

The heading chosen for the Biden climate change policy agenda is plain enough. If he is elected, his plan will make life much more difficult for Australian policy makers.

Biden’s approach evokes memories of the 1997 Kyoto Climate Change Conference, when V-P Al Gore turned up on behalf of President Clinton, upping the U.S. target and calling upon other member states to do likewise, reflecting the United States’ “greater ambition”. Many did, and ultimately failed to achieve unrealistic targets. Australia resisted, sticking to what was an equivalent effort at an affordable cost, and ultimately exceeded its target.

Ironically, President Bush subsequently withdrew from the Kyoto commitment, yet the U.S. achieved its target; not because of climate change policies but because of the fracking revolution, which made natural gas cheaper than coal for base load power. Now PM Morrison wants to use Government leverage to lower domestic natural gas prices, primarily for reliability and affordability of energy supply, but which incidentally might supplant some coal and improve Australia’s carbon emissions profile.

As a result of Covid-19, this year’s climate change Conference of the Parties, due to be held in Glasgow UK, has been postponed until late next year. All states were expected to be under pressure to increase carbon savings, given the failure of Paris commitments to assure that temperature rises would be constrained within the 2 degree target. However, President Trump was in the process of withdrawing from the Paris Treaty, and certainly wasn’t going to press Australia to do better. Now the meeting is scheduled to be held during the next U.S. Administration, and candidate Biden promises not only to re-join the process, but to “lead the world in addressing the climate emergency” and to ensure the U.S. achieves “a 100% clean energy economy and net-zero emissions no later than 2050”.

Biden’s pledges that the U.S. net zero target would be enforceable. He would “demand” that Congress enacts no later than the end of his first term in 2025 an enforcement mechanism that includes milestone targets. Biden’s policy would be supported by direct investment of \$1.7 trillion over ten years. All carbon emitting sectors would be targeted. The commitment is premised on the recognition that the environment and the economy are wholly integrated and that getting a 100% clean economy is an opportunity as much as it is acting on a threat. Furthermore it’s important for a “healthier, safer and more just world”.

Much of the Biden language echoes that of the European Green Deal. Europe “needs a new growth strategy that will transform the Union into a modern, resource-efficient and competitive economy, where:

- There are no net emissions of greenhouse gases by 2050
- Economic growth is decoupled from resource use
- No person and no place is left behind.”

In Biden’s plan there might not be carbon taxes as such, but his administration would, for example, develop rigorous new fuel economy standards aimed at ensuring 100% of new car sales for light and medium vehicles will be electrified and require annual improvements for heavy duty vehicles. There would be aggressive methane pollution limits for new and existing oil and gas operations. There would also be new aggressive appliance and building efficiency standards. The polluter pay principle clearly underpins the program.

Biden is relying on innovation, and like Australia’s Energy Minister Angus Taylor, Biden has a technology roadmap. The tools for a lower carbon economy, not surprisingly, are similar. For example: “using renewables to produce carbon free hydrogen at the same cost as that from shale gas, zero net energy buildings at zero energy cost, grid scale storage at one-tenth the cost of lithium-ion batteries, small scale nuclear reactors at half the cost”.

# Dragoman

It's at the international level where President Clinton's efforts would pale into insignificance against those of a President Biden. Biden's pledge is that:

"He will lead an effort to get every major country to ramp up the ambition of their domestic climate targets. He will make sure those commitments are transparent and enforceable, and stop countries from cheating by using America's economic leverage and power of example. He will fully integrate climate change into America's policy and national security as well as its approach to trade."

In particular, a Biden Administration would "impose carbon adjustment fees or quotas on carbon-intensive goods from countries that are failing to meet their climate and environmental targets". If that language sounds familiar, it might be because the EU's policy under its Green New Deal introduces a Carbon Border Tax to avoid carbon leakage, otherwise referred to as border carbon adjustments. The EU has long called for common targets and common policies and measures, with penalties on those who don't conform to ensure an equal playing field. Under European Commission President, Ursula von der Leyen, this aspiration has received new life and the post Covid-19 economic recovery has become the vehicle for implementation.

So if Biden wins the election, there will be much more pressure on Australia to lift its ambitions in carbon reductions, and in particular, to commit to long term targets. Australia could respectfully say no, and resist the U.S. pressure, as it did in Kyoto 23 years ago. But President Clinton only had a few months to run. President Biden would have four years. And it's not just the U.S which would be applying the blowtorch.



## **Hon Robert Hill AC**

Robert Hill was Australia's Environment Minister from 1996-2002. He led the Australian delegation at the Kyoto climate change conference and introduced Australia's Renewable Energy Target. He is currently Adjunct Professor in Sustainability at the US Studies Centre at the University of Sydney and Chairman of the Cooperative Research Centre for Low Carbon Living at the University of New South Wales.