Submission to Department of Prime Minister and Cabinet

Australia’s Post-2020 Greenhouse Gas Emissions Reduction Target
Introduction

UnitingJustice Australia is the justice policy and advocacy unit of the Assembly of the Uniting Church in Australia (the national Council of the Uniting Church), pursuing matters of social and economic justice, human rights, peace and those concerning the environment. UnitingJustice Australia exists as an expression of the Uniting Church’s commitment to working towards a just and peaceful world. This commitment arises from the Christian belief that liberation from oppression and injustice is central to the outcome of the work that God has undertaken through Jesus Christ.

The Uniting Church is committed to involvement in the making of just public policy that prioritises the needs of the most vulnerable and disadvantaged in our society. In 1977, the Inaugural Assembly issued a Statement to the Nation. In this statement, the Church declared “our response to the Christian gospel will continue to involve us in social and national affairs.” In relation to care for the environment, the statement said:

we are concerned with the basic human rights of future generations and will urge the wise use of energy, the protection of the environment and the replenishment of the earth’s resources for their use and enjoyment.1

The Uniting Church believes that the natural environment is not merely a resource for the benefit of human beings but has intrinsic value as part of God’s good creation. The Church’s commitment to the environment arises out of the Christian belief that God, as the Creator of the universe, calls us into a special relationship with the environment – a relationship of mutuality and interdependence which seeks the reconciliation of all creation with God. We believe that God’s will for the earth is renewal and reconciliation, not destruction by human beings.

The Uniting Church regards human-induced climate change as a most serious threat to the future and integrity of life on earth. In 2006, the Assembly Standing Committee resolved to adopt the statement ‘For the Sake of the Planet and all Its People: A Uniting Church in Australia Statement on Climate Change’.2

In part, the statement declares:

It is increasingly the case that some humans consume the earth’s resources whilst other humans pay the price. Australia must acknowledge that it has a responsibility to reduce our reliance on fossil fuels. As long as we remain prepared to abuse the atmosphere and entire ecosystems for the sake of short-term economic gain for a few, we undermine our own future.

For the Uniting Church, social justice and environmental sustainability are inherently connected to each other and must always take precedence over the desire for increasing profits and the amassing of wealth by a relative few. As one of the major producers of greenhouse gas emissions per capita, Australia must acknowledge that it has a responsibility to address the social, economic and environmental policies which support our continued reliance on fossil fuels.

It is important that Australia’s social, economic and environmental policies begin to reflect that social justice and ecological justice are not competing interests, but have shared solutions. It makes good economic and political sense to spend money to ensure the long-term well-being of our natural world — there can be no security for humanity without a healthy ecosystem. The Uniting Church therefore believes that the Australian Government must “set and commit to meeting serious targets for greenhouse gas emission reductions primarily through the promotion of renewable energy sources, measures to reduce energy demand and promotion of energy efficient measures”.3

In 2014 the Uniting Church Assembly resolved to divest from corporations engaged in the extraction of fossil fuels, recognising that “with national governments reluctant to take difficult decisions, it falls to us as members of the body of Christ to show leadership in taking action to reduce damaging pollution.”4 This resolution followed similar decisions on divestment by the Synod of NSW and ACT in April 2013 and the Synod of Victoria and Tasmania in February 2014.

UnitingJustice Australia welcomes the opportunity to contribute to the Prime Minister and Cabinet’s review of Australia’s post-2020 Emissions Reduction Target. This submission specifically addresses the questions raised in the March 2015 Issues paper.

We recommend that Australia adopt a target of at least 40% of 2000 levels by 2025 and commit to making the transition to a very low carbon economy by 2050. We believe that the impact of a high, but realistic target will be positive for Australia and the region. Future policy recommendations include reinstating a price on carbon, reducing reliance on coal-fired power plants, strengthening the renewable energy sector and increasing support to the mitigation efforts of developing country neighbours.

General comments

UnitingJustice Australia believes that the primary objective of an emissions reduction target must be to contribute effectively and appropriately to avoiding dangerous climate change, begin Australia’s transformation to a robust and successful low-carbon economy and allow Australia to act with credibility in the continuing international climate change negotiations.


2020 emissions reduction target together with policy that will result in serious, coordinated action to meet this target. Australia needs to contribute towards international goals of limiting global average temperature increases to below 2°C above pre-industrial levels.

Australia’s action domestically to reduce its greenhouse gas emissions has a major impact on our credibility in climate change negotiations in the international arena. We believe Australia should take its fair share of responsibility for the future of the planet, and positively contribute to progress made by the United Nations Framework Convention on Climate Change (UNFCCC). We strongly encourage the Australian Government to develop a target in line with comparable countries, and to work collaboratively at the Paris Conference to develop universal agreement on climate that will set out how countries should tackle climate change after 2020.

