

29 November 2013

Ref: LT0741113CCA

Anthea Harris  
Chief Executive Officer  
Climate Change Authority

**Re: Submission on Targets and Progress Draft Report**

Dear Anthea,

Thank you for the opportunity to provide a submission to the Targets and Progress Review Report. I commend the Climate Change Authority on your hard work to produce a thorough and bold report that is well communicated. We trust that the report, along with the many submissions from a diverse section of individuals, organisations and corporations in Australia, will be thoroughly considered by the Government to continue and enhance Australia's climate change action.

**Recommended Emission Reduction Goals**

The CCA has canvassed two options for Australia's emission reduction goals for 2020 – 15% and 25%. I strongly support Australia aiming higher than 5% by 2020 - and I agree with the well articulated arguments put forward in the report, and of course the fact that the science points towards the necessity for more ambitious targets. The 5% target has become meagre in comparison to international action. Staying with 5% goes against Australia's original declaration to go higher in the face of international action. Your report clearly outlines that international action is underway.

Australia has every reason to try and drive stronger international action around climate change. Australia will suffer more significantly than other countries from climate change due to the dependence of our economy on the climate, water availability and coastal security. We therefore should take more of a leadership position so we can encourage other high emitting countries to act. Internationally Australia punches higher than its weight and we should use this to encourage stronger action around climate change.

A more ambitious short term 2020 target is important to encourage early investment and development in new and clean industries. This is urgent and essential so we can remain part of (and competitive) in new global markets. The rapid decline in price of solar energy 2010-2012 demonstrated how quickly markets and industries can change – Australia needs to be part of the new clean industries and markets so as not to miss out on the next economic opportunity. Relying so heavily on old and extractive industries like coal mining and associated infrastructure without diversification leaves us heavily exposed to global economic shifts, as well as missing out on global opportunities. It is a risky and should be balanced. This in addition to the impacts these carbon extractions (albeit combusted in other countries but into our same atmosphere) will contribute to deteriorating our climate and resulting economic impact for current and future generations to bear.

As such, Australia should take Option 2 of your report with a 25% target, and follow the associated annual carbon pollution caps to 2020. This also support a more orderly approach to achieving higher targets beyond 2020.

### **Achieving the targets**

Given the short time frame to 2020, and the Governments own admission that Direct Action budget can only support 5% target, the Government should keep in place the Clean Energy legislation, including the Clean Energy Finance Corporation. This can then free up time and energy for Australia to focus on how to meet an increased target of 25% and important policy issues. In particular around the energy industry where emissions have significantly increased since 1990. There is urgent need for stable and long term policy in the renewable energy industry so that the private capital and projects, which are being held back, can be deployed. There are also changes and disruptions taking place in the national electricity market which require urgent policy and strategic planning. This process will require innovative thinking, long term view and negotiation to ensure the carbon intensive age old industries do not quash opportunities and current progress towards a lower emissions intensive electricity sector. In sort, repealing the clean energy legislation is a distraction from the urgent and significant work ahead.

### **Use of International Emissions Reductions**

I strongly support Australia using genuine international emissions reductions to achieve reduction targets, of course balanced with domestic action. Supporting (and participating in) international markets provides opportunities for growth and investment for Australian companies in new and rapidly growing markets. Growth and opportunities are far more abundant in Asia than they are in Australia's small market. Before the GFC and Copenhagen failure, the carbon market was booming in Asia and some Australians were taking advantage of these opportunities. With the failure of the international community to commit to higher targets (and EU to adjust their ETS post GFC) the market collapsed and millions of investment opportunities dissolved. If Australia promotes international emission reductions and higher targets, then this market may recover.

The CDM represents a credible framework for ensuring genuine emission reductions. Having worked in the Asian CDM market since 2003, I can attest to its strict requirements to ensure verification of each individual tonne of abatement. There is now a wealth of experience and knowledge in MRV that can be built upon to create robust emission abatements that can be used worldwide. Although the bureaucracy is cumbersome, this can be managed with greater participation and balance in the composition of its Board, panels and pool of experts, and Australia should be actively involved in the process.

Finally, I support the clear and logical approach taken and recommendations given in the Report. We trust that the recommendations, with Option 2 for targets, will be made clearly to the Government. As far as I understand this is backed by the majority of voices and submissions put forward in this Review process. Corporations should not have a disproportionately higher voice than individuals and communities. Indeed, Corporations will most likely not be around in 2020 or 2050 when we suffer the well documented and researched effects likely to occur from climate change. Whereas our communities, families and children will be around in 2050. In the last decade we have seen large Australian corporations shift from taking leadership positions in climate change, to becoming fierce opponents – not because climate change threats have diminished, but because their investment interests have changed. Their opinion should not hold higher weight than other submissions put forward.

I thank the CCA for your thorough work to prepare the report and hope it will result in higher ambition for climate action in Australia. Thank you for the opportunity to make a submission.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'B. McIntosh'. The signature is fluid and cursive, with a large initial 'B' and a trailing flourish.

Bridget McIntosh  
Managing Director  
Carbon Bridge