

7 May 2012

English only

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**Ad Hoc Working Group on Long-term Cooperative Action
under the Convention**

Fifteenth session

Bonn, 15–24 May 2012

Item 3(b)(i) of the provisional agenda

Measurable, reportable and verifiable nationally appropriate mitigation commitments or actions, including quantified emission limitation and reduction objectives, by all developed country Parties, while ensuring the comparability of efforts among them, taking into account differences in their national circumstances

Additional information relating to the quantified economy-wide emission reduction targets contained in document FCCC/SB/2011/INF.1/Rev.1

Submissions from Parties

Addendum

1. In addition to the nine submissions contained in document FCCC/AWGLCA/2012/MISC.1, one further submission has been received.
2. In accordance with the procedure for miscellaneous documents, this submission is attached and reproduced* in the language in which it was received and without formal editing.

* This submission has been electronically imported in order to make it available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the text as submitted.

FCCC/AWGLCA/2012/MISC.1/Add.1

GE.12-60876

Please recycle 

Submission from Australia

Submission under the Durban Agreements | May 2012 Enhanced action on Mitigation | AWG-LCA | Clarification

I. Overview

This submission contains Australia's contribution to the process of clarifying developed country Parties quantified economy-wide emission reduction targets¹. The clarification decisions² are core aspects of the Durban decisions, and Australia welcomes the opportunity to share information on our 2020 target range. This submission clarifies Australia's mitigation targets and actions by providing information on:

- Australia's 2020 target range and conditions;
- Australia's key policies and measures including the Carbon Pricing Mechanism (CPM);
- key assumptions and methodologies;

The submission also suggests further work on clarification during 2012, and information in a standardised template format (at Appendix A).

II. The Importance of Clarification

Greater clarity concerning Parties' targets and the actions they are taking to deliver those targets will steadily build knowledge and confidence in collective global action. This will help create conditions for increasing mitigation ambition of all Parties, to a level consistent with our shared objective of holding global average temperature increase below 2 degrees.

We are now in a situation where emissions from developing country economies make up a greater proportion of global emissions than the developed country economies. Active participation by all major economies by submitting key data to clarify their mitigation targets and actions is critical to an effective response to climate change.

For developing countries, collection and publication of information to clarify their nationally appropriate mitigation actions will help build mitigation capacity; and facilitate participation in existing and future market mechanisms.

III. Australia's targets and conditions

The Australian Government has a 2020 target range of 5 to 15 or 25 per cent below 2000 levels. Australia's 5 per cent target is unconditional and equates to an emissions reduction of 23 per cent below reference level projections by 2020. The target range represents substantial cuts to Australia's reference level trajectory as outlined in Figure 1 below.

¹ Developed country emissions reduction pledges are contained in document FCCC/SB/2011/INF.1/Rev.1.

² Decision paras 5 and 34 of the Durban LCA decision relate to submission of further information by Parties to clarify targets.

Along with many other countries, Australia's target range has conditions that maintain the potential for increasing ambition subject to international action. The Australian Government set out Australia's conditions for moving up its 2020 target range in public statements in May 2009, and January 2010.

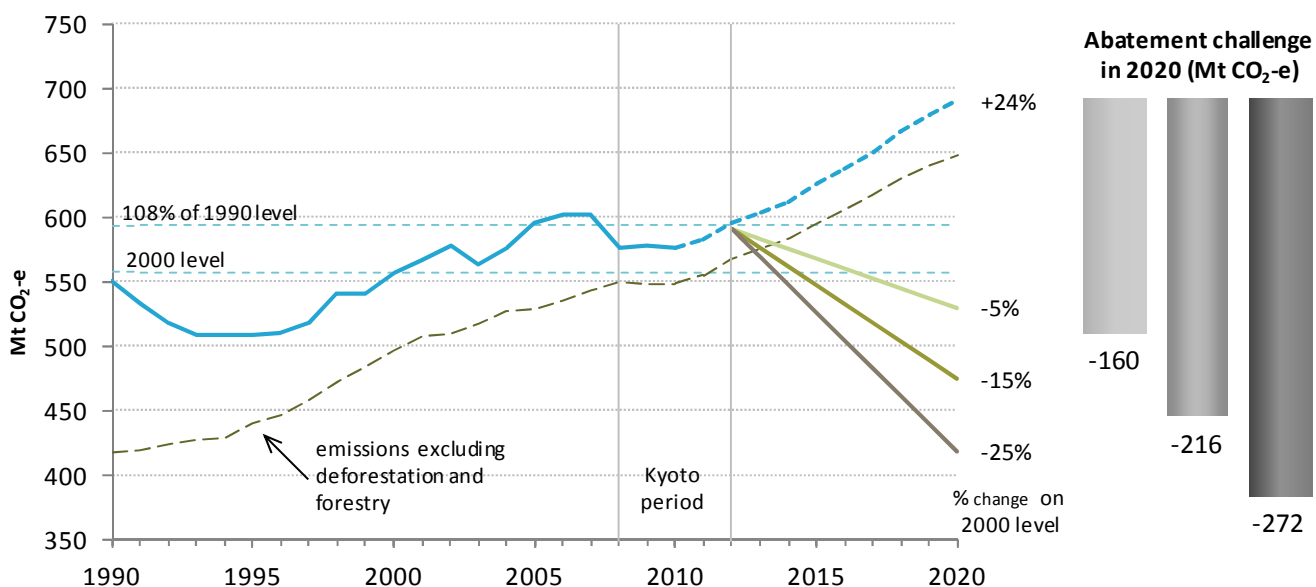
The May 2009 statement is available at:

<http://www.climatechange.gov.au/minister/previous/wong/2009/media-releases/May/mr20090504c.aspx>

The January 2010 statement is available at:

<http://www.climatechange.gov.au/~//media/Files/minister/previous%20minister/wong/2010/media-releases/january/mr20100127.pdf>

Figure 1: Australia's projected emissions and the illustrative abatement challenge.



Source: Australia's Emissions Projections 2010.

It is important to note that the projection of reference level emissions (ie the blue line) already factors in emissions reductions from a wide range of mitigation policies in place at the start of 2011, such as Australia's Renewable Energy Target and energy efficiency policies. The blue reference line does not include new policies and measures (such as introduction of a carbon price and the Carbon Farming Initiative) legislated in 2011.

IV. Australia's policies and measures

Australia stands behind its 2020 targets with a broad package of policies including a carbon price that will apply to 60 per cent of Australia's emissions.

On 8 November 2011, the Australian Parliament passed into law the 'Clean Energy Future (CEF)' package. The CEF puts in place a framework to help Australia meet its 2020 emission reduction targets. The plan has four key elements:

- introducing a carbon price;
- promoting innovation and investment in renewable energy;

- encouraging energy efficiency; and,
- creating opportunities in the land sector to cut pollution, including through the Carbon Farming Initiative.

The CEF establishes policies and mechanisms to dramatically cut Australia's carbon emissions and transition the economy to a clean energy future. The Carbon Pricing Mechanism (CPM) will place a price on carbon from 2012 on emissions from the stationary energy sector, industrial processes, non-legacy waste and fugitive processes. Transport fuels will be excluded from the CPM, and an equivalent carbon price will be applied where applicable through changes in fuel tax credits or excise.

The CPM will transition from a fixed price period (1 July 2012 to 30 June 2015) to a flexible price cap-and-trade emissions trading scheme on 1 July 2015. The Government will announce the first five years of emissions caps by May 2014 and will take a decision on extending the pollution cap by one year every year to maintain five years of caps at any given time.

In setting emissions caps, the Government will consider Australia's international climate change obligations and the recommendations on pollution caps by the independent Climate Change Authority. The Australian Government will also have regard to Australia's medium and long term national emission reduction targets.

A summary of the CEF is available online at: <http://www.cleanenergyfuture.gov.au/clean-energy-future/> and an overview (including fact sheets) on the various elements is available at: <http://www.cleanenergyfuture.gov.au/clean-energy-future/our-plan/>

Inventory and National Communications

Australia has made available detailed information on our national emissions inventory with the latest inventory covering the years 1990 to 2010; and provided regular and detailed national communications reports to the UNFCCC.

A range of information on Australia's emissions including a link to Australia's emissions inventory, and December 2011 quarterly update is available at: <http://www.climatechange.gov.au/climate-change/emissions.aspx>

Australia's fifth and latest national communications report for 2010 is available at: <http://www.climatechange.gov.au/publications/international/nc5.aspx>.

V. Key Assumptions and Methodologies

Base year

Australia's 2020 target range has a 2000 base year reflecting our domestic climate change policy. This includes emissions from land use change consistent with this sector's inclusion in the agreed 1990 base year for the first commitment period of the Kyoto Protocol.

Global Warming Potential values (GWP)

Australia's 2020 target range was set based on the global warming potential (GWPs) values in the IPCC second Assessment Report. Updated values will be adopted in the national inventory, due April 2015 consistent with the updated UNFCCC reporting guidelines agreed in Durban.