What should Australia’s post-2020 target be and how should it be expressed?

Australia’s per capita emissions are considered one of the highest in the OECD. It is widely accepted that countries with high per capita emissions should take a greater responsibility for reducing emissions. Australia is also a country vulnerable to the impacts of destructive climate change such as greater severity of droughts and severe weather patterns. Our failure to plan for a sustainable future is only likely to exacerbate the environmental problems we already face. If we are to meet and overcome these challenges, UnitingJustice believes that the Australian Government must:

- set a strong emissions reduction target and play a leadership role in international negotiations;
- take account of the short, medium and long-term effects and costs of climate change in all its forward planning and policy reform across all portfolios; and
- set a strong Renewable Energy Target to enable future generations to thrive economically and socially in the years to come.

---


Australia’s current target of reducing emissions by 5 per cent below 2000 levels by 2020 is well below comparable countries, and below a level that would constitute Australia’s fair share of the global effort needed to avoid dangerous climate change. The internationally agreed emissions reduction target to avoid dangerous climate change is 25-40% below 1990 levels by 2020. UnitingJustice has consistently advocated a short-term target of at least 25%. Other stakeholders have suggested that this existing target must be increased in addition to considering a more ambitious post-2020 target.

The Lima Call for Climate Action outlines key benchmarks and expectations for new post-2020 contributions and sets out that each state party’s nationally determined contribution should “represent a progression beyond the current undertaking of that party.” This suggests that the post-2020 target set should be more ambitious than its previous target. In addition, Australia will be required to articulate how its target represents a fair and ambitious contribution to the 2°C goal.

With other countries announcing their targets, Australia has a number of positive examples to follow. For example, Switzerland has submitted a target of 50% below 1990 levels by 2030. The European Union has submitted a target of 40% below 1990 levels by 2030 and USA has committed to 26-28% reduction on 2005 levels by 2025.

We recommend that Australia set a post-2020 emissions reduction target of at least 40% below 2000 levels by 2025.

---

12 Ibid, Article 14
What would the impact of that target be on Australia?

There are a number of positive impacts of Australia adopting a strong, ambitious target for post-2020 greenhouse gas emissions. Research suggests that stronger action early on can reduce the total costs in high emission regions, often even if other regions choose not to take early action.\(^{15}\) Research also indicates that strong action in support of reducing emissions would create more jobs than weak action\(^{16}\) and that investing in clean energy creates three times as many jobs as investing in oil and gas.\(^{17}\) It is also expected that strong energy savings initiatives will decrease household costs and reduce the costs of emissions reductions.\(^{18}\) In addition to job creation and efficiency savings to be gained, there is little evidence that Australia would suffer financially from introducing a more ambitious emissions reduction target. According to a cost and benefit analysis conducted by Vivid Economics in May 2013, “the macroeconomic costs are much lower than previously estimated.”\(^{19}\) Co-benefits of cutting emissions include reduced air pollution and improved health outcomes.\(^{20}\)

Another positive impact of an ambitious target is that we would be on track to meet additional standards in the future. Given that the international community is facing devastating climate change, strong mitigation strategies must be implemented, and it is crucial that Australia is on track to meet necessary standards beyond 2020. A strong target will also encourage transparent, sustainable, and ambitious targets from emerging economies in the region. Australia can and should be a role model, demonstrating that it is possible to reduce emissions without economic disadvantage.\(^{21}\) By setting a high standard in the communication of its own target, Australia will be in a stronger position to expect the same of other nations.

It is also vitally important to consider the economic, environmental and social impacts on Australia of not proceeding with an ambitious target. One negative impact of inaction is that Australia would have to put in significantly more effort in the future to meet the 2°C standard.\(^{22}\) Given that there is now international recognition that human activity contributes to climate change, and that temperature changes of more than 2°C would be catastrophic, Australia needs to make consistent progress in reducing emissions over the next thirty years.

