



Climate Transition Series

Australia: an emissions super-power



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The report forms part of the research of the Practical Justice Initiative at UNSW led by Professor Jeremy Moss.

For more information on the research program, climate justice, discussion on Australia's fossil fuel exports see:

<https://climatejustice.co/>

<https://pji.arts.unsw.edu.au/>

Newly released data from the Office of the Chief Economist shows Australia is increasing its contribution to global climate change.

New government figures show that the GHG emissions from Australia's exported fossil fuels have increased 4.4% between 2018 to 2019 (OCE, 2020).

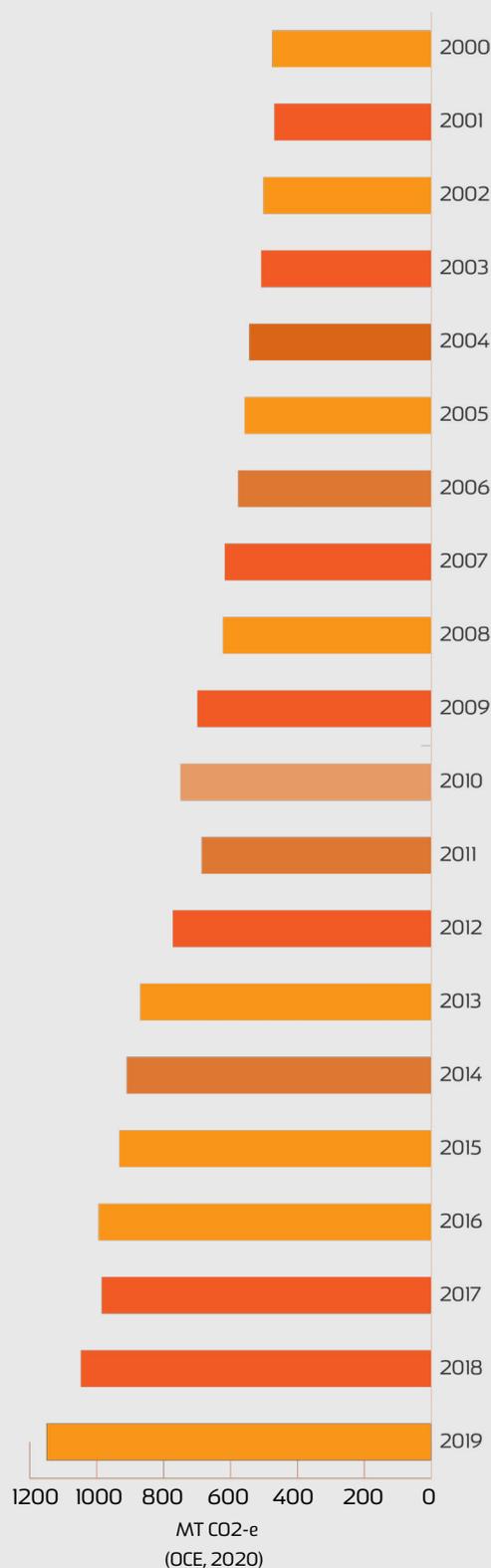
Not only is Australia a laggard in meeting its UN Paris emission reduction targets, it is now the world's largest exporter of coal and gas (LNG). In fact, the emissions from Australia's exported fossil fuels are now greater than Germany's domestic emissions (Hein, Peter & Graichen, 2020).

Despite Federal Government claims that our national emissions have only a minimal impact on the global climate, Australia is, in fact, a major contributor to global climate change. The massive emissions that result from our fossil fuel exports are not counted in Australia's national carbon budget under our UN climate obligations, nor do we take responsibility for the impact these emissions are having globally.

This is a situation that has to change if we are going to take serious action to halt climate change, not just for Australia but for all fossil fuel exporting nations. Even large fossil fuel companies or 'carbon majors' – on the surface at least – are now counting their 'exported' or 'scope 3' emissions in their greenhouse gas mitigation plans.

What underpins this lack of concern with the harms our fossil fuel exports cause is an outdated 'territorial' model of responsibility. Australian governments, both federal and state, seem to think that responsibility stops at our border.