Coverage of gases

Australia's target range covers emissions within Australia of the following greenhouse gases: carbon dioxide, methane; nitrous oxide, sulphur hexafluoride, hydrofluorocarbons and perfluorocarbons and nitrogen trifluoride.

Coverage of sectors

Australia's emissions reduction target range is economy wide. The same sectoral coverage applies to both the base year (the year 2000) and 2020 emissions.

Expected emission reductions

Australia publishes emissions projections annually as an important aspect of estimating the impact of policies and programs. 2010 projections on Australia's emissions are available at:

<http://www.climatechange.gov.au/publications/projections/australias-emissions-projections.aspx> .

During 2011, the Australian Treasury released modelling of Australia's emissions under different policy scenarios as an important part of the analytical underpinning for Australia's Carbon Pricing Mechanism. This modelling is available at: <http://www.treasury.gov.au/carbonpricemodelling/content/overview/page4.asp> .

The role of land use, land-use change and forestry

Australia has consistently maintained that real and verifiable abatement from the land sector has a significant contribution to make towards the achievement of emission reduction commitments. Australia is moving to implement domestic programs, including the Carbon Farming Initiative, to generate abatement from this sector.

The new rules contained in the Durban decision on 2/CMP 7 Land Use, Land Use Change and Forestry provide a good basis for the measurement of land sector emissions and the future contribution of the land sector to overall emission reductions. Australia intends to apply the decision on managing the risks of highly variable emissions from natural disturbances. Australia welcomes the flexibility provided to Parties to elect to account for additional land management activities, which enables Parties to adopt domestically appropriate policies and programs to create incentives for land sector abatement.

Australia's 2020 target range does assume land sector accounting rules that support broad land sector coverage, without restriction on the use of abatement from land management activities.

Carbon credits from market-based mechanisms

Australia's targets are based on net national emissions; that is, any imported carbon credits from market-based mechanisms will be counted as contributing to meeting the national target, and any exported credits will not be counted.

Australia assumes that units from international market mechanisms, including the Kyoto Protocol flexible mechanisms, will contribute to meeting its 2020 targets. The use of these units in Australia's Carbon Price Mechanism will be governed by domestic legislation and regulations. Under this legislation from 2015, certain credits from the Clean Development Mechanism may be used to meet Australia's Carbon Price Mechanism obligations, and this abatement would be counted towards Australia's targets. Australia has

currently excluded international units from nuclear energy generation projects, certain industrial gas destruction projects, and certain large-scale hydroelectric projects.

Associated assumptions and conditions related to the ambition of the pledges

References to the conditions of Australia's 2020 target range as outlined by the Australian Government in May 2009 and January 2010 are included above on page 2 of this submission.

VI. Further work on Clarification during 2012

During 2011 Parties began the process of elaborating and sharing further information on targets and actions through mitigation workshops. This work should be continued during 2012 as agreed at Durban; and provide a more systematic and standardised approach to the detail that is relevant for different types of mitigation targets and actions.

Australia considers that workshops during 2012 should focus on the following key areas:

- Calculations and assumptions implicit in trajectories for targets, including both business-as-usual and emissions intensity based targets.
- Assumptions and methodologies employed to measure land sector sources and sinks; and
- The role of market instruments, both within and outside the UNFCCC.

Parties should also be encouraged to update the respective national information annually to 2015. This would allow Parties to provide more information about their targets and actions, through the regular reporting process or separate submissions. It will be important for standardised information formats to be used, for example in the form of templates; this includes for information submitted by developing countries as well as developed countries.

Appendix A: Template for clarification of pledges

Party	Australia
<i>Date of Submission</i>	March 2012

Assumptions and Conditions Related to Target

Base Year	<input type="checkbox"/> 1990	<input checked="" type="checkbox"/> Other (specify): 2000
% Reduction from 2000 base year	5 per cent unconditional. Up to 15 per cent or 25 percent, both conditional on the extent of action by others.	
% Reduction from 1990 <i>(if base year other than 1990)</i>	4 per cent unconditional. With up to 14 per cent or 24 percent, both conditional on the extent of action by others.	
Period for Reaching Target	<input checked="" type="checkbox"/> by 2020	<input type="checkbox"/> by Other (specify):
Inventory Methodology Used	<input type="checkbox"/> IPCC 2006 Guidelines <input checked="" type="checkbox"/> Other (specify): Australia's target is based on the UNFCCC Reporting Guidelines on Annual Inventories as agreed by the Conference of Parties and set out in FCCC/SBSTA/2006/9. Updated UNFCCC reporting guidelines will be applied to the national inventory from 2015 consistent with the decisions reached in Durban.	

