

# Short term ambition: 2030 targets for the US and Australia

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Briefing Note

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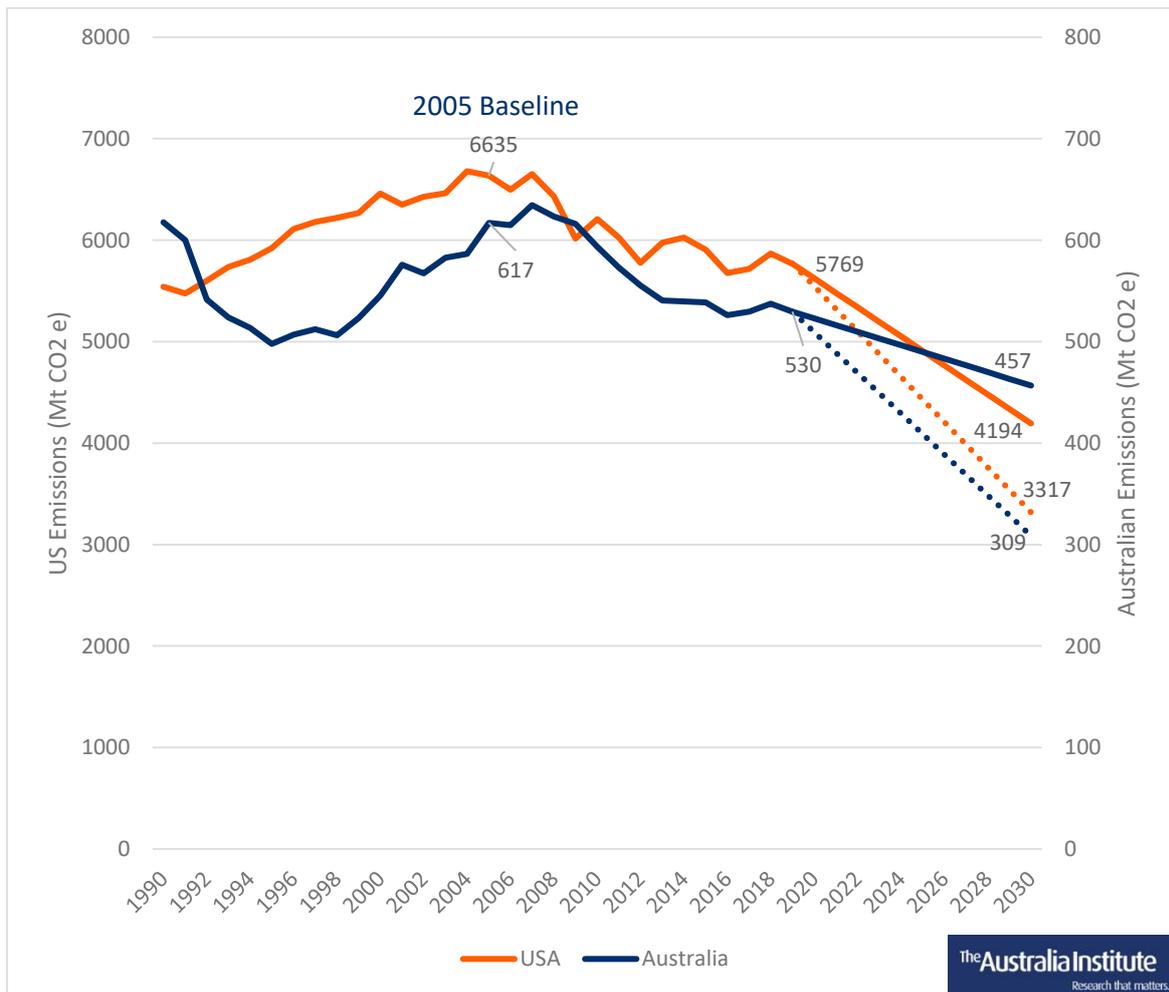
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# Summary

The US is expected to commit to halving its emissions by 2030, based on 2005 levels.<sup>1</sup> In other words, they will reduce emissions by 43% from today's levels in the next decade,<sup>2</sup> despite plans for massive COVID-19 economic stimulus. The new US climate target will abate 5.2 billion tonnes of CO<sub>2</sub> and be a significant departure from their previously climate goals that mirrored Australia's targets.

