**The promise and peril of Australian climate leadership under Albanese**

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**Abstract**

After nearly a decade of policy inaction by the Abbott/Turnbull/Morrison Coalition governments, the election of Anthony Albanese’s Labor government has ushered in expectations of a sea-change in Australian climate policy, one that might allow the country to finally emerge as a global leader on the issue. Yet while years of inaction have left some relatively easy victories for the new government to rack up, the change of leadership and rhetoric obscures some key continuities in the Albanese government’s approach that need to be foregrounded and critiqued by domestic and international audiences alike. In this brief commentary, we consider what the new Labor government might mean for Australian climate action over the coming years. We focus, in particular, on the role that fossil fuel exports will continue to play in overwhelming any emissions cuts achieved domestically, and underscore the need for a much broader and more ambitious national climate strategy designed to wean the country off its reliance on coal and gas revenues.

**Introduction**

On May 21, 2022, Anthony Albanese’s Labor party won a relatively narrow election victory to form government for the first time in nearly a decade. For those seeking a renewal of federal climate action in Australia, the change in government was welcome news. While Australia has never particularly excelled at climate policy, the preceding nine years of Liberal-National Coalition government were especially challenging. First elected in 2013 under Prime Minister Tony Abbott, the Coalition set to work dismantling the federal government’s existing climate policy architecture, including scrapping the national carbon price, eliminating the independent Climate Commission, and marginalising and defunding key agencies tasked with promoting renewable energy, all while seeking to cast doubt on climate science and reposition climate change as an element of the country’s ongoing culture wars. The situation failed to improve in any great measure as the Coalition cycled through two subsequent Prime Ministers in Malcom Turnbull and Scott Morrison. By the end of their collective tenure, the Abbott/Turnbull/Morrison Coalition governments had fumbled through approximately 20 different short-lived climate and energy policies, with most failing to make it through the Liberal party room (MacNeil 2021). Its 2030 target of a 26 percent reduction on 2005 emissions levels was amongst the weakest in the industrialised world, and to the extent that Australia was potentially on track to meet it, state-level renewable energy programs rather than federal government initiatives deserve the credit. While Scott Morrison’s government eventually made a non-binding pledge to achieve net-zero by 2050, independent analysis suggested that the Coalition’s climate policy settings would have failed to achieve that goal until the early 22nd century (Australian Climate Council 2021). In short, by the end of the Coalition’s nine years in power, Australia had cemented its position as one of the world’s preeminent climate laggards, evidenced by consistent withering criticism from other governments, NGOs and scholars, and a perennial ranking as one of the very worst climate performers in the international community (see e.g., CCPI 2022).

Since winning government in May 2022, however, Anthony Albanese has sought to rebrand Australia as an emergent climate leader on the global stage, claiming that Australia is back in the fight against climate change and prepared to play a leadership role in addressing the mounting crisis (BBC 2022). But is this actually a credible claim? Are the government’s new policy settings really characteristic of a global climate leader? In this brief commentary we unpack the substance of the Labor government’s climate policy in an effort to highlight that, while years of inaction have clearly created some relatively easy victories for the new government to achieve, domestic and international audiences should be wary of any such grand claims from the new government. In particular, given Labor’s strong support for the continued expansion of fossil fuel exports, we argue that the best Australia can plausibly aim for under Albanese is what might be crudely termed a ‘Norwegification’ of Australian climate policy, in which relatively strong domestic emissions reductions are overwhelmed by the sheer volume of exported emissions from the country’s growing fossil fuel trade. In so doing, we argue for a ramping-up of domestic and international pressure on Australia to commit to a phasing out of its coal and gas exports over the coming decade.

**What has Labor promised on climate?**

While Labor’s policy proposals mark a significant improvement over its predecessors, its ambitions are nevertheless modest when compared to the scale and stakes of the challenge. Though it pledged to raise Australia’s 2030 emissions target to 43 percent below 2005 levels, this is nowhere near the 50-74 percent the government’s own Climate Authority says is necessary to do Australia’s fair share in keeping warming below 2°C (Australian Climate Change Authority 2014). In terms of regulatory mechanisms to achieve this target, Labor has proposed only to strengthen the Coalition government’s ‘Safeguard Mechanism’[[1]](#footnote-1), and at the time of writing has yet to provide details on how this will occur. Beyond that, Labor’s proposals have focused on investments to decarbonise the electricity sector, with $20 billion for grid upgrades designed to facilitate more renewables in the system. This was coupled with $3 billion to encourage new low carbon industries, promises of future funding for solar banks and community batteries, new cash to help existing industries become more energy efficient, tax breaks for lower-cost electric vehicles, and a promise to explore a potential high-speed rail line on the country’s east coast.