Emissions from Australia's fossil fuel exports



Once our coal, oil and gas products are loaded onto ships, they are no longer our problem. Unfortunately, United Nations accounting rules under the Paris agreement currently allow this passing on of responsibility for exported emissions to continue.

Yet this is not how Australia treats other exports. What happens to live sheep, medical waste, plastics and uranium are all rightly seen as at least *partly* our responsibility. It is the whole chain of actions that are relevant to accepting responsibility for any exported product that must be considered, not just what happens at the users' end.

The reason that countries such as Australia and its companies should take responsibility for our exported emissions is ultimately a moral one. The big exporters, who are reaping enormous profits from the sale of coal, oil and gas, are at least as responsible for these emissions as those actually burning the fuels. Without the investment in, infrastructure and supply of these fuels, they would not be consumed.

Australia's fossil fuel exports really do have a massive impact on rising global emissions and it's time to recognise and account for that impact as part of the global climate change crisis and how it's addressed.

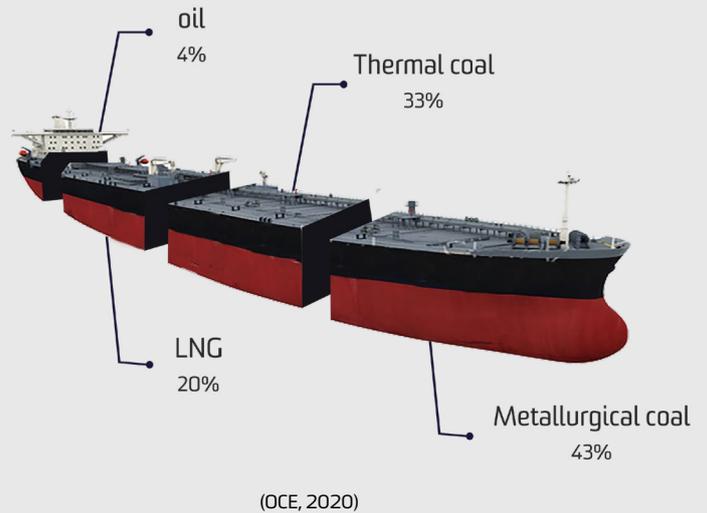
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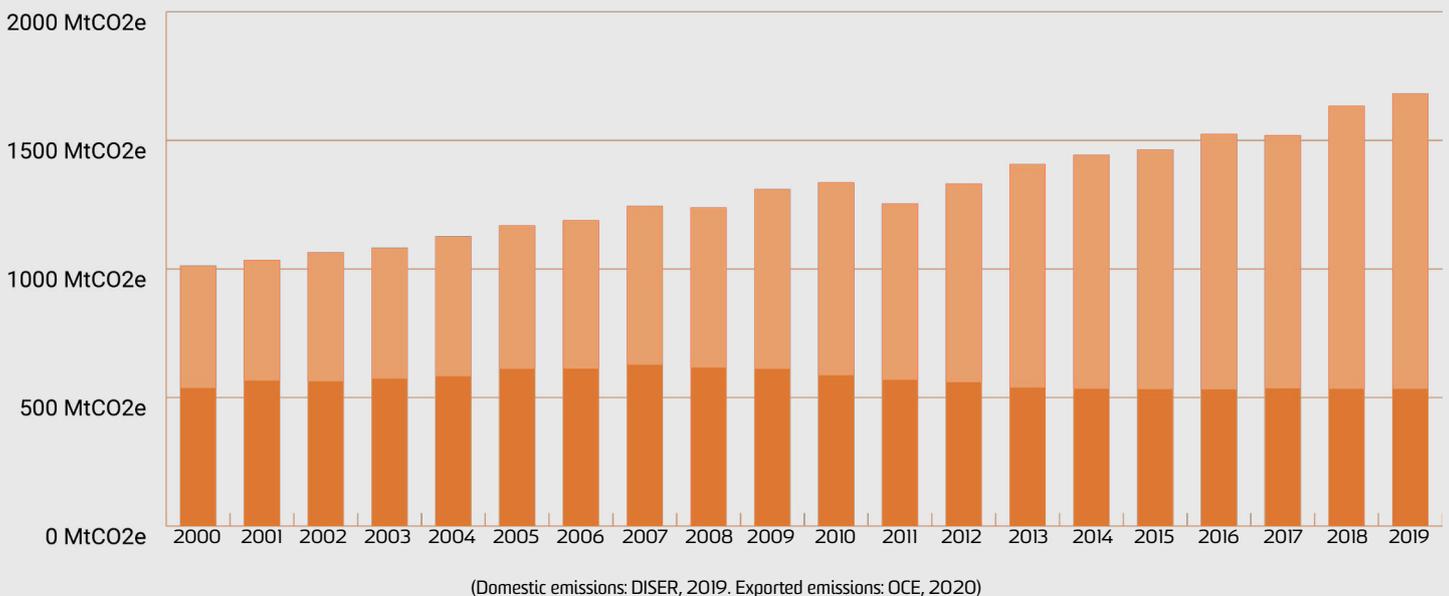
Key statistics