**Figure 1: Australian and US Current Emissions Trajectories vs Halving by 2030**



<sup>1</sup> Washington Post (2021) *Biden plans to cut emissions by at least half by 2030*, <https://www.washingtonpost.com/climate-environment/2021/04/20/biden-climate-change/>  
<sup>2</sup> From 2019 emissions levels – latest comparable annual emissions data.

For Australia to match US ambition and have any hope of reaching net-zero emissions, the country would need to commit to a 2030 target of at least 50% emissions reduction on 2005 levels. This would be an additional 42% reduction on today's levels.<sup>3</sup>

Benefits will include:

- Preventing 875Mt, equivalent to almost two years of Australian current annual emissions from ever being emitted;
- Lower 2030 emissions will make reaching net-zero emissions a more achievable goal and a smoother trajectory, regardless of the timeframe;
- The transition to net-zero will be less disruptive and more likely to capture new economic and employment opportunities.<sup>4</sup>

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<sup>3</sup> From 2019 emissions levels – latest comparable annual emissions data.

<sup>4</sup> Beyond Zero Emissions (2020) *The Million Jobs Plan* [https://bze.org.au/research\\_release/million-jobs-plan/](https://bze.org.au/research_release/million-jobs-plan/)

# Introduction

On Earth Day, 22<sup>nd</sup> April 2021, the US is reviving an Obama-era climate summit to galvanise major economies to reduce emissions. As part of the summit, the US will announce its updated 2030 emissions target for the Paris Agreement. The target is speculated to be approximately doubling their 2025 target, to commit to a 50% emissions reduction on 2005 levels.

The new US climate target will be a significant departure from their previous climate goals, which were aligned with Australia's target. Both the existing US and Australian Nationally Determined Contributions (NDCs) were to reduce emissions by 26-28% on 2005 levels, with a target year of 2025 and 2030 respectively.<sup>5</sup> Further, such a significant increase in climate ambition signals that even countries worst hit by COVID-19 can simultaneously pursue pandemic economic stimulus whilst also working towards decarbonisation.

Australia is invited to the Earth summit as it is one of the 17 highest emitting countries. Australia did not earn its seat at the table because of its climate ambition, but precisely because of the enormity of its emissions profile. The US has consistently indicated that big emitters are expected to bring increased climate ambition to the summit. Given that Australia has shown no appetite for improving its 2030 emissions target, it will face serious pressure from its closest allies. In the lead up to the summit the UK announced a highly ambitious climate target of 78% emissions reduction by 2030 on 1990 levels, which was recommended by the independent Climate Change Commission.<sup>6</sup> Further, this is only the beginning of a series of climate summits in 2021 that will build up to the UK-hosted United Nations COP26 summit in Glasgow at the end of the year.

Short term ambition is critical for preventing dangerous climate impacts and ambitious 2030 targets will determine whether Paris Agreement goals can be met. In order for Australia to signal any intention of cooperating on global climate action, it will need to take a page from America's book by drastically changing course and ensuring emissions plummet by 2030.

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<sup>5</sup> Australia's NDC range is 26-28% reduction by 2030 on 2005 emissions baseline. Australian Governments have previously indicated that they will meet the 26% target, while meeting 28% emissions reduction is conditional on greater global ambition. For the purposes of this analysis the 26% target has been used to quantify the future emissions reduction task. Additionally, 2020 emissions projections from the Australian Government indicate that Australia is not on pathway to meet the current NDC.

<sup>6</sup> Harvey (2021) *UK to toughen targets on greenhouse gas emissions for next 15 years*, <http://www.theguardian.com/environment/2021/apr/19/uk-to-toughen-targets-on-greenhouse-gas-emissions-sources-say>

# Background

## AUSTRALIA AND US CLIMATE HISTORIES

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Australia and the US both have chequered climate histories and are most recently recognised as laggards at international climate negotiations, known for prioritising national interests at the expense of cooperation on climate goals.

