed in Bali last year.

In his report, Professor Garnaut has all but given up on reaching a global agreement to combat catastrophic climate change.

'This is the Government's chief climate change advisor suggesting Mr Rudd write a death warrant for the Great

Barrier Reef, the Kakadu National Park, and our international reputation', Greenpeace head of campaigns Steve Campbell said.

Professor Garnaut's suggestion that we accept an atmosphere with 550 parts per million greenhouse gas concentration would mean up to 39 per cent of the worlds species would become extinct, that there would be a 77 per cent chance that the Greenland ice sheets would melt irreversibly and 87 per cent of the worlds coral would die.

'Accepting this kind of damage to the planet is completely immoral', Mr Campbell said.

Professor Garnaut said today it would cost less than 1 per cent of gross national product for our contribution to keep carbon pollution down to 450 ppm.

'That is nothing to pay to secure the future of this planet,' Mr Campbell.

'It is far too early to give up on achieving a global agreement to achieve a safe climate.

'All countries must adopt a war footing and play to win this fight.'

There is hope of reaching a good global outcome, but it is vital that Australia positions itself as a leader.

The best way to do this is to adopt a target that shows international leadership. That means Mr Rudd must commit to reducing carbon emissions by at least 40 per cent on 1990 levels by 2020.

'Mr Rudd must use his international negotiation skills to get the rest of the developed world to do the same,' Mr Campbell said.

At the UN climate change talks in Bali last year, an emission reduction target range of 25 to 40 per cent for developed nations.

Professor Garnaut suggests Australia directly contravenes that agreement.

If Mr Rudd accepts such a weak target, he is telling the rest of the world Australia is not the leader on climate change it appeared to be at Bali, Greenpeace head of campaigns Steve Campbell said.

'He is saying that Australia puts profit over the security of our planet. Australia has a lot to lose from climate change and it is in our best interests to be leading with our own targets now, in order to bring about a global agreement,' Mr Campbell said.

Reducing emissions by more than 40 per cent on 1990 levels is achievable.

Earlier this year, Greenpeace released a report called Australias Energy [R]evolution, which contained modelling proving that emissions can be cut by 37 per cent by 2020 in the energy and transport sectors alone by rolling out large-scale renewable energy and implementing energy efficiency measures.

For more information or for an interview with Steve Campbell, who is in Canberra today, please contact: Ria Voorhaar, Media Advisor, on 0400 376 021, or Steve Campbell on 0419 227 695.

To find our more about Australias Energy [R]evolution, visit: <http://www.greenpeace.org.au/energyreport>