Emissions target: Tony Abbott changes political climate

Tony Abbott has pledged to halve Australia's per­capita emissions by 2030, with a new 26 to 28 per cent carbon pollution reduction target that puts "jobs and growth'' first and sets the scene for a new battle on climate change politics with Bill Shorten.

As the Prime Minister declared the target put Australia "fairly and squarely'' in the middle of comparable countries' commitments, climate change advocates attacked it as weak while business said it would be challenging and require deep cuts. The opposition said the announcement put Australia at the "back of the pack" but stopped short of committing to a higher target.

The announcement, based on a 2005 base year, beats commitments by Japan (25 per cent) and South Korea (4 per cent) but falls short of the US (41 per cent) and Europe (34 per cent).

Mr Abbott also revealed he could attend the Paris climate change summit in November if other leaders went, left the door open to buying international permits subject to a review in 2017, and committed the government to spending another $2.4 billion on carbon abatement.

He said the government's commitment, revealed in The Australian yesterday, represented a "good, solid, economically responsible, environmentally responsible'' target that was "fairly and squarely in the middle of comparable economies". "It's not quite as high as the Europeans at 34 per cent on 2005; it is better than the Japanese at 25 per cent; it is vastly better than the Koreans at 4 per cent; it's immeasurably better than the Chinese who will actually increase their emissions by 150 per cent between now and 2030,'' Mr Abbott said.

He said modelling suggested a 26 per cent reduction would cut 0.2 to 0.3 per cent from GDP at a cost of $3bn to $4bn in current terms. But achieving a 40 per cent cut as advocated by the Climate Change Authority would then be much more expensive at over 2 per cent of GDP, or $40bn. "This is certainly not without costs but the costs are manageable," he said. "It's the Labor Party which is proposing to hit our economy with massive and unmanageable costs, massive increases in power prices, massive increase in the hit of families' cost of living.''

Foreign Minister Julie Bishop, who will represent Australia at the Paris conference, said the government would leave the option of buying international permits on the table but it believed it could achieve its goal without them.

Environment Minister Greg Hunt said Australia's emissions reductions per capita were the highest of any comparable country, as was the reduction in the emissions intensity of the economy per unit of GDP. "So, when people say that it is critical for Australia to play its part, in per capita we are,'' Mr Hunt said.

Opposition environment spokesman Mark Butler said that on first impressions the target put Australia "right at the back of the pack". He stopped short of breaking what has previously been a bipartisan position on targets, saying Labor wanted to analyse the government's modelling in relation to limiting global warming to 2C.

Mr Butler said the target confirmed that "the Prime Minister wants Australia to follow; he does not want Australia to lead". Australian Industry Group chief executive Innes Willox said the target would require deep emissions cuts for Australia.

"The new target is a major step change from anything deliverable by current policies," Mr Willox said. "For comparison, if the target were delivered solely through budget spending it would cost between $100bn and $250bn.''

He said the cost of the target would depend on policies not yet developed by either side of politics.

Business Council of Australia chief executive Jennifer Westacott said achieving the targets would be a "challenge" for all Australians, including business. "The community must realise that much of the low­hanging fruit has been picked in the emissions reduction challenge and taking the next steps beyond 2020 will require significant changes in industry activity and investment, and community behaviour, which must be managed carefully,'' Ms Westacott said.

She called for an end to the policy flux of the past 15 years. Climate Institute chief John Connor criticised the target as failing the "climate and competitiveness tests". "Climate, because even though the government says they support avoiding two degrees this target uses up our share of the two degree budget by 2029," he said.

"Competitiveness, because this will still leave us as the most pollution­intensive economy in the developed world in 2030."

Documents released with the decision show the overall design of policies to reach the 2030 target will be further considered in 2017­18 but the government plans to pursue the required reduction of about 900 million tonnes through direct action.