

Environment Business Australia.

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EBA welcomes depth and breadth of Green Paper

Environment Business Australia welcomes the Government's Green Paper on emissions trading and carbon pollution abatement for its depth and breadth.

EBA said that the confirmation of the 2010 commencement is very important to investors and to technology developers.

The emissions trading scheme will begin the task of pricing carbon – but it is also a catalyst for the *"next great technological era"*. EBA believes this will be the basis for Australia's next competitive edge and will help create a new era of quality jobs for Australians.

"It is time for planning, architecture and strategy to address the bigger picture and the Government has clearly indicated that we must stop tinkering at the edges of the problems we face. This is the incentive business needs to get on with doing what business does best – innovating and creating wealth" said Fiona Wain, CEO.

"If there is one area that Australia, Europe, North America, China and India are all agreed on, it is that we need full scale deployment of clean energy, clean technology and energy efficiency measures. That is an important point of agreement as we tackle climate change, water shortages and environmental degradation".

It is very useful that the Garnaut Draft Report and the Green Paper have been released close together – this gives business the opportunity to address the upside of both and to investigate with Government how energy efficiency and renewable energy, in particular, can help buffer against rising oil, gas and coal prices, while building the new 'cleantech' sector which will form the basis of economies going forward.

Both the Green Paper and the Garnaut Draft Report hammer home a core message: - society has to get to grips with valuing what really matters. We must then be prepared to pay to protect the context for our food and commodities, our health and wellbeing, and our amenities.

In addition to climate change there is a fresh imperative for action. Fossil fuel prices are rising rapidly (even without including the collateral damage costs of climate change and other environmental degradation). With the price of oil reaching \$145 a barrel and oil stocks peaking; coal on a steady price rise (export prices for black thermal coal have risen from \$20 to \$120-\$140 in the past year with spot prices reaching \$170); and gas prices also increasing; action to tackle climate change may turn out to be a cost saver as well as a strategic

investment. Australia's traditional low energy prices are disappearing fast in the face of peak oil and energy security. These new costs will seep into all commodities and no part of the supply chain will remain unaffected. Smart action today can help buffer these prices and reduce the amount of climate change damage.

Investments into energy efficiency and renewable energy in particular will help save money, bring new technologies down their cost curve, and develop the new 'cleantech' or environment industry as an integral part of the economy and a key player in Australia's next competitive edge.

As an energy intensive country and one that is so vulnerable to climate change, Australia has a vested interest in demonstrating that prosperity can be maintained by being smarter and more efficient at speed. This is the key contribution we can make to international action.

A number of EBA member companies want to see complementary measures to the emissions trading scheme, and once there is a clear target and trajectory for greenhouse gas (GHG) emissions reduction, these would include:

- Clear signals
- Strong regulatory framework (harmonised across all sectors and levels of government)
- Targets for energy efficiency, renewable energy and low emissions energy technologies
- Fiscal incentives and penalties
- Investment support into R&D and commercial deployment of energy efficiency, renewable energy and low emissions energy technologies
- Investments into national and regional infrastructure (including agricultural and forestry offsets)
- Standards for appliances, the built environment and the automotive industry
- Government's own procurement and investment policies
- Education programmes

EBA particularly welcomes the inclusion of all key emitting sectors, and auctioning of the majority of permits and hypothecation of funds to structural adjustment for industry to make the transition to a carbon constrained future.

EBA would like to see the White Paper focus more on the opportunity side of climate action and has recommended a target of 40% cuts in greenhouse gas emissions by 2020 and an interim target of 20% by 2015 with energy efficiency and renewable energy playing a vital role in meeting these targets.

Fiona Wain
CEO, Environment Business Australia