Australia and the US are both part of the Umbrella Group, a UNFCCC negotiating group that is often considered to be highly developed countries that are 'less-than-enthusiastic' about ambitious climate change policy.<sup>7</sup>

The US was a key architect of UNFCCC mitigation contributions being nationally determined and not legally binding, allowing for self-determination and building up ambition over time. US diplomacy in the early years of the UNFCCC was hugely focused on ensuring that the burden of future emissions reduction efforts would not fall solely to developed countries.<sup>8</sup> Many components of the Paris Agreement were largely shaped by the US with support of the Umbrella Group (Australia, Canada, Japan and New Zealand).<sup>9</sup> Despite climate being considered a 'priority issue' for the Obama Administration, progress on national climate action was modest and, as the world's largest historical emitter, the US NDC of 26-28% reduction on 2005 levels by 2025 was broadly considered to fall far short of their fair share of responsibility.<sup>10</sup>

A key Australian contribution to the UNFCCC architecture was the land use, land use-change and forestry (LULUCF) clause, known as the 'Australia clause', that allowed deforestation emissions to be included in the 1990 emissions baseline, artificially inflating Australia's emissions and subsequently making future emissions reductions easier.<sup>11</sup>

More recently, Australia's position at COP24 in Katowice, Poland, strongly reflected the US Trump Administration's position that was pro-coal and reticent to support

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<sup>7</sup> Carbon Brief (2015) *Interactive: the UNFCCC negotiating alliances*, <https://www.carbonbrief.org/interactive-the-negotiating-alliances-at-the-paris-climate-conference>

<sup>8</sup> Ibid.

<sup>9</sup> Eckersley (2020) *Rethinking leadership: understanding the roles of the US and China in the negotiation of the Paris Agreement*, <https://minerva-access.unimelb.edu.au/bitstream/handle/11343/260524/Eckersley%20Rethinking%20Leadership%20US%20%20China%20in%20Paris%20negotiations%202020.pdf>

<sup>10</sup> Ibid.

<sup>11</sup> Macintosh (2011) *LULUCF offsets and Australia's 2020 abatement task*, [https://law.anu.edu.au/sites/all/files/coast/lulucfoffsets\\_17\\_feb\\_2011.pdf](https://law.anu.edu.au/sites/all/files/coast/lulucfoffsets_17_feb_2011.pdf)

increasing climate ambition. Australia's Ambassador was the only foreign representative that appeared at a US-run event promoting the use of coal and 'technology-neutral' emissions reduction.<sup>12</sup>

At 2019 COP25 in Madrid, Spain, Australia's contribution to the negotiations was "cynical, irresponsible and ultimately destructive....Along with the position of the US, it brought to the surface for developing countries that some developed countries were not serious about their commitments."<sup>13</sup> Australia was seen as a key blocker with the US, Brazil and Saudi Arabia, on issues including rules for international trading of carbon credits, the need for developed countries to step up on climate finance and increasing ambition for future NDC pledges.<sup>14</sup> Australian and US presence at COP25 was described as "displaying hostility towards international climate action".<sup>15</sup>

Although often aligned on priorities in the past, the importance of new US climate ambition for Australia extends beyond the boundaries of climate policy. The Australian-US security relationship and our intertwined histories more broadly than climate change mean Australia will find it hard to avoid any spotlight from the US or pressure to increase climate commitments.

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<sup>12</sup> Doherty (2018) *Australia only nation to join US at pro-coal event at COP24 climate talks*, <http://www.theguardian.com/environment/2018/dec/11/australia-only-nation-to-join-us-at-pro-coal-event-at-cop24-climate-talks>

<sup>13</sup> Dean Bailek, former Australian UN diplomat and principle adviser for Mission 2020: Morton (2019) *UN climate talks: Australia accused of 'cheating' and thwarting global deal*, <http://www.theguardian.com/environment/2019/dec/16/un-climate-talks-australia-accused-of-cheating-and-thwarting-global-deal>

<sup>14</sup> Climate Council (2019) *Explainer: Federal Government Fails on Climate at COP25*, <https://www.climatecouncil.org.au/explainer-federal-government-fails-on-climate-at-cop25/>

<sup>15</sup> Carbon Brief (2019) *COP25: Key outcomes agreed at the UN climate talks in Madrid*, <https://www.carbonbrief.org/cop25-key-outcomes-agreed-at-the-un-climate-talks-in-madrid>

# Analysis

## FORK IN THE ROAD

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Despite a long and intertwined history of cooperating on climate policy, the election of US President Biden is creating a chasm between Australian and US climate action. While the US is expected to double its emissions reduction target, Australia has resubmitted its pre-existing target of 26-28% emissions reductions since 2005 by 2030.<sup>16</sup> Without the US to hide behind, Australia is broadly considered as being left isolated from its Western allies.