- Australia's exported emissions have increased 4.4% between 2018 and 2019.
- In 2019, the emissions from Australian fossil fuel exports were 1.4 times greater than Germany's domestic emissions.
- In 2018, the emissions from Australian fossil fuel exports were 1.2 times greater than global aviation emissions.
- In 2019 Australia's exported emissions were 1.4 times greater than all the CO2 emissions produced by the 2019/2020 Summer bushfires.

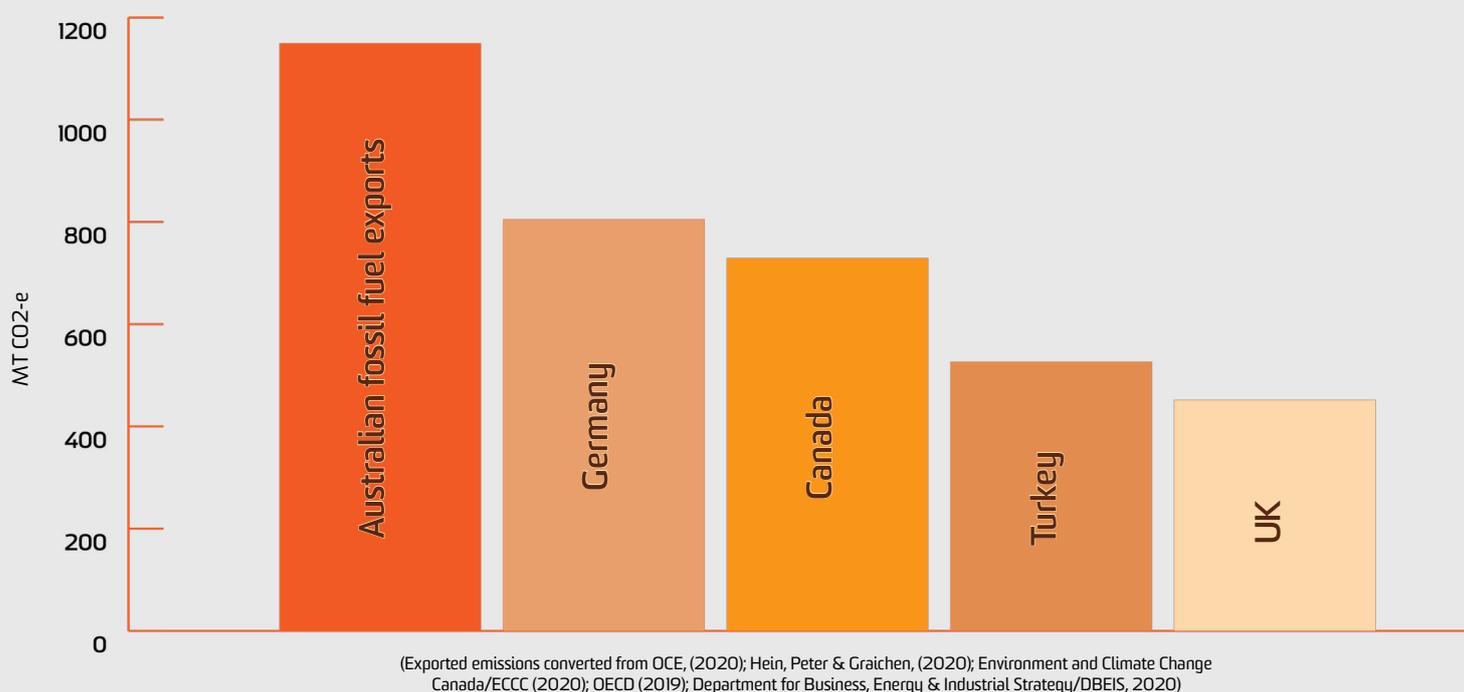
Australian fossil fuel exports



Australian fossil fuel exports compared to domestic emissions



Australian fossil fuel exports compared to other countries



The response

The sheer size of Australia's contribution to climate change as well as the responsibility entailed by being a supplier and promoter of fossil fuels ought to be addressed within Australia. But instead of doing something to address this problem, Australia is doubling down on its commitments to fossil fuels.

Australia's Energy Minister, Angus Taylor, is proposing a gas led recovery. The Victorian Government has just lifted its moratorium on on-shore gas exploration and the Queensland Government has agreed to grant Glencore's new Valeria open cut coal mine 'special status, making its approval easier.

The Minerals Council of Australia (the peak body for the mining industry) has just released a Climate Action Plan that does not even address exported emissions (2020).

If the domestic response is lacking, then pressure ought to be brought to countries like Australia to change the way it supports its export fossil fuel industry. Three measures in particular are called for that focus on constraining the supply of fossil fuels not just the domestic demand.

I. Fossil fuel Non-Proliferation treaty to stop rogue export nations

The next round of climate negotiations in 2021 ought to include a discussion of how to constrain the supply of fossil fuels. As the *UN Production Gap* report highlights, if Governments follow through with their fossil fuel production plans, they will produce about 50% more fossil fuels by 2030 than would be 'consistent with a 2°C pathway and 120% more than would be consistent with a 1.5°C pathway' (SEI et al., 2019).

This enormous overshoot of fossil fuel production indicates why supply – not just demand – ought to be the target of climate action.

A first step, therefore, in limiting the emissions from fossil fuels is to stop the growth of production. Countries with fossil fuel resources, especially wealthy countries such as Australia, ought to be required to sign up to a fossil fuel non-proliferation treaty as part of their emissions reduction commitments. No more new mines and gas fields.

