

Bali and beyond: Implications for Australia

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Key messages

- Outcomes of Bali Roadmap will determine whether we avoid highly dangerous climate change
- Australia has much to win or lose from Copenhagen outcome
- Domestic and international policies need to be more strongly integrated

Introduction

- Bali delivered fragile agreement
 - Bali action plan (includes USA)
 - Long-term goal
 - Differentiated obligations
 - Reduce developing country deforestation
 - Technology transfer and finance
 - Adaptation
 - Next Kyoto commitments (excludes USA)
 - Signaled 25-40% industrialised country reductions
 - Negotiations have begun with chicken and egg dilemmas
- Deadline for Copenhagen (Dec 2009)

Science: Bali footnote

Recognizing that deep cuts in global emissions will be required to achieve the ultimate objective of the Convention and emphasizing the urgency¹ to address climate change as indicated in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change,

¹ Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, Technical Summary, pages 39 and 90, and Chapter 13, page 776.

Box 13.7 The range of the difference between emissions in 1990 and 2050 for various GHG concentration levels for Annex I and non-Annex I regions

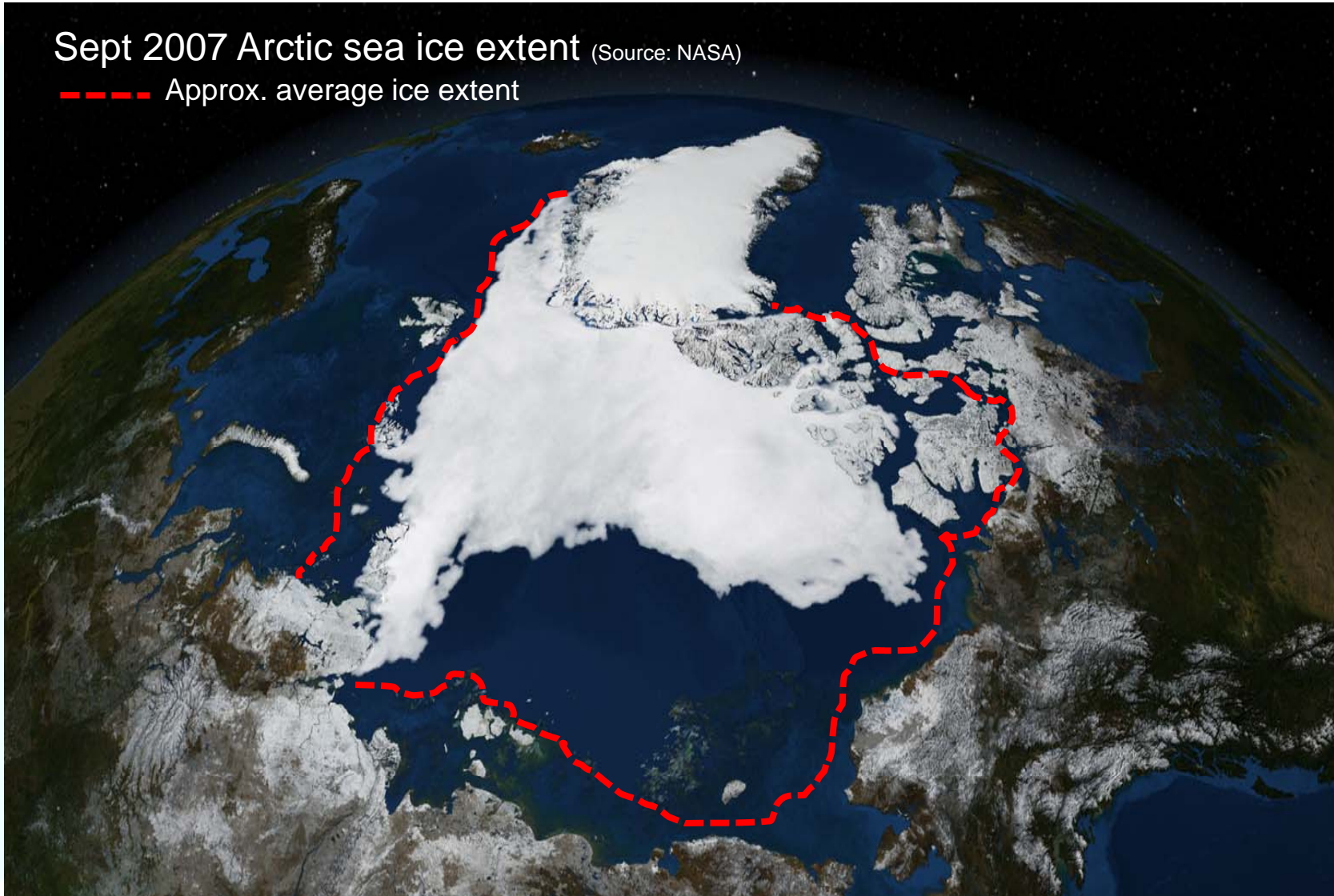
-25-40% by 2020

Scenario category	Region	2020	2050
A-450 ppm CO ₂ -eq ^b	Annex I	-25% to -40%	-80% to -95%
	Non-Annex I	Substantial deviation from baseline in Latin America, Middle East, East Asia and Centrally-Planned Asia	Substantial deviation from baseline in all regions
B-550 ppm CO ₂ -eq	Annex I	-10% to -30%	-40% to -90%
	Non-Annex I	Deviation from baseline in Latin America and Middle East, East Asia	Deviation from baseline in most regions, especially in Latin America and Middle East
C-650 ppm CO ₂ -eq	Annex I	0% to -25%	-30% to -80%
	Non-Annex I	Baseline	Deviation from baseline in Latin America and Middle East, East Asia

Science: Real world

Sept 2007 Arctic sea ice extent (Source: NASA)