Senior officials and experts have emphasised what new US climate ambition will mean for Australia: “President Biden wants to use this moment to say we are getting our house in order with an ambitious 2030 target and encourage ambition from other countries”;<sup>17</sup> “More than any other developed economy, Australia will now be in the sights of the Biden administration to increase its climate ambition.”<sup>18</sup>

### NEW US CLIMATE TARGET:

The US is launching its updated climate target at the Earth Summit on 22<sup>nd</sup> April 2021. While unconfirmed, wide speculation says that the US will almost double their emissions reduction target and commit to a 50% reduction in emissions on 2005 by 2030.<sup>19</sup> While the US has already committed to a net-zero by 2050 target, this shows emphasis on critical short term ambition. Meanwhile, having a more ambitious target now will make long term emissions reduction easier.

Does this signify the end of Australian-US climate coordination? Three decades of climate diplomacy and parallel emissions growth will diverge significantly if Australia does not echo new US climate commitments (Figure 2).

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<sup>16</sup> Australian Government (2020) *International climate change commitments*, <https://www.industry.gov.au/policies-and-initiatives/australias-climate-change-strategies/international-climate-change-commitments>

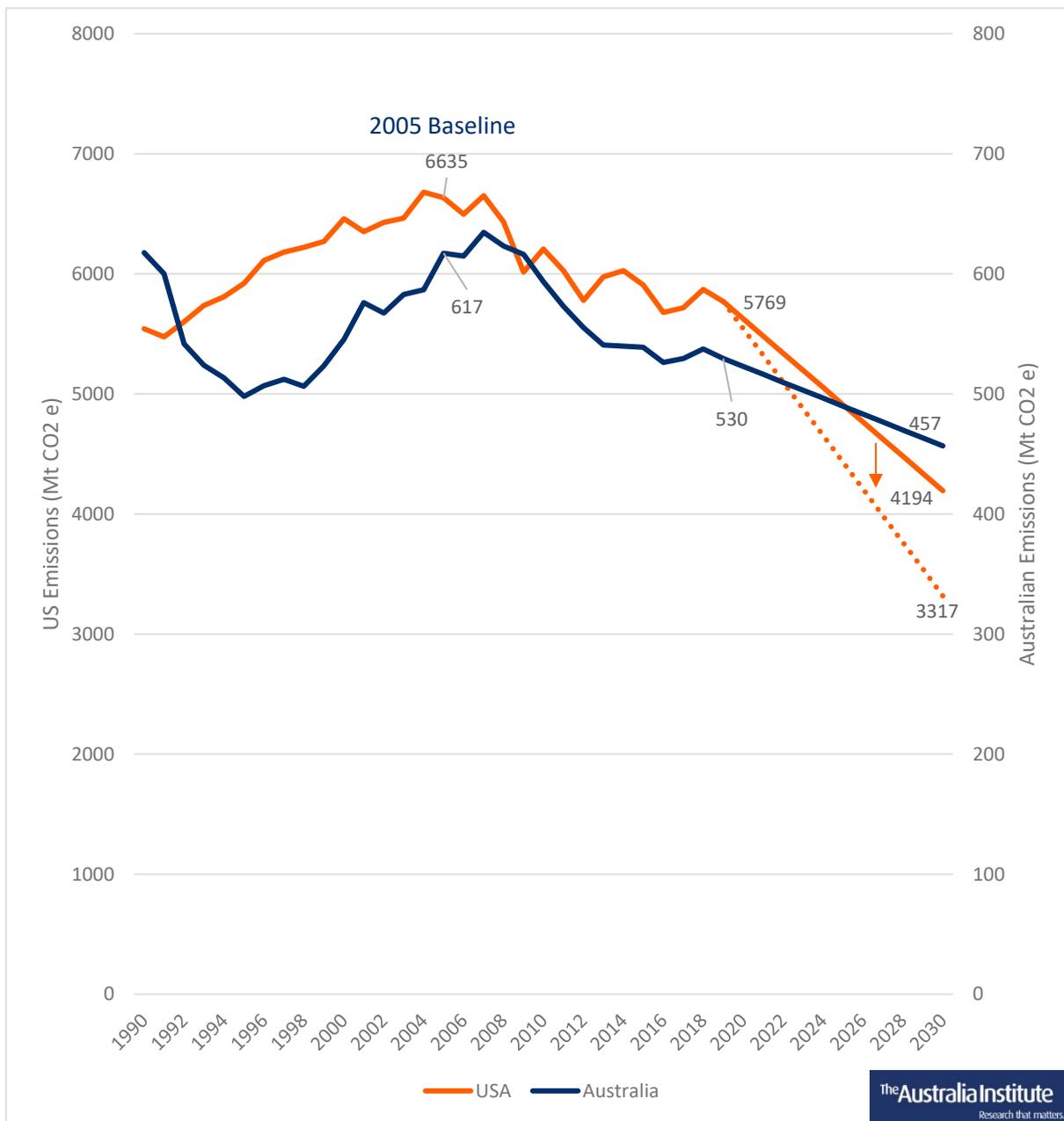
<sup>17</sup> Nathan Hultman, Obama Administration senior climate official: Smith (2021) *Morrison under pressure ahead of Biden climate summit*, <https://www.afr.com/policy/energy-and-climate/morrison-under-pressure-ahead-of-biden-climate-summit-20210329-p57ew7>

