

3. 2030 SCENARIOS & INDICATORS

MAPPING OUT 2030 SCENARIOS

A range of Government and non-Government studies undertaken in recent years project Australia's emissions reduction potential under various policy and ambition scenarios. Projections below do not seek to duplicate existing research but rather provide an 'industry perspective', obtained through surveys and consultations.

Consultations were conducted with informed stakeholders across the carbon farming supply chain in response to 3 scenarios put forward.

Stakeholders indicated that if Australia over-achieved its 2030 Nationally Determined Contribution (NDC), that the land sector could contribute 30-40% of Australia's 2020-2030 abatement challenge, generating new revenue, jobs and benefits for rural communities.

The three distinct scenarios for the future of the carbon farming industry are outlined below, along with key economic indicators.

SCENARIO 1	SCENARIO 2	SCENARIO 3
<p>Australia fails to meet its NDC</p> <p>Australia fails to meet its current NDC target of a 26-28% reduction below 2005 levels by 2030. Australia uses its existing policy settings, without increasing ambition, strengthening policy settings, or introducing new policies. Australia only achieves a 2% reduction below 2005 levels by 2030.</p>	<p>Australia meets its NDC</p> <p>Australia achieves its current NDC target of a 26-28% reduction below 2005 levels by 2030. Australia uses existing policies with raised ambition to achieve this, including the application of stronger policy settings that actively drive emissions reductions, rather than merely preventing increases.</p>	<p>Australia over-achieves its NDC (2°C Scenario)</p> <p>Australia reduces emissions by 45% below 2005 levels by 2030, a pathway consistent with a net-zero 2050 trajectory. Australia increases the ambition of its existing suite of climate policies, including strengthening current policies, introducing new policies and allowing international market access.</p>
Australia delivers 675 MtCO_{2e} of abatement between 2020-2030.	Australia delivers 900 MtCO_{2e} of abatement between 2020-2030.	Australia delivers 1200 MtCO_{2e} of abatement between 2020-2030.

KEY ECONOMIC INDICATORS

LAND SECTOR ABATEMENT		
<p>195 - 260 MtCO_{2e}</p> <p>Stakeholder assumptions: carbon farming sector contributes 30-40% to Australia's 2020-2030 abatement</p>	<p>270 - 360 MtCO_{2e}</p> <p>Stakeholder assumptions: carbon farming sector contributes 30-40% to Australia's 2020-2030 abatement</p>	<p>360 - 480 MtCO_{2e}</p> <p>Stakeholder assumptions: carbon farming sector contributes 30-40% to Australia's 2020-2030 abatement</p>
CARBON INCOME (AUD)		
<p>\$1.4b - \$3.6b</p> <p>Stakeholders assumptions: 195 - 260 MtCO_{2e} abated and an average carbon price of A\$7-\$14/tonne</p>	<p>\$4.1b - \$10.4b</p> <p>Stakeholders assumptions: 270 - 360 MtCO_{2e} abated and an average carbon price of A\$15-\$29/tonne</p>	<p>\$10.8b - \$24b</p> <p>Stakeholders assumptions: 360 - 480 MtCO_{2e} abated and an average carbon price of A\$30-\$50/tonne</p>
JOBS		
<p>5,700 - 11,400 jobs</p> <p>Stakeholders assumptions: (median) 228 MtCO_{2e} abated. Jobs growth of 25-50 jobs per MtCO_{2e} abated</p>	<p>7,875 - 15,750 jobs</p> <p>Stakeholders assumptions: (median) 315 MtCO_{2e} abated. Jobs growth of 25-50 jobs per MtCO_{2e} abated</p>	<p>10,500 - 21,000 jobs</p> <p>Stakeholders assumptions: (median) 420 MtCO_{2e} abated. Jobs growth of 25-50 jobs per MtCO_{2e} abated</p>

KEY ECONOMIC INDICATORS

Under the 2°C scenario, industry has indicated there will be considerable abatement, income and jobs benefits. These quantifiable benefits also have implications for local communities, businesses and the economy.



Land Sector Abatement

Large volumes of land sector abatement could be achieved as carbon prices rise. Stakeholders indicated that a number of agriculture methods have the potential to be viable at carbon prices above \$15/tonne including methods which encourage better management of pastures and therefore higher emissions sequestration in soils, and vegetation. At a carbon price of \$25MtCO_{2e}, stakeholders commented that native forest regrowth projects have the potential to deliver abatement at scale.



Jobs

Stakeholders commented that carbon farming can increase the number of people in work and that, in a 2°C Scenario, could create nearly 10,000 direct jobs and potentially more than 20,000 indirect jobs. Stakeholders also noted that carbon farming can foster more diversified employment and skills and provide new opportunities for small and medium-sized businesses.



Carbon Income

Stakeholders commented that carbon farming could generate \$10.8 - \$24 billion between 2020 and 2030 in an ambitious scenario that would allow access to revenue streams from domestic and international carbon trading and revenue streams from realising co-benefits. It is assumed that as the carbon price increases, there is additional market activity and participation in carbon farming, leading to increased income from land sector projects.



Community Impact

There is a direct relationship between the scale of the carbon farming industry and benefits for rural and regional communities. This is because more abatement generates new revenue and income but also because a higher carbon price scenario incentivises more projects that deliver sustainable development co benefits. Rural and regional communities would be the largest beneficiary of these benefits which include: landscape protection, biodiversity, water quality improvements, economic opportunities for indigenous communities and productivity improvements for agriculture.

Team preparing to plant seedlings by hand in Carbon Neutral's Yarra Yarra Biodiversity Corridor Project, Western Australia

