

Sustainable Business Update

Issue 11, December 2007, Climate change focus

Sustainable Business Practices is pleased to present a review of recent activities from government, business and research centres on issues relating to business sustainability.

Conference of Parties Meeting #13 – Bali

187 nations voted on the weekend to adopt a Bali Declaration that urged all countries to act on climate change but stopped short of setting any emission targets.

Australian ratification of Kyoto Protocol

Australia has ratified the Kyoto Protocol. "This is the first official act of the new Australian Government, demonstrating my government's commitment to tackling climate change," Rudd said in a statement issued hours after he was officially sworn in as Prime Minister. In a major policy shift, the leader of the Liberal Party Brendan Nelson also backed the ratification.

Details included in the Bali Action Plan included:

- Responding to the findings of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change that warming of the climate system is unequivocal, and that delay in reducing emissions significantly constrains opportunities to achieve lower stabilization levels and increases the risk of more severe climate change impacts.
- Recognising that deep cuts in global emissions will be required to achieve the ultimate objective of the Convention, and emphasising the urgency to address climate change as indicated in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change,
- Decides to launch a comprehensive process to enable the full, effective, and sustained implementation of the Convention through long-term cooperative action, now, up to, and beyond 2012, in order to reach an agreed outcome and adopt a decision at its fifteenth session (Copenhagen 2009) by addressing, inter alia:
 - Enhanced national/international action on mitigation of climate change, including: inter alia, consideration of:
 - (i) measurable, reportable and verifiably 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;
 - (ii) nationally appropriate mitigation actions by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner;

Bali Action Plan - http://unfccc.int/files/meetings/cop_13/application/pdf/cp_bali_action.pdf

Australia strengthened its stance on climate change by voting in favour of global targets in a separate statement issued by the signatories of the Kyoto Protocol. Australia's special negotiator on Climate Change, Robert Owen Jones, said "the government "strongly supported" the target range

of 25 to 40 percent cuts in emissions by 2020 from 1990 levels, based on the scientific findings of the IPCC."ⁱⁱ Senator Penny Wong added that the Bali Gathering "did not change our approach in terms of getting to the interim targets through our own process."ⁱⁱⁱ (i.e. the Garnaut Review)

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The US immediately spoke out against the deal. "The United States does have serious concerns about other aspects of the decision as we begin the negotiations," the White House said.

"The negotiations must proceed on the view that the problem of climate change cannot be adequately addressed through commitments for emissions cuts by developed countries alone.

"We must give sufficient emphasis to the important and appropriate role that the larger emitting developing countries should play in a global effort to address climate change."

"Empirical studies on emission trends in the major developing economies now conclusively establish that emissions reductions principally by the developed world, will be insufficient to confront the global problem effectively,"

"Accordingly, for these negotiations to succeed, it is essential that the major developed and developing countries be prepared to negotiate, commitments consistent with their national circumstances, that will make a due contribution to the reduction of global emissions." ^{iv}

Garnaut Climate Change Review

The Garnaut Climate Change Review was commissioned by Australia's State and Territory Governments on 30 April 2007. The recently elected Prime Minister of Australia has confirmed the participation of the Commonwealth Government in the Review.

The Review will examine the impacts of climate change on the Australian economy, and recommend medium to long-term policies and policy frameworks to improve the prospects for sustainable prosperity.

Professor Ross Garnaut presented at the Australian National University on 29 November 2007, where he commented that 'Global fossil-fuel carbon emissions from 2004 to 2006 grew at an annual rate of 3.1%, a rate in excess of that anticipated in many of the international climate change assessments, including the scenarios outlined by the IPCC which were used in the modelling for the Stern Review.

Garnaut also added that "business as usual" is carrying the world towards higher risks of dangerous climate change faster than seemed to be the case a short while ago. The need for an effective policy response is more urgent than we thought.

Currently, the concentration of carbon dioxide equivalent in our atmosphere is 455 parts per million. There is a widespread view, based on the science, that the risks of "dangerous" climate change and the risk of abrupt climate change, are already at unacceptably high levels.' ^v

The Garnaut report will inform the process of developing interim targets, and is due to be handed to the Prime Minister by the middle of next year.

Climate Change Impacts

Australian farmers are likely to be among the hardest hit in the world from climate change. The Australian Bureau of Agricultural and Resource Economics (ABARE) has estimated that by 2030, output across the wheat, beef, dairy and sugar industries will probably fall by 9-10 per cent if nothing is done to slow or adapt to rising temperatures. ^{vi}

Global Environment Outlook - United Nations Report

The United Nations Environment Programme (UNEP) recently released its Global Environment Outlook 4 report which said 'Concerns about the global environment may have reached a tipping point, with the growing realization that for many problems, the benefits of early action outweigh the costs.

The complexity, magnitude and the interconnectedness of environmental change does not mean that decision-makers are faced with the stark choice of "doing everything at once in the name of integrated approaches or doing nothing in the face of complexity."

Identifying interlinkages offers opportunities for more effective responses at national, regional and global levels. Current gaps and needs relations to existing national and international infrastructure and capacities for integrating environment into development should be identified and addressed.' ^{vii}

References

- i *Sydney Morning Herald*, 'Australia Ratifies Kyoto Protocol', 3 December, 2007 www.smh.com.au/news/environment/rudd-clinches-kyoto/2007/12/03/1196530553203.html
- ii The Australian Financial Review, 17 December 2007 p.4
- iii The Australian Financial Review, 17 December 2007 p.4
- iv The Whitehouse (USA), 'Statement by the Press Secretary', www.whitehouse.gov/news/releases/2007/12/20071215-1.html

- v Ross Garnaut presentation to ANU "Will Climate Change Bring an End to Platinum Age" 29 November 2007
- vi Australia Bureau of Agricultural and Resource Economics (ABARE) Australian Commodities, December Quarter, www.abare.gov.au/publications_html/ac/ac_07/a1_dec.pdf
- vii United Nations Environment Programme (UNEP) Global Environment Outlook 4, 2007, www.unep.org/geo/