<sup>18</sup> Thom Woodroffe, Asia Society Policy Institute senior advisor: Ibid.

<sup>19</sup> Ibid.

Milman (2021) *US urged to cut 50% of emissions by 2030 to spur other countries to action*, <http://www.theguardian.com/us-news/2021/mar/09/us-climate-crisis-cut-emissions-environment>

**Figure 2: Australian and Changing US Emissions Trajectories**



Sources: Australian emissions data from DISER’s emissions information system (1990-2018)<sup>20</sup> and emissions projections report (2019-2020 and targets projections)<sup>21</sup>. U.S. EPA’s Greenhouse Gas Emissions and Sinks (1990-2019)<sup>22</sup>. Note – Includes LULUCF.

<sup>20</sup> DISER (2020) *Australian Greenhouse Emissions Information System*, Total UNFCCC emissions, [https://ageis.climatechange.gov.au/Chart\\_KP.aspx?OD\\_ID=101404655574&TypeID=1](https://ageis.climatechange.gov.au/Chart_KP.aspx?OD_ID=101404655574&TypeID=1)

<sup>21</sup> DISER (2020) *Australia’s emissions projections 2020*, Chart Data from Fig 3. <https://www.industry.gov.au/data-and-publications/australias-emissions-projections-2020>

<sup>22</sup> EPA (2020) *Greenhouse Gas Inventory Data Explorer*, Net Emissions (calculated by total emissions subtracted by land use and forestry sinks), <https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks>

Figure 2 shows current NDC trajectories to 2030, including the current US 2025 target trendline extended to 2030, contrasted with a new US trajectory if it halves emissions based on 2005 levels. Having followed a similar historical emissions trajectory and the same 26-28% NDC (albeit with different timeframes), if new US ambition were not followed by Australia it represent a significant departure from previously aligned climate goals.

## THE NEXT DECADE

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While most of the world, including all Australian States and Territories and a 'preference' from the Australian Government, is committed to a net-zero by 2050 target, short term ambition is critical for preventing dangerous climate impacts. More ambitious short term targets will prevent some emissions from ever contributing to climate change.

New research highlights that short term climate mitigation efforts must be prioritised and not left for future decades. Global average temperature rise can no longer be limited to 1.5 degrees without significant overshoot, while subsequent drawdown and mitigation efforts this decade will determine whether warming can be held below 2 degrees.<sup>23</sup>

Limiting our focus to this decade, the US is proposing a new reduction of 43% from 2019 emissions.<sup>24</sup> This reduction is planned regardless of the economic growth they are aiming to create through trillions of dollars of COVID-19 stimulus spending. The US is demonstrating that the trade-off between growth and decarbonisation is a false dilemma. By investing in a green recovery, the US plans to achieve both goals.

