



29 November 2013

Anthea Harris  
Chief Executive Officer  
Climate Change Authority

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Dear Ms Harris,

### Submission on Targets and Progress Review Draft Report

Origin Energy Limited (Origin) welcomes the opportunity to make a submission on the Targets and Progress Review Draft report (draft report). We have previously made a submission on the Caps and Targets Review Issues Paper and this submission should be considered in addition to our previous comments.

#### *Key points*

The draft report is an important contribution to informing Australia's role in the global effort to mitigate the effects of dangerous climate change.

We offer a number of additional comments around the following key issues:

- International emission reductions
- Post 2020 targets
- International comparisons
- Integration of climate change and energy policy

#### *International emission reductions*

We support Draft Recommendation 6 which recommends the use of genuine international emission reductions in a cost effective manner. Whether this is used to meet Australia's minimum emissions reduction pledge, or as a cost effective way to increase our ambition, we believe it is prudent to retain the flexibility provided by using international permits.

To counter concerns around the credibility of international offset projects strict qualitative criteria could be placed on the types of units that could be allowed for Australian purposes. Quantitative limits on the amount of permits purchased could also be used as a further safeguard, and as a way of limiting concerns about the outflow of Australian funds. Direct links with other schemes would not be necessary in the first instance. Rather, international units could be a form of third party offset. This would mitigate the policy risk faced by Australian purchasers of international units.

### *Post 2020 targets*

We support the draft reports inclusion of targets beyond the 2020 timeframe. As stated in our previous submission, post 2020 targets are the most relevant to the negotiation of a comprehensive global agreement, as such an agreement is not likely to start until 2020.

### *International comparisons*

The draft report contains good information and conceptual analysis on how to compare various countries emission reduction pledges. In addition to appropriate comparisons of national pledges, Origin believes it is very important to examine in detail what action is actually taking place in these nations and to what extent this impacts particular industries, especially key Australian export industries. To build on the work of the draft report we believe it is in the public interest for further and targeted analysis to be undertaken on a periodic basis. Ideally, the Productivity Commission should be commissioned to undertake this analysis.

### *Integration of climate change and energy policy*

As recent examples in the United States (shale gas) and Japan (Fukushima aftermath) show, broader energy policy can have major ramifications for greenhouse gas emissions levels. In Australia, climate change policy has generally been viewed separately to more general energy policy. We believe there is an opportunity to integrate these policies to create more efficient and strategic policy settings that are in the national interest.

If you have any questions regarding this submission please contact [DELETED]

Yours sincerely



Tim O'Grady  
[DELETED]

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