



Advertisement

[Policy](#)[Energy And Climate](#)[Climate policy](#)

---

## — Opinion

# Morrison 'plan' is kidding about Australia reaching net zero

Five policy adjustments to reduce emissions faster would put our hand on the side of stronger global climate action in our national interest.

**Ross Garnaut**

*Contributor*



Nov 21, 2021 – 12.41pm



The most damaging lies are those we tell ourselves. We are kidding ourselves if we believe that it does not matter on which side of the climate scales we place our weight. We matter at least as much now as we did in humanity's finely balanced great struggles a century ago.

The side of the scales on which we leaned mattered a century ago, at Villers-Bretoneux in 1918, and then at the Paris peace conference. Paris in 1919 was the United States' first national effort to lead the world to a better place. President Woodrow Wilson wanted a League of Nations to ensure that 1914-18 was the world's last great war. He promised allies Japan and China that the league charter would

include a commitment to racial equality. Australian prime minister Billy Hughes tipped the balance against the racial equality clause.



To avoid being a drag on the international effort, Australia has to do as much as other developed democracies. **Alex Ellinghausen**

That intervention had fateful consequences. A young Japanese prince, future wartime Emperor Hirohito, was taught at the time by his international relations tutor that the Paris outcome meant that Japan would never be treated as an equal by the West without victory in war.

Wilson sought to placate Japan by giving it the German colonies in China. This sparked the May 4 Movement in China, bringing a young librarian at Peking University into politics for the first time: Mao Zedong. The Congress blocked US membership of the League of Nations.

The Paris climate agreement in 2015 embodied intentions to ratchet up national commitments in five-yearly meetings, until they add up to zero net emissions by mid-century. A late and slow start makes it less likely that the world will get to net zero by 2050. Strong early progress in the developed countries is a necessary condition for eventual global success. Net zero will have to be achieved earlier than 2050 if the world makes a late or slow start.

Advertisement

---

At [Glasgow](#), Australia stayed outside the near-consensus of developed countries on 2030 targets, coal and methane. This helped to deny US President Joe Biden momentum in tight political contests at home.

Biden's first challenge after Glasgow is to get his Building Back Better fiscal package through Congress. It contains additional support for climate action that is the population-adjusted equivalent of about \$57 billion in Australia. It cleared the first hurdle on Friday when the bill passed the House of Representatives. It will now go back to the Senate. President Biden has said its passage will show that democracy still works, at a time of competition with authoritarian political systems.

## **The modelling doesn't have us getting very close to zero even with a \$24 voluntary tax on everything.**

We are kidding ourselves in [Australia's Long-Term Emissions Reduction Plan: Modelling and Analysis](#). It kids us when it talks only of an objective to hold global temperature increases to 2 degrees, without mentioning the 1.5 degrees that was the main focus at Glasgow and after. It kids us more when the discussion of global emissions is built around trajectories that would substantially exceed 2 degrees.

The modelling assumes that business and household decisions are made as if there were a \$24 a tonne tax on carbon emissions, without there being a tax. All households and businesses [voluntarily accept increased costs up to \\$24 a tonne of carbon dioxide](#).

Voluntary action is immensely valuable, especially in pioneering new fields of emissions reduction, and in taking reduction further than the political leadership is prepared to go.

---

---

Complete reliance on voluntary taxes is a new and unlikely kind of capitalism. Subsequent articles [in this series](#) on Australia after Glasgow will discuss the potential contributions and limits of voluntary action.

What if some can-do capitalists decide to be ordinary capitalists, and maximise the profits of their companies? In competitive markets, they expand their market shares and their influence on emissions reduction. Companies at home and abroad that are voluntarily reducing emissions at a cost would seek mandatory constraints on the free-riders.

The [modelling](#) doesn't get close to zero even with a \$24 voluntary tax on everything.

To avoid being a drag on the international effort, we have to do as much as other developed democracies. If we had been a leader in climate discussion in recent years, we would have helped to shape what is "as much". As a laggard, this has been defined for us.



Sign up for our Opinion newsletter [here](#).

We have to make five policy adjustments:

we have to make five policy adjustments:

---

Establish credible policies to achieve zero net emissions by 2050.

Make commitments to emissions reductions by 2030 within the range of other developed countries – about 50 per cent on 2005 levels. This is possible while improving our immediate as well as long-term economic prospects.

Support Biden's pledge to reduce global methane emissions by 30 per cent by 2030. Phasing in by 2030 a requirement for capture and storage or offsetting for all fugitive emissions from coal and gas production would meet the commitment and take us a long way towards minus 50 per cent in total emissions by 2030. This would impose a cost on coal and gas producers. But the cost is much smaller than their gains from the lift in global prices from others' restrictions on coal and gas investment. Several of the largest gas companies have made voluntary commitments in this direction. The requirements would lead to deployment of carbon capture and storage where its cost is lower than the price of offsets – without which it will be paid for by the general taxpayer or not deployed. And offsets would spur a carbon farming industry that would enrich rural Australia without increasing taxes on ordinary Australians.

Support British Prime Minister Boris Johnson's pledge to phase out domestic emissions from coal. It would be enough to match Biden's commitment to zero net emissions in electricity generation by 2035. With the right policies, this would lower costs and increase security and reliability of power. Liberal governments in NSW and South Australia show the way. Carbon capture and storage in geological structures or the landscape can contribute. Together with the methane commitment, we would overachieve on minus 50 per cent of total emissions by 2030.

Pay our fair share of the \$100 billion a year that developed countries have promised developing countries for emissions reduction and climate change adaptation.

---



**RELATED**



## Australia's missed energy opportunity in Glasgow

---

COP 27 in Egypt has been set up for countries that did not commit their fair shares by 2030 at Glasgow to lift their games. Australia has a special place in the spotlight. Prime Minister Scott Morrison protested powerfully against zero net emissions by 2050 before the 2019 election. Biden and Johnson gave him good reason to change his mind for Glasgow. Whatever the protests against stronger 2030 targets before a 2022 election, the Prime Minister next November will be given compelling reasons to change his mind.

The Commonwealth's modelling and analysis is not kidding itself that the commercialisation and increase in scale of deployment of zero emissions technologies can substantially increase Australian incomes. It's just that the benefits would be much larger and arrive faster within a policy framework directed purposefully to larger emissions reductions by 2030 and genuinely to zero by 2050.

The Commonwealth is not kidding itself that the cost of capital will rise and investment and incomes growth fall if we are not doing our fair share in the international effort. It's just that our current policies will not avoid those costs.

Putting our hand on the strengthening side of the global scales is in our national interest. No kidding.

*Ross Garnaut is emeritus professor of economics at Melbourne University. This is the second in a series of articles on Australia's energy superpower opportunity after Glasgow.*

---

### Expert coverage of Australia's public sector.

Sign up to the Inside Government newsletter.

[SIGN UP NOW](#)

---

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



Save



Share

License article

READ MORE

Climate policy

+

Opinion

+



SPONSORED

Hi-tech secret to rescue Earth

Sponsored  
by Fidelity International

Business needs to CCaaS their joints

Sponsored  
by Avaya


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 

OUR NETWORK 

TERMS AND CONDITIONS 

© Copyright 2021 The Australian Financial Review

Site Map