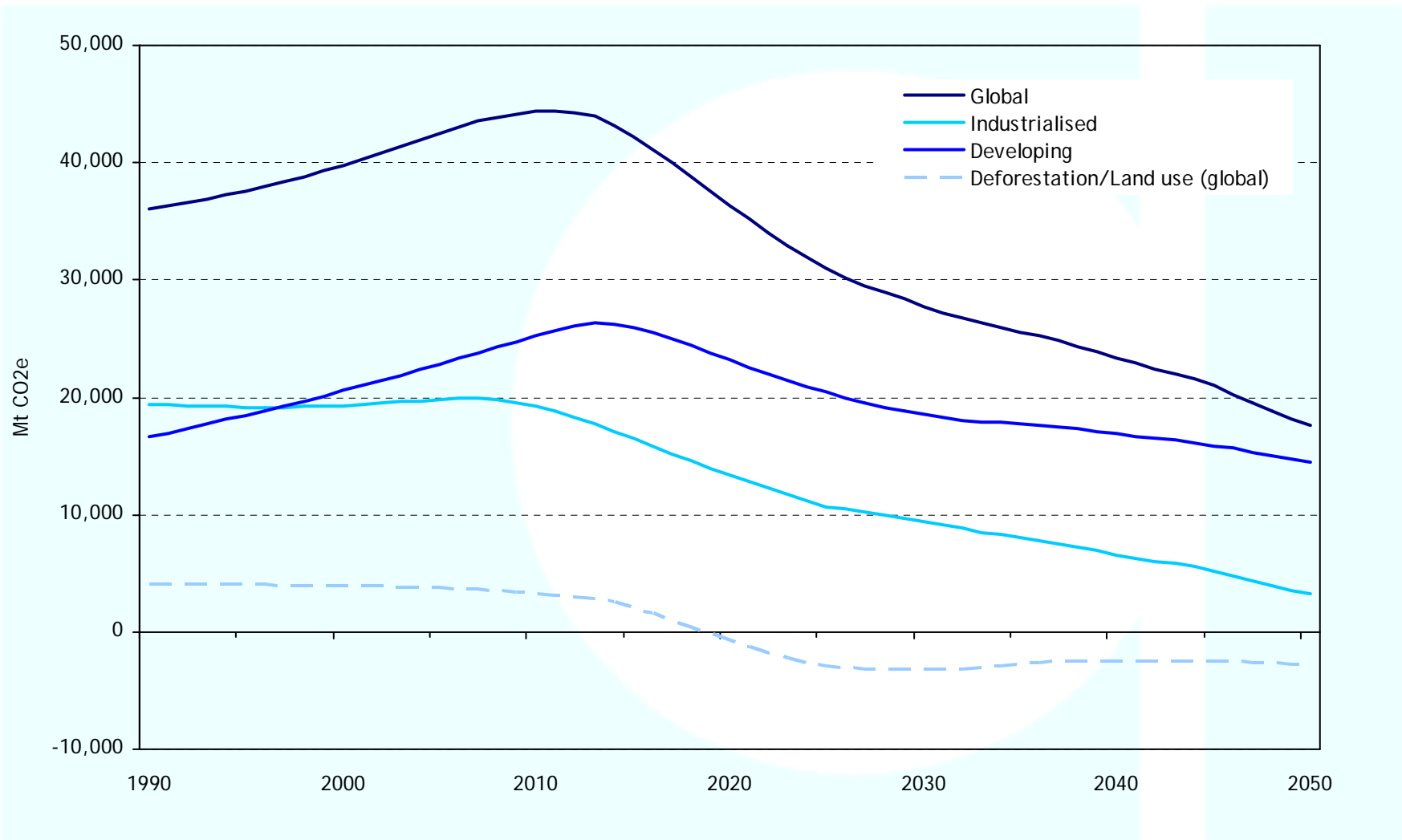
----- Approx. average ice extent



Science: Garnaut

Sector	No mitigation	450 ppm-e
Irrigated agriculture MDB	92% decline	6% decline
Nature-based tourism	No "Reef"	"Reef" bleaching twice as frequent
	No snow-based	Increase in artificial snowmaking
Water infrastructure	+35% cost of urban water supply	<4% cost of urban water supply
Temperature-related deaths (Qld)	>4,000 deaths/year	Fewer overall