---


21 T. Damassi et al., op. cit., 2012, p. 1

22 The Climate Institute, Submission: Climate Change Authority’s Special Review on Australia’s future emissions reductions targets, op. cit., p. 1
Also, it is estimated that climate change, if not addressed, will have significant negative impacts on Australia’s environment and productivity, including increased severity of droughts, land degradation and desertification, increased intensity of floods and tropical cyclones, increased incidence of malaria and heat-related mortality, and decreasing crop yield and food security. The Climate Council produced a report in March 2015 entitled ‘Thirsty Country: Climate Change and Drought in Australia’ which describes how climate change is likely making drought conditions in southwest and southeast Australia worse, and that these droughts have far-reaching impacts on health, agriculture and native species in Australia.23

In not setting an ambitious target, Australia would also be out of step with other comparable nations.24 Inaction or inadequate action on climate change when trade partners are taking up the slack could lead to retaliation in trade and other areas of international cooperation.25 According to the 2011 Garnaut report on Carbon Pricing and Reducing Australia’s Emissions, there is a concern that, on current trajectories, Australia would overshoot its Cancun 2020 target by much more than other countries and that this would be damaging to the global mitigation effort.26 It would also risk our economic future by failing to provide enough stimulus to make the critical moves towards a low-carbon economy.

We are also concerned about the negative impact of setting low emissions targets that allow high polluting industries to continue their business as usual. It is in the national interest that the big polluters are not given an easy way out.27 Policy settings must be such as to force change. The Uniting Church believes that in this case there can be no doubt that the future of the environment and human life must be understood as more important than the interests of big business.

There are also financial costs associated with the repeal of the carbon tax. When the Government announced replacing the legislated carbon tax with a taxpayer-funded Emissions Reduction Fund (ERF), the Climate Institute projected that over the next four years of forward estimates this change would have a negative fiscal impact of over $15 billion. This could stretch out to $40 billion by 2020 if the Government reached its pollution reduction targets and didn’t amend its position of only purchasing Australian emission reductions.28 Figures have also indicated that the carbon tax did have a positive impact on Australia’s greenhouse gas emissions and thus repealing it has set us back considerably in terms of the environmental health of our country.29

23 W. Steffen, op. cit., p.6
25 R. Garnaut, op. cit., p. xvii
26 R. Garnaut, ibid, p. 63
Which further policies complementary to the Australian Government’s direct action approach should be considered to achieve Australia’s post-2020 target and why?

There are a number of policies that need to be implemented in order to achieve a sustainable post-2020 target and enable Australia’s transition to a very low carbon economy by 2050. As we indicated in a submission to the Senate Standing Committees on Environment and Communication’s 2014 inquiry into the Government’s Direct Action Plan, we do not believe the Direct Action policy is adequate for achieving this goal. A significant aspect of the Direct Action Plan is the Emissions Reduction Fund (ERF), which is a voluntary mechanism that allows organisations, products, services or events to be certified as carbon neutral. While this is a useful incentive for small businesses to reduce their emissions, analysis of the ERF suggests that it is unlikely to force a reduction in the emissions of the largest polluters because it does not impose a price on competing fossil fuelled generation, companies have no incentive to cease emitting other than bidding for investment in abatement projects, and it will not result in sufficient funds to build large scale renewable energy generation. Indeed, under the ERF scenario it is projected that only 14% of the electricity mix will be provided by renewables in 2020, falling well short of the current Renewable Energy Target (RET) of 20%. According to analysts within the OECD, putting a price on carbon is the most effective way to achieve an ambitious post-2020 target.

We believe that Australia needs to re-introduce a price on carbon to increase revenue and achieve real impact in mitigating climate change. For Australia to play its part in reducing emissions and working towards a less than 2°C change in temperature, the country’s biggest polluters must reduce their emissions. A number of concerns have been raised regarding the likelihood that the Direct Action Plan and its ERF can achieve any more than a 5% reduction in emissions, given that it does not offer any incentive for big polluters to reduce emissions.

---

Jemma Green from Curtin University writes that "non-participation will have limited financial consequence for rogue polluters" as there are no financial penalties associated with continued pollution.33 In addition, The Climate Institute undertook a detailed assessment of the ERF and concluded that the current policy cannot achieve Australia’s obligations and emission commitments and that the ERF will not enable Australia to avoid dangerous climate change.34

We recommend the reinstatement of a price on carbon to act as an incentive for the biggest polluters to reduce their emissions.

We must strengthen Australia’s renewable energy target policy so that we can transform our economy from one reliant upon fossil fuels to a sustainable low carbon economy that reflects respect for the limited resources of the planet and the need for justice and equity among all people. This will involve policy to significantly reduce reliance on large coal power stations, which pose a significant risk to the economy and the environment in Australia,35 and increase reliance on and investment in renewable energy. Australia’s current RET of 20% of energy to be renewable by 2020 is too low. Other comparable countries have set and achieved targets much higher than this. In 2013 Austria derived 68% of its energy from renewable sources, in 2014 New Zealand achieved 80% renewable and this year Costa Rica achieved 100% renewable.36 The World Bank, OECD and IPCC all warn that the global economy needs to be decarbonised by the end of the century to avoid irreversible and severe climate change impacts,37 and that Australia should contribute to these efforts.

