



For immediate release

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Business group calls for Government to set greenhouse targets

Environment Business Australia (EBA) today called for the Federal government to commit to binding targets for greenhouse gas emission cuts. In its report, *Targets For Our Future*, EBA recommends cuts of 60% by 2050, with an interim target of 20% by 2020¹.

Robert Purves, chairman, EBA, said that the Federal Government must adopt targets for greenhouse gas emission cuts. The Government must intervene because the market is not yet receiving clear signals that will lead to the adoption of clean technologies in sufficient time.

Mr Purves said, "Government must stop downplaying the risks and get on with the action and setting greenhouse targets. If a meaningful target isn't adopted by government and enforced, the task will become increasingly difficult. We have to recognise the urgency of what is looming."

Fiona Wain, chief executive, EBA, acknowledged that it will be a massive undertaking for the country to achieve the cuts in greenhouse gas emissions they are proposing. It will require major policy changes in the next twelve months if we are to see the systemic infrastructure, financial, manufacturing, operational management and behavioural changes that are necessary.

Ms Wain said, "It's time for new regulation that enforces energy efficiency performance and fast-tracks deployment of clean and renewable energy technologies. No major electricity market, anywhere in the world, has developed without government intervention and the clean energy market is the same".

The EBA report noted that voluntary measures were unlikely to lead to significant enough changes in technologies and behaviour fast enough. Business needs targets, timelines and milestones to get on with the task.

Ms Wain said, "Climate change is *the* major economic and security issue of our time. We need a massive investment in our future. Eliminating waste and pollution and choosing energy sources with low/zero emissions can make the economy smarter, more efficient and more resilient and that will help build our next competitive edge in world markets. Failure to act decisively will mean Australia loses in the new market."

Australia is very vulnerable to the impacts of climate change and has a vested interest in developing the 'next great technology wave' but Government must act to get investment fast-tracked.

"Environmental technology will soon be more important than IT but in Australia investment has stalled or is going overseas. There is no clear price on carbon and emissions trading is still four or five years away", said Ms Wain.

The International Energy Agency (IEA) says that in the next 25 years US\$20 trillion will need to be invested in new energy. EBA says that this funding should be directed towards low /zero emissions energy and Australia can take the lead by showing how it can be done.

In its report the EBA concludes that a 20% cut by 2020² can be achieved through:

- *Energy efficiency (up to 20%)*
A 2% cut per annum across the whole economy
- *Recycling (up to 10%)*
Diversion from landfill and recycling of the materials, embodied energy, methane and soil carbon
- *Fuel switching (up to 10%)*
Gas and cogeneration electricity plants to replace coal-fired ones
- *Hot rock geothermal (up to 2%)*
Harnessing the earth's heat from 4 – 5 kms underground
- *Solar thermal (up to 10%)*

¹ Greenhouse gas emissions levels for 2007 are used as the baseline for these targets

² Given projected growth of the Australian economy over the period, in reality it is a 38% cut to today's levels.

Concentrating the sun's rays with large mirrors. Australia has developed a new energy storage system to be able to deliver electricity 24 hours a day

- **Solar photovoltaic (up to 2%)**
Solar panels – conceivable that one day entire buildings would be clad in PV panels
- **Marine (up to 2%)**
Wave generation, a technology with the added benefit of providing desalinated seawater
- **Wind (up to 5%)**
Well established globally

If a strong enough enabling framework were to be put in place to help technologies in the above areas deliver their maximum emission savings, then the actual cut by 2020 could be over 50%. This makes the 2050 target easier to achieve and provides flexibility to increase the 2020 target if need be.

Adoption of these readily available technologies would allow longer-horizon ones such as clean coal, hydrogen, nuclear energy and beneficial biomimicry uses of CO₂, to be applied to the 2050 cuts.

Offsets, such as planting new forests, further reducing land clearing, and returning carbon to soils will help to mitigate other carbon emissions. This is another reason why emissions trading is so important – to help reward farmers and companies who reduce emissions.

Summary - Targets For Our Future

The key points of the report are:

- **Climate change is an economic and security threat but a market opportunity**
Climate change is a major international security issue particularly for developing countries. It is also a major opportunity if Australia can position itself quickly enough in the development of new technologies.
- **Immediate action needed**
We must act immediately; climate change can no longer be considered a long-term issue.
- **Stop downplaying the risks**
We must stop downplaying the risks and seize the opportunity which could lead to a competitive advantage for Australia.
- **Converging threats of peak oil, water shortages and other issues**
The marketplace is facing a number of converging issues and needs clear and timely market signals with targets, timelines and milestones and complementary regulation.
- **60% cuts by 2050, 20% cuts by 2020 across the whole economy**
Clear and binding targets need to be put in place to guide industry sectors, investors and the community.
- **Market of scope and scale on our doorstep**
The market in our region will become increasingly competitive but offers significant opportunities to bring clean energy and renewable energy technologies down their cost curve as they are widely deployed. On the other hand, the costs and impacts of pollution and climate change will continue to rise.

A copy of the full report, *Targets For Our Future*, is available at www.environmentbusiness.com.au or by emailing eba@environmentbusiness.com.au, or by contacting Todd Stephenson (see below).

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About Environment Business Australia

Environment Business Australia is a business think tank and advocacy group promoting commercial solutions to environmental challenges. The peak industry body pushes for far-reaching policies to help shape the marketplace for clean and efficient technologies and smart systems and ideas.

For a full list of member companies and further information visit www.environmentbusiness.com.au

