



Eighty-Nine Billion New Reasons To Quit The Paris Agreement

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Momentum continues to build for Australia to exit the Paris Climate Agreement.

New economic modelling prepared by Managing Director of BAEconomics and former executive director of the Australian Bureau of Agricultural and Resource Economics, Dr Brian Fisher, was released on Tuesday. It shows that the emission reduction obligations under the Paris Climate Agreement will cost Australia at least \$89 billion in terms of foregone economic output, and result in 78,000 fewer jobs over the period 2021-2030.

The modelling also shows that the Paris Climate Agreement will result in a 21 per cent reduction in output in the thermal coal sector, a two per cent reduction in real wages, and a \$12 price hike to wholesale electricity prices over the period 2021-2030.

Under the Paris Climate Agreement, Australia must reduce its greenhouse gas emissions by between 26-28 per cent on 2005 levels by 2030. This translates into a 50 per cent cut in per capita terms, which is the deepest cut in the developed world. China, for example, is able to increase its



aggregate emissions by 150 per cent on 2005 levels by 2030 which equates to around a 120 per cent increase in per capita terms.

The research by Dr Fisher follows a recent research report published by the Institute of Public Affairs last year that the Paris Climate Agreement would cost at least \$52 billion by 2030 in terms of the higher cost of generating electricity. The estimates provided by Dr Fisher are higher as the modelling includes the flow-own economic costs of higher electricity prices, including lower business investment, slower employment growth, and slower wages growth.

However, what is perhaps more interesting than these admittedly dry economic figures is that the Paris Climate Agreement itself is disintegrating. The four largest greenhouse gas emitters in absolute terms are not in the Paris Agreement (the United States) or their emissions are not constrained by the Paris Agreement (China and India) or are not on target to meet their obligations under the Paris Agreement (the European Union).

Further, the Climate Action Tracker, which is a consortium of three research organisations, tracks national progress of 32 nations which collectively account for 80 per cent of global emissions in meeting their Paris emission reduction targets. The tracker finds that just seven nations out of the sampled 32 nations are on track to meet their national emissions reductions contributions to keep warming below 2°C above preindustrial levels. Those nations – Morocco, the Gambia, Bhutan, Ethiopia, Costa Rica, the Philippine, and India – collectively account for just 6.6 per cent of global greenhouse gas emissions.

Besides, even if the Paris Agreement were implemented in full by all signatory nations it would only produce a two-tenths of one-degree Celsius reduction in global temperature by the year 2100, according to researchers from the Massachusetts Institute of Technology.

Australia accounts for just 1.5 per cent of global emissions from human activity. And human activity accounts for just three per cent of total emissions. Even the complete deindustrialisation of the Australian economy would make no noticeable difference to the global climate.

The case for exiting the Paris Climate Agreement has never been stronger. It will impose significant and irreparable economic damage without delivering a discernible environmental benefit. Most other nations are not on target to meet their obligations. And what Australia does makes no noticeable difference to the global climate.

Remaining in the Paris Climate Agreement is simply not in Australia's national interest. Exiting the Agreement should be a bipartisan priority.