Global advances in renewable technologies are on the increase while revenues from coal-fired electricity generators are expected to decrease over time.38 Australia has plentiful supplies of sun and wind yet the Climate Council warns that the future of renewable energy in Australia is currently uncertain, largely due to policy inaction. Investment in renewable energy dropped between 70%39 and 90%40 in 2014 compared to the previous year largely due to changes in policy that moved away from a price on carbon. Instead, there should be a clear policy for investing adequately in a renewable energy future. Fully costed and

37 The Climate Institute, Submission: Climate Change Authority’s Special Review on Australia’s future emissions reductions targets, op. cit., p. 1
detailed modelling conducted by the University of Melbourne and Beyond Zero Emissions indicates that it is possible to transform Australia’s stationary energy sources to 100% renewable supply within as few as ten years at a cost of 3% of GDP. They suggest that this is achievable using combinations of technologies that are commercially available today, such as wind turbines and concentrating solar thermal (CST) technologies, together with energy efficiency measures to achieve a 33% per capita efficiency gain.41 A report from the ANU and World Wildlife Fund found that Australia can reach a target of 100% renewable energy supply and net zero emissions by 2050 if policy was to promote opportunities for the supply of energy from sun and wind together with energy efficiency improvements and electrification of transport and buildings.42 ‘Pathways to Deep Decarbonisation in 2050’ presents feasible and low-cost pathway for Australia to transition to decarbonise by 2050. The modelling in this report by ClimateWorks Australia suggests that the transition needs to be well managed, but will not require significant changes to lifestyle or economic structure.43 In addition, modelling done by the Australian Conservation Foundation and the Australian Council of Trade Unions suggests that strong action on climate change (assuming a price on carbon and investment in renewable energy industries) would create 770,000 more jobs by 2030 than weak action.44

**Australia must begin the transition to achieve a very low carbon economy by 2050. We recommend the implementation of policy that would allow Australia to transition to 100% renewable energy production through regulating energy efficiency measures at household and industrial levels, promoting market conditions in which renewable energy can compete, and investing in renewable energy research.**

Finally, we recognise that mitigating the impacts of climate change requires a global effort. While Australia is one of the world’s greatest polluters, some of our Pacific neighbours will bear the brunt of the damaging effects of climate change to their ecosystems and livelihoods. Low lying islands such Kiribati and Tuvalu are likely to be inundated by rising seas if the world does not take urgent and strong action. The Uniting Church has long-standing relationships with partner churches in the Pacific, and through UnitingWorld is working to support church partners in Tuvalu, Kiribati, Vanuatu and Fiji to mitigate the negative impacts of climate change and engage their communities in plans for adaptation and possible resettlement.45 As far back as 2003, the Uniting Church Assembly was calling on the Australian Government to act on climate change because of the devastating impact it would have on our vulnerable Pacific neighbours.46

---

42 F Jotzo & L Kemp, 2015, op cit
44 ACF & ACTU, op. cit., 2010
45 For more information see, http://www.unitingworld.org.au/pacificchange
Australia should increase financial support to its developing country neighbours to engage in mitigation and low carbon development activities, as per the Cancun Agreements of 2010 and this funding should be in addition to Australia’s overseas development aid.

Conclusion

Climate change is the most pressing risk facing humanity. With Australia’s trade partners and allies recognising the seriousness of this risk and proposing realistic, ambitious and strong targets for emissions reductions beyond 2020, it is now time for Australia to do the same.

We recommend at least a commitment to reduce emissions by 40% of 2000 levels by 2025, and for Australia to set out a realistic timeline for transition to a very low carbon economy by 2050. The predicted impacts of not making a satisfactory commitment could be catastrophic.

We see as necessary specific domestic policy measures that will enable us to meet these targets. Australia should re-introduce a price on carbon, strengthen its renewable energy policy, reduce reliance on coal-fired power stations, and increase support to developing country neighbours to engage in mitigation and low carbon development activities.
Australia must acknowledge that it has a responsibility to reduce our reliance on fossil fuels. As long as we remain prepared to abuse the atmosphere and entire ecosystems for the sake of short-term economic gain for a few, we undermine our own future.

Contact

Rev. Elenie Poulos
National Director
UnitingJustice Australia
PO Box A2266
Sydney South NSW 1235
T 02 8267 4238
E ElenieP@nat.uca.org.au