All of this is likely to be helpful, particularly given the amount of low-hanging fruit available in the electricity sector, where coal still generates around 54 percent of Australia’s electricity (Government of Australia 2022). Labor’s plan expects renewables to power 82 percent of the country’s electricity grid by 2030, assisted in no small part by an anticipated raft of domestic coal plant closures incited by the plummeting costs of renewables over the coming years (MacDonald-Smith and Ludlow 2021). Additionally, if the existing Safeguard Mechanism is sufficiently strengthened, it too could catalyse noteworthy reductions from the industrial sector. Combined with other pledged investments and market shifts, this could give the government a good chance of achieving its goal of a 43 percent reduction by the end of the decade.

**Fossil fuel exports and mine expansions**

But while the new government has begun promoting these policies as a framework for a new era of Australian climate leadership, it has failed to acknowledge or address Australia’s most significant contribution to the mounting crisis – the exported emissions from its enormous fossil fuel trade. Indeed, recent figures show that the exported emissions from the country’s coal and gas trade stand at 1,073 million tonnes of CO2-e in 2020; more than double Australia’s 494 million tonnes of domestic emissions (Government of Australia 2021). Albanese’s government can quietly ignore these emissions because, under the UNFCCC accounting framework, countries are only technically responsible for carbon emitted on their own soil, and thus fossil fuel exporters can leave exported emissions off their balance sheet. As the world’s largest exporter of coal and second largest exporter of liquid natural gas, Australia is using this loophole to great advantage, with its fossil fuel exports nearly tripling since the early 1990s (Government of Australia 2021).

Like its predecessors, the Albanese government’s policy on fossil fuel exports seems to be that Australia should continue to dig up and sell its coal and gas for as long as there is an international market for them. To this end, Labor’s Resources Minister Madeleine King stated prior to winning government that an Albanese government will support the continued expansion of fossil fuel extraction in Australia, and not intervene on any of the 69 new coal mining projects or 45 new gas projects under development across the country (Henderson 2020). This pledge will have significant implications for the global fight against climate change, particularly if new coal and gas extraction projects currently pending approval are developed and brought to full production capacity. A study by Parra et al. (2019) found that, at full capacity, the new export mines proposed in Queensland’s Galilee Basin alone could produce several hundred million tonnes of additional CO2 per year by the early 2030s, while emissions associated with natural gas production could double by the end of the decade. In aggregate, the study paints a scenario in which Australia’s exported emissions would increase from around 3% of global CO2 emissions now to around 4% by 2030. Including these exported emissions, this would make Australia the fifth highest net polluter in the world, with per capita emissions at around 63 metric tonnes of CO2 per person per year. All of this could occur while Australia’s domestic emissions are making noteworthy declines.

# The ‘Norwegification’ of Australian climate policy

# This is not a strategy for climate leadership. Indeed, at the very most, Albanese’s plan would see Australia simply mimicking Norway’s behaviour as a climate actor over the past generation. The Norwegian example is an interesting one because, on the face of it, Norway is an exceptionally green country. Nearly 100 percent of its electricity comes from renewables, it has the highest per capita use of electric vehicles on the planet, its carbon emissions have been steadily falling over the past decade, and in 2016 its parliament agreed on the goal of net zero emissions by 2030 (Climate Action Tracker 2022). Yet while Norway has increasingly weaned *its* *own* citizens off fossil fuels, it remains one of the largest oil producers in the world, exporting more than 400 million barrels in 2020 alone (OEC 2022). When these exported emissions are factored in, the country’s total emissions increase 10-fold (from 41 million tonnes of CO2 in 2019 to over 450 million tonnes), making it the fourth highest per capita emitter in the world behind only Qatar, Kuwait, and Brunei (Climate Action Tracker 2022).

# While Norway is the extreme example of this type of climate actor, one could also include countries like the Netherlands and Canada in this category of rich states whose laudable domestic reduction efforts are overwhelmed by their export emissions. In each of these countries, there has been a concerted effort by governments across the political spectrum to treat fossil fuel exports in isolation from climate policy, focusing on the jobs and wealth provided by the industry, underpinned by the specious argument that if they stopped exporting, foreign buyers would simply purchase dirtier fossil fuels from less scrupulous regimes around the world.