2. Remove subsidies to carbon majors

The cost of renewable energy is now falling so rapidly that it ought to be the first choice for new energy infrastructure. Yet fossil fuels still receive enormous subsidies, giving them a competitive advantage. Recent figures from the International Monetary Fund (IMF) (Coady, et al., 2019) show that Australia already provides US\$29 billion – A\$47 billion – per annum for fossil fuels.

These subsidies include measures such as subsidising the costs of fuels used to extract resources, accelerated depreciation for assets, and post-tax subsidies such as not paying clean-up and health costs.

Shockingly, every Australian is paying A\$1,832 per year for these subsidies compared to the one-off payment of around A\$78 for bushfire relief.

Estimates by other organisations of the annual federal subsidies for the fossil fuel industry range from A\$5 billion to A\$12 billion a year (Market Forces, 2020).

The rapid phase out of these kinds of subsidies ought to be a key feature of future international climate agreements.

3. Phase out production consistent with climate goals – wealthy countries first

According to the International Energy Agency (IEA), at

least two thirds of the known reserves of fossil fuels must be left in the ground if climate targets are to be met (IEA, 2012). Production of fossil fuels must therefore be phased out rapidly. Countries such as Australia should not get a free pass to produce and export as much fossil fuels as they are able to.

Given how wealthy Australia is and how much it has already contributed to climate change, it ought to make deeper and faster cuts to fossil fuel production than countries less able to bear the burden of a climate transition.

The next round of climate negotiations ought to focus on a 'fair phase outs' of fossil fuels.

Conclusion

Given the huge role that Australia's exports play in contributing to climate change, Australian must include phasing out its exports as part of any climate transition. The emissions produced and the damage done by exported fossil fuels ought now to be accounted for in assessments of Australia's contribution to climate change. Such a full accounting of Australia's contribution means that a climate transition ought also to be focused on curtailing the supply of fossil fuels not just domestic demand.



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