Coverage of Greenhouse Gases

<i>Gases Covered</i>	<i>Base Year for Each Gas (if different)</i>	
<input checked="" type="checkbox"/> CO ₂	<input type="checkbox"/> 1990	<input checked="" type="checkbox"/> Other (specify): 2000
<input checked="" type="checkbox"/> CH ₄	<input type="checkbox"/> 1990	<input checked="" type="checkbox"/> Other (specify): 2000
<input checked="" type="checkbox"/> N ₂ O	<input type="checkbox"/> 1990	<input checked="" type="checkbox"/> Other (specify): 2000
<input checked="" type="checkbox"/> HFCs	<input type="checkbox"/> 1990	<input checked="" type="checkbox"/> Other (specify): 2000
<input checked="" type="checkbox"/> PFCs	<input type="checkbox"/> 1990	<input checked="" type="checkbox"/> Other (specify): 2000
<input checked="" type="checkbox"/> SF ₆	<input type="checkbox"/> 1990	<input checked="" type="checkbox"/> Other (specify): 2000
<input checked="" type="checkbox"/> NF ₃	<input type="checkbox"/> 1990	<input checked="" type="checkbox"/> Other (specify): 2000
<input type="checkbox"/> Other (specify):	<input type="checkbox"/> 1990	<input type="checkbox"/> Other (specify):

Note: Australia's emissions of NF₃ are negligible.

Global Warming Potential Values (GWP)

<input type="checkbox"/> As Contained in Decision xx/CP.17	<input checked="" type="checkbox"/> Other (specify): Australia's target was set based on current global warming potential (GWPs) values in the IPCC Assessment Report two. Updated values will be adopted in the national inventory from the submission due April 2015 consistent with the updated UNFCCC reporting guidelines agreed in Durban.
--	---

Coverage of Sectors

<input checked="" type="checkbox"/> Energy	<input checked="" type="checkbox"/> Land use, land-use change and forestry
<input checked="" type="checkbox"/> Industrial Processes and Product use	<input checked="" type="checkbox"/> Waste
<input checked="" type="checkbox"/> Agriculture	<input type="checkbox"/> Other (specify):

Note: All sectors are covered in Australia's target.

Role of Land Use, Land-Use Change and Forestry

<input type="checkbox"/> Comprehensive land-based
<input type="checkbox"/> Activity based <ul style="list-style-type: none"><input type="checkbox"/> Afforestation/Reforestation<input type="checkbox"/> Deforestation<input type="checkbox"/> Forest management<input type="checkbox"/> Cropland management<input type="checkbox"/> Grazing land management<input type="checkbox"/> Wetland drainage and rewetting<input type="checkbox"/> Revegetation<input type="checkbox"/> Other (specify):
<input checked="" type="checkbox"/> Other (specify): The Australian Government is in the process of giving consideration to the Durban land sector decisions and their implications both domestically and for Australia's accounting of its emission reduction commitments.

Carbon Credits from Market-Based Mechanisms

Mechanism Used	
<input checked="" type="checkbox"/> Clean Development Mechanism	<input checked="" type="checkbox"/> Carry-over
<input checked="" type="checkbox"/> Joint Implementation	<input checked="" type="checkbox"/> REDD
<input checked="" type="checkbox"/> International Emission Trading <i>(ie under Article 17 of the Kyoto Protocol)</i>	<input checked="" type="checkbox"/> Other (specify):
Note: All available mechanisms will be used to meet targets.	

Assumptions and Conditions Related to Ambition of the Pledge

<p>Description of any mitigation policies, legislation and institutional arrangements.</p> <p>Australia is undertaking a range of actions to meet emission reduction targets across the economy. Information on the Clean Energy Future (CEF) package of legislation, which introduces a price on carbon from 1 July 2012, is included in the submission above.</p>
<p>The Australian Government set out Australia's conditions for moving up its 2020 target range in public statements in May 2009, and January 2010.</p> <p>The May 2009 statement is available at: http://www.climatechange.gov.au/minister/previous/wong/2009/media-releases/May/mr20090504c.aspx</p> <p>The January 2010 statement is available at: http://www.climatechange.gov.au/~//media/Files/minister/previous%20minister/wong/2010/media-releases/january/mr20100127.pdf</p>