# This is not a class of climate actors Australia should aspire to emulate. While the UNFCCC’s accounting rules may allow them to tell a compelling story about their progress at home, their actions are ultimately destructive. Moreover, their efforts to successfully separate domestic decarbonisation from their role in sustaining international fossil fuel dependence may not be sustainable for much longer. In Norway, for example, environmentalists, youth climate groups, and national media have increasingly popularised the concept of ‘oljeskam’ (‘oil shame’) to call out this contradiction (Arvin 2021). At COP26, Norway was embarrassed to receive the ‘Fossil of the Day’ award from the Climate Action Network for masquerading as a ‘fake climate champion’ on the international stage, while acting as a ‘fossil fuel cheerleader’ behind closed doors. There is also more focus than ever on the supply side of fossil fuels, with countries like Denmark and Costa Rica building a coalition of states committed to ending their fossil fuel exports, and NGOs increasingly pushing the notion of a ‘non-proliferation treaty’ for fossil fuels that would focus its immediate attention on rich countries (Newell and Simms 2020).

**What would real Australian climate leadership look like?**

So, is Australia likely to emerge as a global climate leader under Anthony Albanese’s Labor government? By almost any metric, the answer is clearly no. While the new government will surely make some long overdue strides on domestic emissions reductions, its pledges and strategies remain modest, and as noted above, its domestic emissions reductions will appear almost comical when weighed against the exported emissions from Australia’s expanded fossil fuel trade. In short, at present it appears likely that despite its best efforts to rehabilitate Australia’s climate image, the Albanese government will, like its predecessors, remain a significant contributor to the mounting emergency.

What, then, would real Australian climate leadership look like? At the very least, it would mean raising Australia’s 2030 domestic emissions target to something that accords with keeping warming below 2°C – if not the increasingly cited goal of 1.5°C. As noted above, this would imply a target closer to 75 percent if Australia is to do its fair share historically. Beyond this, a serious strategy would imply aggressive policy action in a range of sectors that have been ignored by the federal government for the past three decades. This would include, for example, an ambitious transport strategy designed to build the infrastructures required for a rapid conversion to zero-emission vehicles, an aggressive national plan to retrofit the country’s stock of homes and buildings to make them zero-emissions, and a bold agricultural policy designed to hasten the uptake of low-emission farming practices and reduce deforestation (see e.g., Australian Climate Council 2022a).

But most importantly (indeed, *far more important* than any of these domestic measures), a serious climate policy would include a comprehensive plan to phase out Australia’s coal and gas exports over the next decade. This is no small feat, and would stand as one of the most ambitious public policy efforts in Australia’s history. But the sorts of strategies required to pull it off are now well understood, having been developed and executed in peer states like Germany, Spain, and others in recent years (see e.g., Sheldon et al. 2018). Among other things, this would entail substantial funds to facilitate an orderly, just, and rapid transition for Australia’s coal regions, complete with a host of policies designed to attract new industries to these regions, provide retraining for displaced younger workers, offer early retirement options for older displaced workers, cushion families through periods of unemployment, and ensure that workers and businesses peripheral to the mining industry are also able to successfully reposition themselves for a post-coal future (Edwards et al. 2022). The relatively sudden absence of fossil fuel export revenues will have significant impacts for the broader economy, and thus such a strategy would require an aggressive focus on innovation and industrial policy aimed at diversifying the national economy and making Australia a leader in the low-carbon industries of the 21st century.

Nevertheless, while policy templates exist for such changes and core stakeholders appear more ready than ever, the politics of implementing this type of plan in Australia remain daunting, primarily because it poses an existential threat to an extractive regime that is deeply embedded within Australia’s economic and political system. What this type of plan ultimately requires, therefore, is heightened international pressure on states like Australia to end fossil fuel exports, coupled with a strengthened domestic climate movement that brings together stakeholders from across the political spectrum with unions and grassroots groups in Australia’s fossil fuel regions. The task for this movement is to win hearts and minds for a rapid wind-down in fossil fuel exports by reframing climate action in terms of working-class politics and security for blue-collar workers in regional communities. Failing this, the near-term trajectory for Australian climate policy is likely one where lower-hanging domestic reductions are achieved with relative ease, while expanded coal and gas exports make Australia’s broader destruction of the climate worse with each passing year.

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1. The ‘Safeguard Mechanism’ is essentially a less conspicuous form of carbon pricing which places caps on emissions from the country’s biggest polluters (defined as any company emitting more than 100,000 tonnes of CO2-e) and requires them to buy offsets when they exceed the cap. It was introduced by the Abbott government, and although pledges were made to tighten the caps over time, this never occurred, and its efficacy over the past three terms of government is questionable (Australian Climate Council 2022). [↑](#footnote-ref-1)