

Climate inequality and the case for increased Australian climate assistance



Mataniko River, Honiara, Solomon Islands
Photo Credit: Collin Leafasia/Oxfam

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As meetings come to a close for the UN Framework Convention on Climate Change (UNFCCC) Transitional Committee on Loss and Damage and the 52nd Pacific Islands Forum (PIF) Leaders Meeting, and as world leaders meet in Dubai for the UNFCCC Conference of the Parties (COP28), Australia has been on show around the world, touting its new **credentials as a climate leader** and a force for good in the region.

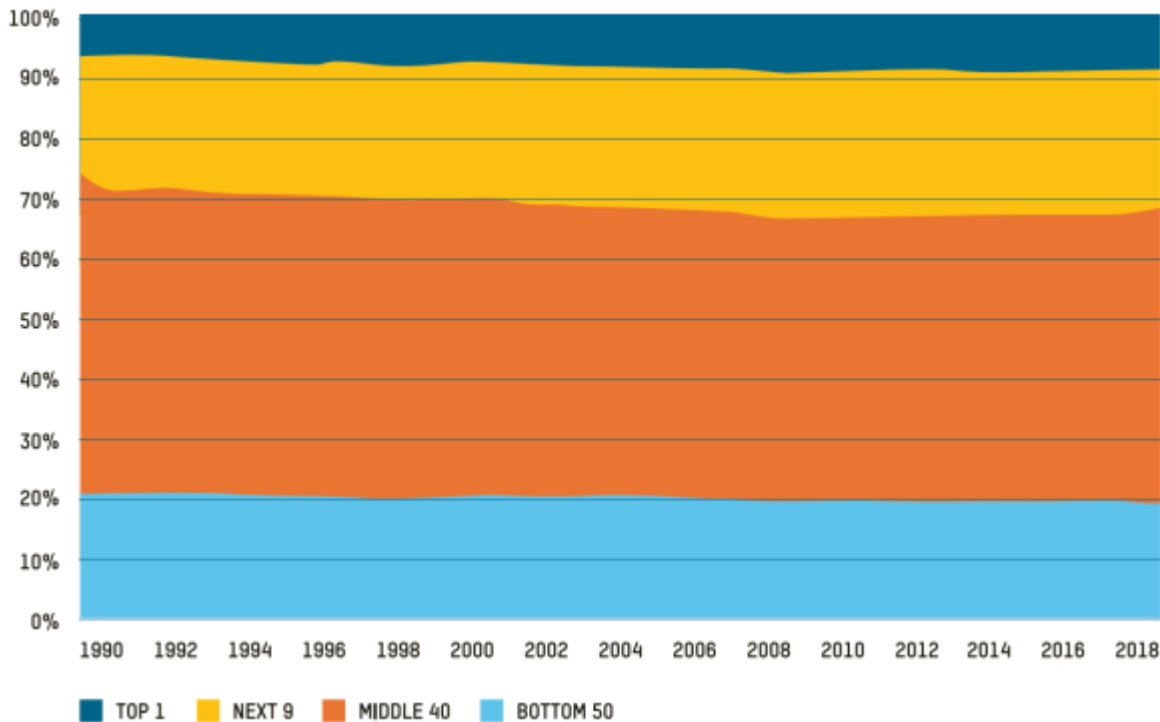
Meanwhile, the host of the PIF meeting, Cook Islands, is **preparing for higher** air and sea temperatures, more extreme-rainfall days, more very hot days, more intense tropical cyclones, a rise in sea levels of up to 15 centimetres by 2030 and continued ocean acidification, putting lives and livelihoods at risk. This is a common story across the Pacific, which is filled with countries that are the least responsible for climate change but the most vulnerable to its impacts. Pacific small island developing states **contribute less than** 0.03% of global emissions, but are on the frontline of climate impacts.

While Australia **talks about the Pacific** as “family”, and about the need to work together, it continues to undermine global climate action, remaining one of the world’s highest per capita emitters and exporters of fossil fuels. We are the world’s **largest exporter of coal**, and companies mining in Australia **raked in about \$233 billion** this year in revenue from fossil fuel exports. In addition, we **give between \$11.1 billion and \$43 billion per year** in subsidies for fossil fuels, depending on how you calculate it.