Benchmarks: Bali +



Global regime post-2012

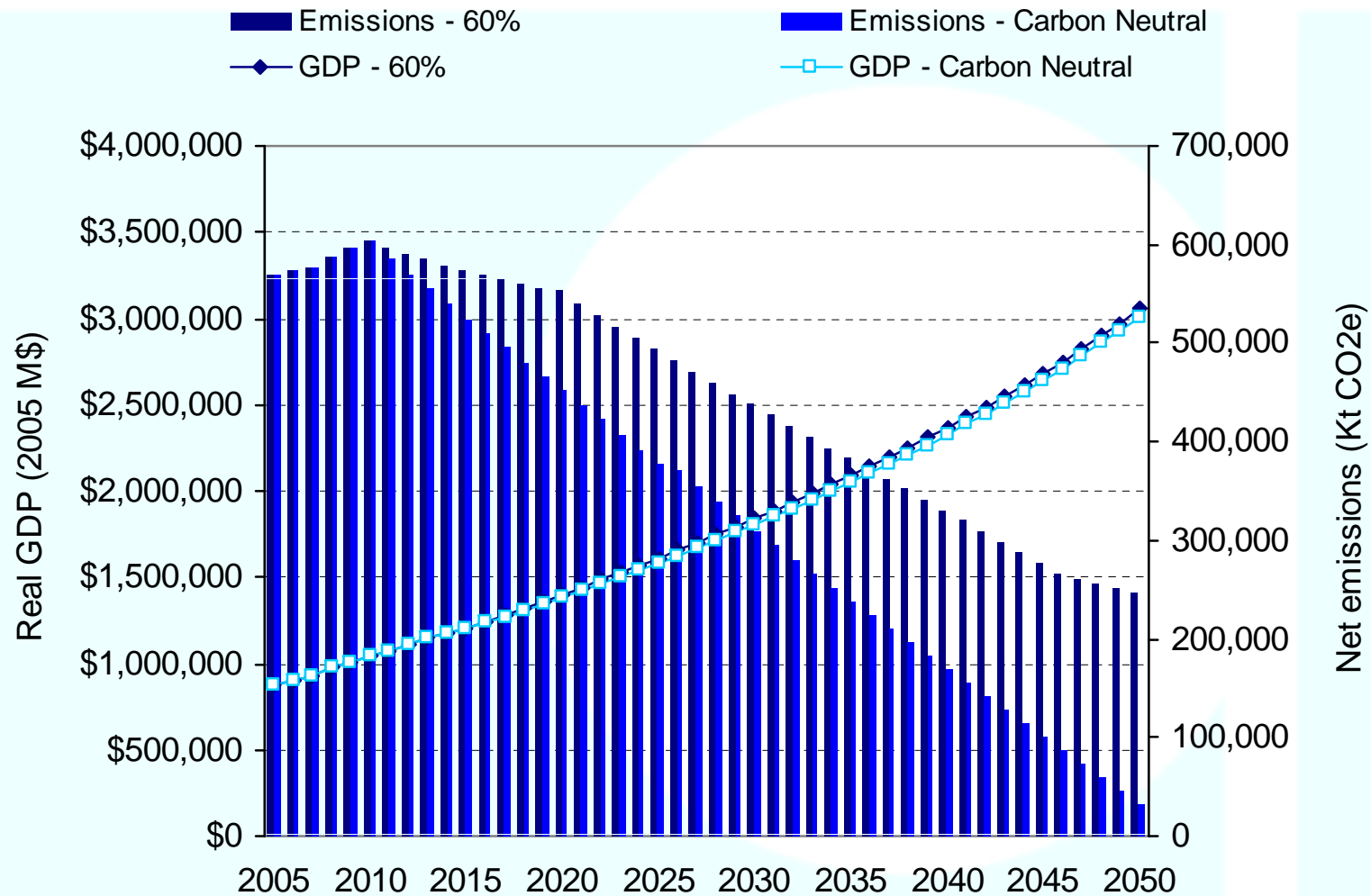
- Developed country leadership is the backbone of the global regime
- Differentiation between developing country obligations needed
 - e.g. South Korea would have reduction obligations soon but India's capacity to mitigate is comparatively limited
- Engaging developing countries will require:
 - significant levels of capacity and trust building
 - technology transfer and financing
 - UNDP est. US\$25-50 billion pa for developing countries mitigation needed

