

SUBMISSION – CLIMATE CHANGE AUTHORITY DRAFT REPORT *REDUCING AUSTRALIA'S GREENHOUSE GAS EMISSIONS - TARGET AND PROGRESS REVIEW*

Congratulations to the CCA on producing such a rigorous and lucid report on Australia's greenhouse gas emission targets and the optimal approach to this issue from a national interest perspective.

My key submissions on the draft report are as follows:

- Australia's current emission target of 5% below 2000 levels by 2020 is inadequate.
- Australia should adopt the upper range reduction target of 25% below 2000 levels by 2020. The CCA's analysis reflects that the cost of adopting a 25% reduction target by 2020 is minimal as compared to a 15% reduction target (or 5%). Further, a reduction target of less than 25% would require more dramatic cuts after 2020.
- Australia should adopt a long term carbon budget for emissions through to 2050, and this should be reviewed regularly in the manner suggested by the CCA.
- Australia should adopt a medium term emissions reduction trajectory that should be based on meeting the 2050 emissions budget, not a target of 80% emissions reduction by 2050.
- Australia should utilise international emissions reduction credits as a cost effective means of meeting domestic targets. However:
 - international emission reduction credits should only be used if they meet rigorous standards and verification processes to ensure they result in genuine emission reduction; and
 - in determining an appropriate level of international credits that can be used by Australia, it is important to strike a balance between cost effectiveness in the short term as against the need for Australia to transition to a low carbon economy to remain economically competitive in the long term. That is, there must be sufficient emission reductions being generated through domestic activity to support and develop the low carbon industries, practices and know how necessary to underpin Australia's long term prosperity.
- This is an issue that involves significant uncertainty and an optimal approach must incorporate new developments and information relating to science, measures being taken by other countries, the costs and

benefits of emission reduction and other relevant issues. Therefore, from an institutional perspective, it is vital that Australia retains the CCA (or a similar body) with the experience and capability to provide ongoing advice on emission targets and budgets that takes account of all of these factors.