What does this look like for emissions abatement? Compared to their current trajectory, the US will prevent 5.2 giga tonnes (i.e. 5.2 billion tonnes) of emissions in the next 10 years. That is as much as 10 years of Australian annual emissions.

In contrast, Australia plans for a gas fired recovery and meagre emissions reductions. The current target would only reduce emissions by 14% in the next decade from 2019 levels. This is already less ambitious than the old US target because Australia has an additional five years compared to the US to meet the 26-28% emissions reduction (US 2025 target is the same as Australia's 2030 target)<sup>25</sup> and is not being updated. In order to match the US target of a 50% reduction by 2030 on a 2005 baseline, Australia would need to reduce emissions by 42% in the next decade from today.

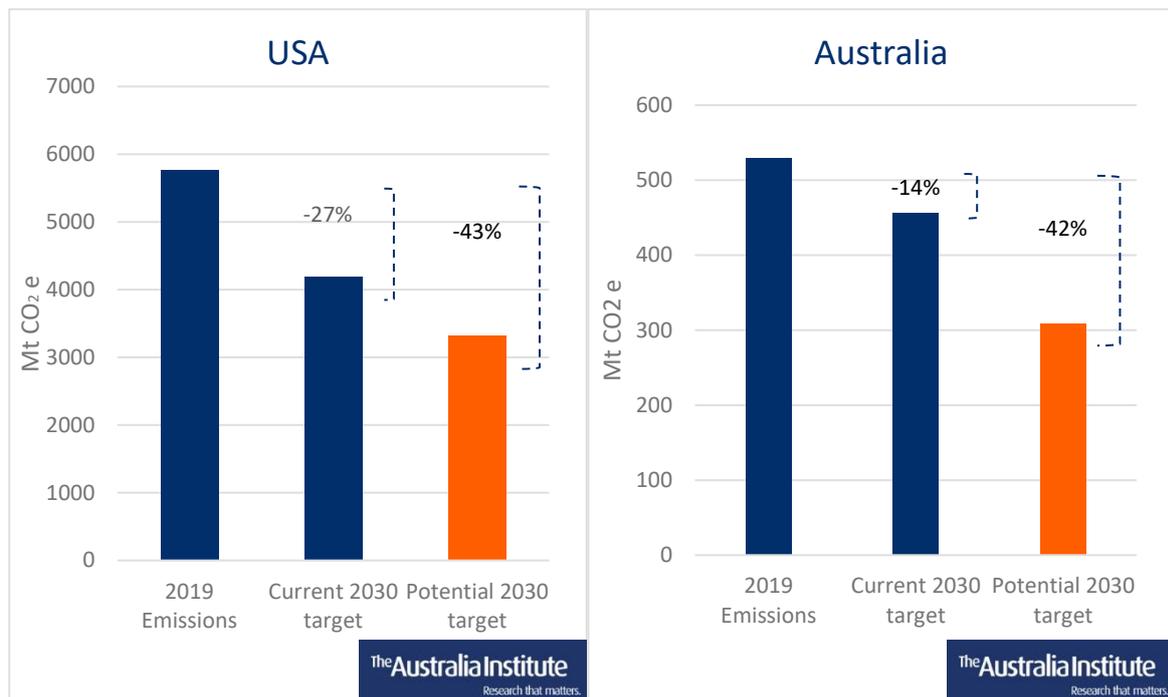
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<sup>23</sup> Steffen et al. (2021) *Aim High, Go Fast: Why Emissions Need To Plummet This Decade*, <https://www.climatecouncil.org.au/wp-content/uploads/2021/04/aim-high-go-fast-why-emissions-must-plummet-climate-council-report.pdf>

<sup>24</sup> The 2019 baseline is chosen because it is the latest emissions statistics provided by the US EPA.

<sup>25</sup> In Figure 2, the current 2030 US target assumes a linear emissions trajectory from today towards their 2025 target of 26-28% reduction on 2005, extended to 2030. There is no official 2030 US target.

**Figure 3: Emissions Reductions from 2019 to 2030**



Sources: Australian emissions projections report (2019-2020 and targets projections)<sup>26</sup>. U.S. EPA’s Greenhouse Gas Emissions and Sinks (1990-2019)<sup>27</sup>.

