Australia's climate change strategy in the global context

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Premise

• Australia’s national interest:
  – strongest feasible global mitigation outcome
  – concentrations of GHG's lower than 450ppm-e

• Global effort increased since 2007
  – 80% emissions, 90% economy covered
  – Ambition insufficient to achieve <450ppm-e
## Tension: form v ambition

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<th>Pro</th>
<th>Con</th>
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<tbody>
<tr>
<td>Voluntary Accords</td>
<td>Some key countries more likely to agree to stronger targets</td>
<td>Currently increases domestic political resistance</td>
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<td>(Politically binding)</td>
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<td>No collective legal outcome will reduce confidence</td>
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<td>Treaty-based</td>
<td>Helps overcome domestic political resistance</td>
<td>Places downward pressure on some country ambition</td>
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<td>(Legally binding)</td>
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<td>Commitments agreed by all other signatories</td>
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<td>Collective legal outcome will increase confidence</td>
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From here

• Legally binding outcome is end game:
  – may reduce short-term ambition but should build longer-term confidence

• Little chance of treaty in short-term
  – countries are acting on politically binding commitments: China, India, EU and Australia
  – competitive instincts will play an increasingly role
  – transparency key to trust building
Challenge for Australian policy

• Overemphasis of treaty/UNFCCC as proxy for international action
  – Domestic policy interventions are at historic levels

• Leap of confidence needed to achieve national interest
  – Act as if Treaty exists
  – While working to make it happen
Key elements: pollution price package

• Needs to ensure domestic transformation
• Must act in good faith – keep targets alive (and support financing)
• Build credible global markets
• RD&D (e.g. land sector)
Further reading

