

Media Release
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SBA : Direct Action is a short term ‘solution’ missing Australia’s long term opportunity

The Direct Action plan short changes Australia from the long term benefits of innovation and investment that business solutions can bring to addressing the challenge of arresting dangerous climate change, according to Sustainable Business Australia (SBA).

SBA CEO Andrew Petersen said most other developed economies are moving away from taxpayer funded approaches.

“The Direct Action Plan falls short of addressing the long-term framework needed to incentivize business to structurally reform and scale up market ready solutions to lift energy productivity and decarbonize our economy. Its inflexibility will not foster technological change or bring about rapid deployment of low cost abatement solutions,” Mr Petersen said.

“Direct Action is a return to a non-market based approach, which will be administratively complex and something business surveys conclude is not preferred. For participating businesses comprehensive emissions reduction will also be costly to manage. With the wind-down of obligations under the Clean Energy legislation package, as well as building a new emissions abatement strategy and operational structure around Direct Action, some businesses will need to manage two different regimes.”

“The challenge to decarbonise the Australian economy is much greater than the Emissions Reduction Fund can presently deliver. In the long term such a scheme will not harness the business innovation, enterprise or entrepreneurship to a scale or at the accelerated level required to create new market or employment opportunities.”

“The rejection by the government to incorporate the strategic reserve is another lost opportunity. Developing global least-cost approaches should include sound carbon abatement. The inability to utilise funds to purchase credible and verified international credits is difficult to understand, particularly as Australia is a ratified party to the Kyoto Protocol, the international market based scheme that creates these credits.”

“As it stands, the Direct Action Plan can and should only be seen as a bridge to a market based scheme where business and investors are engaged to accelerate solutions which are measurable, permanent, scalable, replicable, and beyond business-as-usual.”

“Leading international policymakers and business groups alike are looking at Australia and pondering our transition from best practice GHG mitigation to a hybrid scheme that does not set a stable or durable long term framework to promote Australia's energy and industrial transformation.”

“In reality, it will be business innovation that delivers the necessary global reductions across all sectors. But this happens most effectively with smart, coherent, predictable and durable government policies that support the ambition, are sensitive to the vulnerable, and responsible to future generations. Central to all government policies is a global commitment to phase out global net emissions by the end of this century and concerted efforts towards a **global carbon price** to provide the impetus for a global rewiring in favor of low carbon investment.”

“With the announcement of an inquiry into the return to an emissions trading scheme the Australian Parliament needs to work as one to develop a durable framework that in addition to managing emissions, serves to make responsible sustainable companies more successful.”

“As Australia’s representative of World Business Council for Sustainable Development, SBA is a contributor to a series of global roundtables leading up to the international climate negotiations in 2015 focused on business solutions and urging CEOs globally to engage and contribute to them.”

“We urge G20 leaders, international and Australian policymakers to commit to setting ambitious, long term, durable climate and energy policies that underpin business efforts to decarbonise efficiently and competitively,” concluded Mr Petersen.

SBA www.sba.asn.au was established in Australia in 1991, and is the peak body for advocacy for sustainable business activities in Australia, and appointed Global Partner for WBCSD (World Business Council for Sustainable Development) in 2014. Its members represent leading Australian businesses across sectors who share a commitment to economic, environmental and social development. SBA represents just member companies, public sector enterprises and institutions, BINGOs and community organisations, which in turn represent 100,000 + Australian employees. SBA is the secretariat for the Businesses for Clean Economy which is an initiative of over 400 business signatories. www.b4ce.com.au