



Advertisement

Opinion

Policy

Energy And Climate

Climate policy

Australia's missed energy opportunity in Glasgow

By standing with China, Brazil and Russia at COP26, the country failed to support the global progress critical to its future as a low-carbon superpower.

Ross Garnaut Contributor

Nov 15, 2021 - 5.00am



Australian renewable energy, land and human resources make it naturally the superpower of the zero emissions world economy.

Grasp the superpower opportunity, and Australia can enjoy a period of

exceptional economic expansion after being at the bottom of the

exceptional economic expansion after being at the bottom of the

developed country league table for average growth in output and incomes per person over the past nine years.

This is the first of three reasons why we have a stronger interest than any other developed country in the world reaching the goal agreed in Paris in 2015: to hold temperature increases below 2 degrees and as close as possible to 1.5 degrees.



It was agreed at COP26 that unabated coal use would be phased down - with India, China, Russia and Australia deflecting pressure for stronger wording. **Getty**

The second reason is that we happen to be the developed country that would be damaged more than any other by climate change itself.

The third reason is potentially of large importance. Recent developments in Australia's international relations and diplomacy have increased our stake in the domestic and global political success of the US and the UK, and in our own standing and influence in Washington and London.

President Joe Biden and Prime Minister Boris Johnson are heavily committed to success in climate change mitigation, and [vulnerable to failure at Glasgow](#).

Success or failure is particularly important to Biden's attempts to restore domestic democratic governance and international leadership after the dislocation of the Trump presidency.

Australians familiar with our diplomatic history are haunted by echoes from the Versailles Peace Conference in 1919, where prime minister Billy Hughes played a critical role in the failure of US president Woodrow Wilson's ambitions to establish a League of Nations built on racial equality.

We can hope that our contributions in Glasgow have less fateful consequences. And we can hope that the international discussions on climate do not diminish our standing in the countries which prime minister Robert Menzies in the 1950s called our great and powerful friends.

Advertisement

The [Glasgow Conference](#) shifted the emphasis more strongly to the 1.5 degrees objective. That requires zero net emission for the whole world by 2050. That it is out of reach unless global emissions are reduced from early

21st century levels by about half by 2030.

The UN discussions are premised on developed countries reducing emissions earlier and faster than undeveloped – for reasons that Australia actively reinforced at and around the Glasgow conference.

These five articles focus on the first of Australia's interests: the expansion of Australian economic opportunity that would come with full participation in successful global efforts to constrain climate change.

We are also a leading beneficiary of the old economy based on fossil energy and reductants. Our production of coal per person (about 18.7 tonnes in 2020) is about seven times as large as our nearest rivals: China (2.7 tonnes), Russia (2.7), and Indonesia (2.1).

Our consumption of coal per person also stands far above any others: 5.1 tonnes in 2020, compared with Germany (3.1), Korea (3.1) China (3) and the US (2.2).

Four conditions must be met

For reasons set out in my 2019 book, *Superpower, Australia's Low Carbon Opportunity*, our interests are much larger in the new economy than the old.

Four conditions must be met if Australia is to make the most of its superpower economic opportunity in the zero emissions world

First, the world must succeed in the objectives agreed in Paris and Glasgow.

Second, the world has to achieve zero net emissions while major economies are open to drawing zero emissions goods from the countries in which they can be produced at lowest cost.

Advertisement

It is also important that countries which have difficulty reducing their domestic net emissions to zero are open to purchasing credits from countries that can capture and store carbon in their landscapes at low cost.

The third condition is that Australia is trusted by others as being on an acceptable path to zero net emissions. Australia will have to adopt and meet similar emissions reduction targets to other developed countries, or have similar policies in place to reduce emissions.

For open access to some goods markets, it may be necessary to demonstrate that supply chains are free from carbon emissions.

Fourth, Australian domestic policies and business orientation have to support large-scale investment in the new economy and the structural change with which it is inevitably associated.

Did the COP26 conference advance our interests in the superpower opportunity?

The Glasgow meeting did not achieve as much as Johnson and Biden had hoped. It fell well short of commitments to reduce emissions by half by 2030 from early 21st century levels.

Glasgow was, nevertheless, the occasion for substantial progress towards

the global goal of zero net emissions by mid-century.

It was important that the gap in developed country commitments to zero net emissions by 2050 was closed: Australia joined all the other developed countries.

Russia (2060) and India (2070) made commitments to zero net emissions for the first time. All developed countries except Australia substantially strengthened their commitments to early reductions in emissions – on average meeting the global benchmark of minus 50 per cent by 2050.

The Glasgow Compact requested that Australia and other countries that had not upgraded their 2030 commitments for Glasgow would do so for COP27 in Egypt in 2022.

Advertisement

It was agreed that unabated coal use would be phased down – with India, China, Russia and Australia deflecting pressure for stronger wording. A commitment to phase out coal power generation by the 2030s was joined by all developed countries except [Australia](#) and the US – with the US committing itself to zero net emissions in power generation by 2035 in a bilateral agreement with China.

Biden took personal leadership and pride in a new agreement to reduce methane emissions by 30 per cent by 2030, that was joined by all

developed countries except Australia, and by more than 100 countries.

There was acknowledgement by developed countries of the importance of correcting past failures to provide agreed levels of financial support for climate mitigation and adaptation in developing countries.



RELATED

A glass half-full is still a glass half-empty

Agreement in the Glasgow pact on Article 6.2 left over from the Paris Agreement set a framework for trade in carbon credits.

The US-EU agreement on trade in aluminium and steel sets out to expand opportunities for trade in zero emissions goods, and restrict imports of high-carbon goods. That is likely to establish standards around which trade among developed countries coalesces, going well beyond the metals and the countries that were its initial focus.

The US-China agreement commits both countries to co-operation in emissions reduction – again with large trade policy implications, and with China going beyond previous statements on methane, coal and structural change.

As *The New York Times* described the line-up of teams in its summing up of the Glasgow conference: “Some countries, like the United States and European Union, did step up their climate pledges under the Paris Agreement. But others – like Australia, China, Brazil and Russia – hardly improved on their short-term plans.”

♦ This is the first in a series of articles on Australia as a potential superpower of the zero carbon world economy: where does Australia stand after Glasgow. The next four articles examine more closely implications for Australia, leading to suggestions for Australian policy to capture our superpower opportunity.

Expert coverage of Australia's public sector.

Sign up to the Inside Government newsletter.


SIGN UP NOW

 Saved

 Share

License article

READ MORE

Climate policy 

Opinion 

Ross Garnaut
Contributor

Ross Garnaut is Emeritus Professor of Economics, University of Melbourne, and a Director of ZEN Energy and Chairman, Sunshot Zero Carbon Futures.

LATEST IN ENERGY & CLIMATE

Fetching latest articles


MOST VIEWED IN POLICY

The Daily Habit of Successful People

MY ACCOUNT 

SUBSCRIBE 

ABOUT US 

CONTACT 

MAGAZINES 

COLUMNS 

MARKETS DATA 

LISTS 

EVENTS 

EVENTS



OUR NETWORK



TERMS AND CONDITIONS



© Copyright 2021 The Australian Financial Review

Site Map