Figure 2 shows the remaining percentage of emissions reduction that would be required if both Australia and the US were to halve 2005 emissions by 2030. This would represent an additional 43% (42.5%) reduction on 2019 levels for the US and an additional 42% (41.7%) for Australia, to reach half of 2005 emissions by 2030. Representing the remaining abatement from today considers emissions reductions that have already been achieved to date for both countries.

If the US is willing to abate 5.2 billion tonnes in the next decade while coming out of a pandemic, surely Australia can choose to follow the same trajectory. If we maintain the current emissions reduction commitment of 26-28% below 2005 levels, Australia is on course to emit an additional 875 million tonnes of CO<sub>2</sub> into the atmosphere than if we followed the US path and halved 2005 emissions by 2030. This is equivalent to almost two years of Australia’s current annual emissions.

Updating ambition every five years is a core element of the Paris Agreement and is critical in signalling Australia’s serious intention of climate action.

<sup>26</sup> DISER (2020) *Australia’s emissions projections 2020*, Chart Data from Fig 3.

<https://www.industry.gov.au/data-and-publications/australias-emissions-projections-2020>

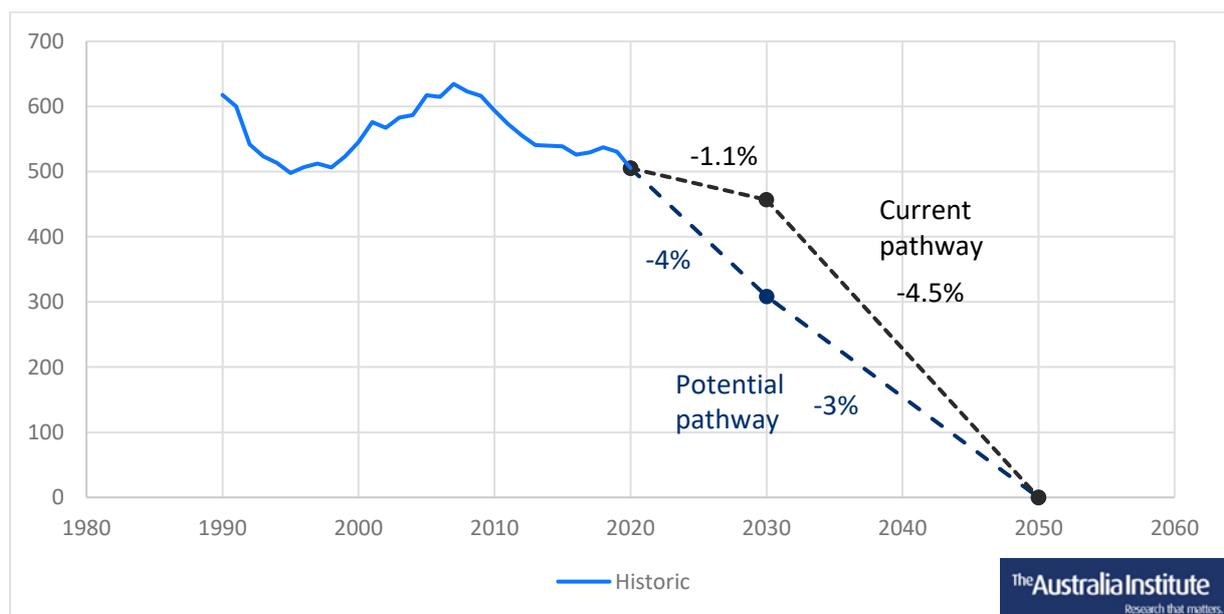
<sup>27</sup> EPA (2020) *Greenhouse Gas Inventory Data Explorer*, Net Emissions (calculated by total emissions subtracted by land use and forestry sinks), <https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks>

# TOWARDS NET-ZERO

Reaching net-zero emissions, whether in 2035 or 2050, will require a huge increase in mitigation effort. Increasing mitigation efforts in the short term will make reaching net-zero targets, regardless of the timeframe, significantly more achievable, and decreasing emissions sooner will prevent millions of tonnes of greenhouse gases from ever contributing to climate change.

