

Australians to pay more for delaying action on climate change

The easiest and cheapest ways of reducing Australia's greenhouse pollution are slipping by due to delayed action on climate change, a new report reveals today.

New data from ClimateWorks Australia shows that delaying action on climate change to 2015 would increase by \$5.5 billion the cost for businesses and households of reaching Australia's 5 per cent reduction in 2020—the minimum bipartisan commitment.

ClimateWorks Executive Director, Anna Skarbek said it was disturbing that just one year after identifying 54 opportunities to reduce emissions at least cost, Australia had gone backwards, with emissions rising.

“We've already lost energy savings for households and businesses that will be worth \$260 million in 2020 by not taking up in the last year the least cost opportunities identified in the Low Carbon Growth Plan for Australia—\$5 million per week of delay. This happened because we missed opportunities such as shifting to more efficient new vehicles and replacing old appliances by best-in-class energy saving equipment in commercial or residential buildings.”

“With each year of delay, more opportunities are lost or become harder and more expensive to catch up. For example, accelerating tree planting or new technology deployment can only be done up to a certain point without significantly increasing costs and risks,” she said.

“The situation is even more critical when talking about the 25 per cent reduction target, which is the minimum advised by climate scientists. There is now a deficit of abatement opportunities to reach that target, and this deficit will grow fast with every year of delay. Innovation will be key in making up for the missed opportunities.”

The 2011 update of the Low Carbon Growth Plan for Australia also found:

- By the end of 2011, the potential to avoid 5 million tonnes of carbon dioxide equivalent —equal to taking 1 million cars off the road—will be lost and this would rise to 85 million tonnes of carbon dioxide equivalent in 2015, more than the total emissions from the transport sector today.
- Meeting Australia's 5 per cent reduction target by 2020 is achievable entirely within Australia using technologies available today and through opportunities below \$32/tCO₂e.
- A carbon price of \$20 to \$30/tCO₂e in 2013 would vastly increase the volume of actions that are profitable to undertake to reduce emissions, respectively

doubling or nearly tripling it. This would mean 84% of what's needed to achieve the 5% target in Australia would be profitable for investors.

- Already there are savings available from reducing emissions through energy efficiency: this would save \$5.1 billion per annum by 2020 for households and businesses if we start now.

Ms Skarbek said a loss of low cost opportunities meant a carbon price would be even more necessary to deliver the majority of abatement opportunities.

“A carbon price will increase the incentive for business to invest in emissions reduction so most of the abatement could occur in Australia. It will also drive new solutions that can help bring down future costs and help fill the growing deficit towards the 25% per cent reduction target,” she said.

“The good news is we can still reach our reduction targets at a low cost if we start acting today. If we don't act before 2015, we will have lost potential energy savings for Australian households and businesses, worth \$1.5 billion per annum in lower energy bills.”

* ClimateWorks Australia is a non-profit organisation that aims to facilitate substantial emissions reductions in the next five years in Australia by working with government, business, industry groups and the community via a collaborative action based approach. It was formed through a partnership between the Myer Foundation and Monash University and has international links with the US-based ClimateWorks Foundation.

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Detailed assumptions and results by abatement opportunity

Sector	Labels for global curve	% lost to lock-in for each year of delay	% postponed (years)	Difficulty to catch up	Original opportunity in 2010	Loss in last 12 months	Loss in 2015, "no action" scenario
Agriculture	Active livestock feeding	0%		Some	1.8	0.0	0.0
	Anti-methanogenic treatments	0%		None	2.6	0.0	0.0
	Cropland carbon sequestration	0%		Some	1.9	0.0	0.7
	Degraded farmland restoration	0%		Some	7.1	0.0	2.9
	Pasture and grassland management	0%		Some	17.4	0.0	7.0
	Reduced cropland soil emissions	0%		Some	1.0	0.0	0.4
Buildings	Commercial elevators and appliances	70%	30% (5 years)	None	5.2	0.4	1.8
	Commercial new builds	100%		N/A	2.4	0.0	0.9
	Commercial retrofit energy waste reduction	50%		Some	4.4	0.2	1.8
	Commercial retrofit HVAC	70%		Some	3.6	0.2	1.4
	Commercial retrofit insulation	50%		Some	2.3	0.1	0.9
	Commercial retrofit lighting	70%		Some	1.8	0.1	0.7
	Commercial retrofit water heating	70%		Some	0.7	0.0	0.3
	Residential appliances and electronics	50%	50% (5 years)	None	2.0	0.1	0.3
	Residential building envelope	0%		Some	0.2	0.0	0.0
	Residential HVAC	95%		Some	0.3	0.0	0.1
	Residential lighting	0%	100% (4 years)	None	1.0	0.0	0.0
	Residential new builds to 7.2 stars	100%		N/A	3.9	0.0	1.1
	Forestry	Improved forest management	0%		Some	3.8	0.0
Reduced deforestation and regrowth clearing		100%		N/A	17.0	2.4	11.9
Reforestation of marginal land with environmental forest		0%		Some	24.5	0.0	9.8
Reforestation of marginal land with timber plantation		0%		Some	4.4	0.0	1.8
Strategic reforestation of non-marginal land with environmental forest		0%		Some	20.0	0.0	8.0
Industry	Aluminium energy efficiency	25%		Some	3.5	0.1	1.4
	Cement clinker substitution by slag	0%		None	2.4	0.0	0.0
	Chemicals processes	33%		Some	4.5	0.2	2.0
	Cogeneration	33%		Some	4.5	0.1	0.9
	Iron and steel processes	33%		Some	0.5	0.0	0.1
	Mining energy efficiency	40%		Some	2.9	0.1	1.4
	Mining VAM oxidation	33%		Some	6.4	0.2	1.9
	Other industry energy efficiency	50%		Some	11.1	0.4	2.9
Power	Petroleum and gas maintenance	50%		Some	1.2	0.1	0.8
	Biomass co-firing	0%		Some	1.2	0.0	0.9
	Capital improvements to existing gas plant thermal efficiency	0%		Some	2.1	0.0	1.5
	Coal to gas shift (increased gas utilisation)	0%		None	9.4	0.0	0.0
	Operational improvements to existing coal plant thermal efficiency	0%		Some	2.4	0.0	1.8
	Operational improvements to existing gas plant thermal efficiency	0%		Some	0.5	0.0	0.4
	Reduced T&D losses	50%		Some	2.8	0.0	1.3
	Biomass/biogas			Some	7.0	0.0	5.2
	Coal to gas shift (gas new build)	70%		Some	14.9	0.0	4.1
	Onshore wind (best locations)			Some	5.2	0.0	0.0
	Onshore wind (marginal locations)			Some	7.3	0.0	1.5
	Coal CCS new build			Some	7.7	0.0	0.0
	Coal CCS new build with EOR			Some	1.5	0.0	0.0
	Gas CCS new build			Some	0.3	0.0	0.0
	Geothermal	80%		Some	2.3	0.0	0.1
Solar PV (centralised)			Some	1.3	0.0	0.2	
Solar thermal			Some	10.2	0.0	1.7	
Wind offshore			Some	1.3	0.0	0.0	
Transport	Diesel car and light commercial efficiency improvement	100%		N/A	1.7	0.1	0.4
	Diesel car hybrids				0.4	0.0	0.1
	Large articulated truck efficiency improvement				0.4	0.0	0.1
	Petrol car and light commercial efficiency improvement				2.9	0.2	0.8
	Petrol car hybrids				0.4	0.0	0.0
Total					249	5	85