Developed countries

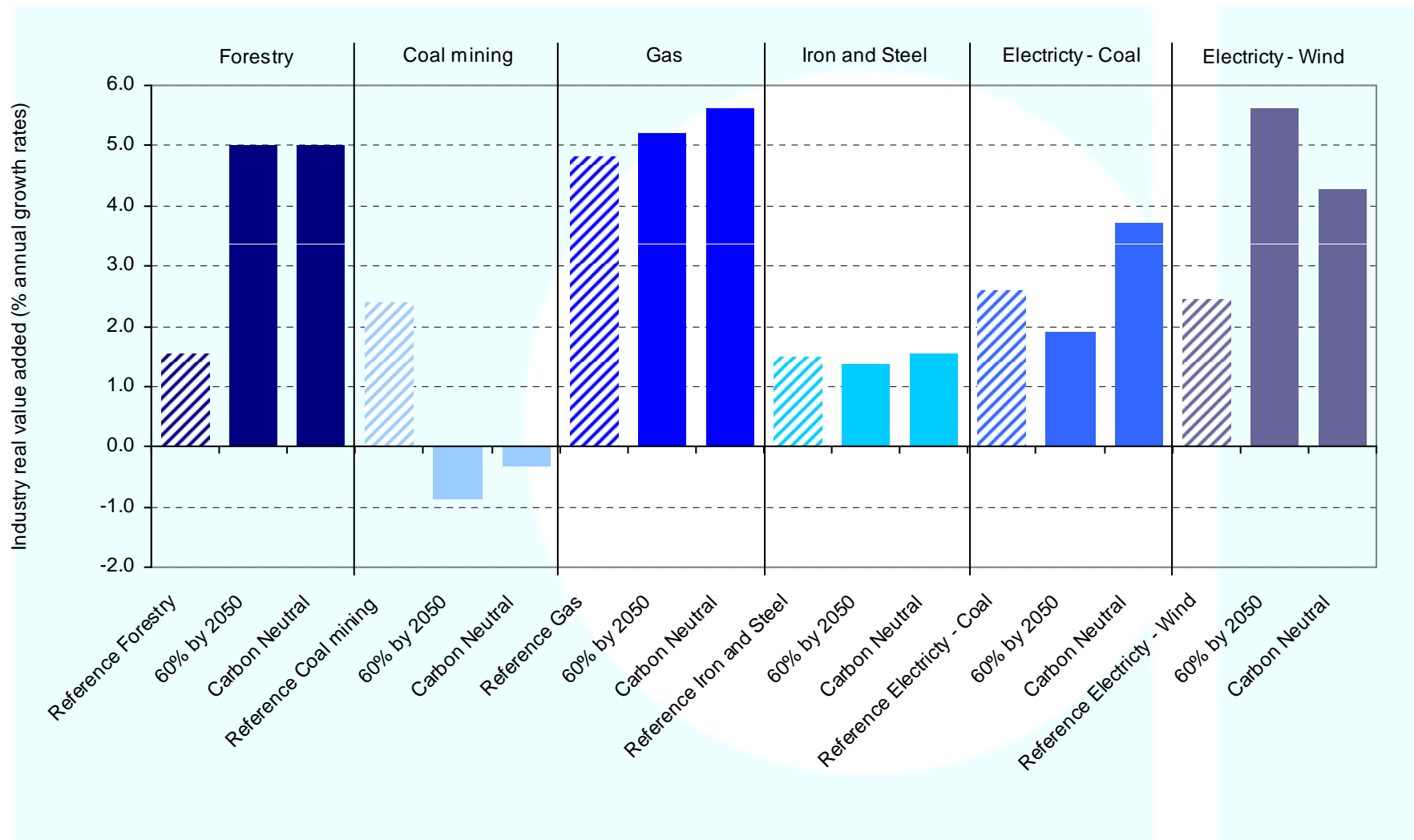
- (i) Measurable, reportable and verifiable nationally appropriate mitigation commitments or actions, including quantified emission limitation and reduction objectives, by all developed country Parties, while ensuring the comparability of efforts among them, taking into account differences in their national circumstances;

- QELROs = Top down targets
- “Comparability of efforts” links USA and future Kyoto party commitments
- USA remains main uncertainty

Targets and GDP



Sector impacts - 2030



Developing countries

(ii) Nationally appropriate mitigation actions by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner;

- Signaled willingness to take on obligations to slow emission growth
- Conditional on technology transfer and financing

Australia's role

- National interest in securing strong targets from other countries
- USA – China diplomacy key
- Developing country trust and capacity building
 - Developed countries targets
 - Tech transfer and finance

Implications for Australia

- Integration of domestic and international policy unavoidable
- Green Paper CPRS objective:
 - Meet targets cost effectively
 - **Support global response**
 - Provide transitional assistance

Meeting the tests

- Carbon **REDUCTION** scheme!!
- Real test 2012-2020 trajectory
 - 2010 start opportunity to demonstrate bonafides
 - Impact of TEEIs: Insulation phase out
- No indication of revenue for developing countries
 - Low income groups support welcome
 - More emphasis needed on energy efficiency

Conclusions

- Outcomes of Bali Roadmap will determine whether we avoid highly dangerous climate change
- Australia has much to win or lose from Copenhagen outcome
- Domestic and international policies need to be more strongly integrated