Every state in Australia has committed to net-zero emissions by 2050, while the Federal Government has stated a ‘preference’ for this goal. Despite this, our current NDC is highly unrealistic in tracking towards a net-zero 2050 goal. As shown in Figure 4, with our existing NDC Australia would be required to reduce emissions by 1 percentage point annually for the next decade, followed by 4.5 percentage point reductions every year for the twenty years to 2050.<sup>28</sup> This is highly unrealistic, given that it becomes exponentially more difficult to abate emissions once the cheap and easier emissions reductions have already been achieved.

**Figure 4: Net-Zero by 2050 Pathways for Australia**



Sources: Australian emissions projections report (2019-2020 and targets projections)<sup>29</sup>. Note – Includes LULUCF.

Figure 4 shows that increasing short term ambition would grant a significantly smoother transition to net-zero emissions.

Meanwhile, even a net-zero by 2050 target is highly insufficient to staying below 2 degrees of temperature rise. Climate Council research shows that Australia should aim to reduce

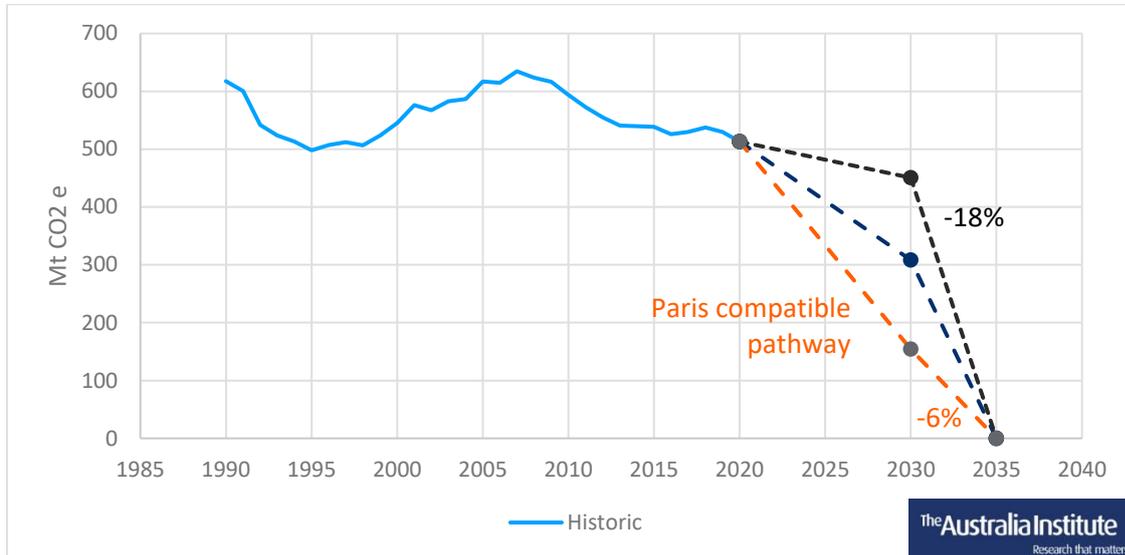
<sup>28</sup> This is assuming emissions in 2020 are 100% decreasing to 0% emissions in 2050.

<sup>29</sup> DISER (2020) *Australia's emissions projections 2020*, Chart Data from Fig 3.

<https://www.industry.gov.au/data-and-publications/australias-emissions-projections-2020>

emissions by 75% below 2005 levels by 2030 and reach net-zero emissions by 2035.<sup>30</sup> The current trajectory would make it virtually impossible to reach net-zero by 2035, as shown in Figure 5.

**Figure 5: Net-Zero by 2035 Pathways for Australia**



Sources: Australian emissions projections report (2019-2020 and targets projections)<sup>31</sup>. Note – Includes LULUCF.

Thus, following the US pathways of halving emissions by 2030 is a minimum target that Australia should adopt.

<sup>30</sup> Climate Council (2021) *Aim high, go fast: why emissions need to plummet this decade*. <https://www.climatecouncil.org.au/resources/net-zero-emissions-plummet-decade/>

<sup>31</sup> DISER (2020) *Australia's emissions projections 2020*, Chart Data from Fig 3. <https://www.industry.gov.au/data-and-publications/australias-emissions-projections-2020>