On top of this, as described in Oxfam’s new report *Climate equality: a planet for the 99%*, it’s the wealthiest among us who are driving these high emissions through their excessive lifestyles, fossil fuel investments, and their economic and political influence to maintain the polluting status quo they profit from. Based on emissions data from 2019, we find the top 10% of Australians by income are responsible for **almost 33% of all national consumption-based emissions, while the bottom 50% are**

responsible for less than 20%, despite constituting 10 million more people.

Share of consumption-based carbon emissions by income group, Australia



Source: *Climate inequality: Oceania. Why we must create climate equality and a Blue Pacific for the 99%*, page 7

The emissions of the top 1% equate to more carbon pollution than that produced by all 14.7 million passenger vehicles in the country. Looking towards the Pacific, the emissions of this Australian elite are 17 times higher than the combined 2 million people of Fiji, Kiribati, Solomon Islands, Tuvalu and Vanuatu. This top 1% of Australians by income emit 200 times more carbon pollution than the entire population of Vanuatu.

It's clear the Australian government is still not doing enough on climate change or addressing the inequality that is contributing to it and resulting from it. While many, including Oxfam, have made clear the need for Australia to pay its fair share of international climate finance, which is new and additional to existing official development assistance (ODA), what is less discussed is the moral argument for increased climate support from Australia, and the amount of money Australia spends on domestic versus international climate action.

In Oxfam's other new report, *If you break it fix it: Australia's global obligations for a just climate transition*, we argue that if Australia is to lead a just climate transition that is fair and inclusive, it must acknowledge the full extent of its climate change contributions, including its historical and current domestic emissions and its emissions from fossil fuel exports. At the same time, it must dramatically increase

climate finance to our region as compensation to enable countries to cope with and adjust to climate change impacts. And a successful just transition will not simply mitigate climate change or adapt to its impacts; it will make sure that no one, rich or poor, is left behind, enabling the genuine sharing of the benefits of climate action within and between societies.

Right now Australia spends *six times* as much on domestic action as it does on assisting developing countries with climate change. Worse still, we undermine every dollar we spend on climate assistance by leaving inequality unaddressed, and accelerating climate breakdown with our emissions, fossil fuel exports and fossil fuel subsidies.

If we factor in Australia's liability from its fossil fuel exports, and how much we spend currently on domestic climate action, we find that Australia's fair share of international finance should sit at \$5 billion per annum. This is well above the approximately \$600 million we **currently spend** on average out of our ODA budget. While \$5 billion is significant, this is still less than half of Australia's annual subsidies to the fossil fuel industry of \$11.1 billion (at the conservative end of the estimate range).

In order to meet the transformative challenge the climate crisis presents, the Australian government needs to consider new and innovative mechanisms that address inequality, raise much needed finance for climate action, and incentivise the phase-out of fossil fuels. Some immediate measures include reforming current taxes on fossil fuels, such as the petroleum resources rent tax, as well as redirecting fossil fuel subsidies to climate action at home and abroad.

Aside from increased financial support and ambition at home, Australia needs to back the Pacific in its calls for a global just transition to climate change. Particularly in light of its bid to co-host COP31 with the Pacific, Australia needs to support the **Port Vila call for a fossil fuel free Pacific** and sign a fossil fuel non-proliferation treaty to govern the end of fossil fuel subsidies, equitable phase-out of fossil fuels, and a global just transition. We can't go to forums like the PIF and talk about "family" while we continue to pollute Pacific people's skies and oceans and destroy their lives and livelihoods.

We need to start treating climate change as the collective inequality problem that it is. As when a company pollutes a river, we need to clean up that pollution locally and address the effects downstream, particularly for those who have done little to cause the issue in the first place.

*Read the new Oxfam reports **If you break it, fix it: Australia's global obligations for a***

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Link:

<https://devpolicy.org/climate-inequality-and-the-case-for-increased-australian-climate-assistance-20231127/>