

ClimateWorks Australia Submission to the Climate Change Authority's Caps and Targets Review – May 2013

ClimateWorks Australia's role as an informed stakeholder

ClimateWorks Australia is providing this brief response to the Caps and Targets Review consultation, as we are currently undertaking a major piece of research which will directly inform this review, and will be completed in July 2013. Further information on this research is provide below.

ClimateWorks Australia is an independent not-for-profit organisation, founded through a partnership between Monash University and The Myer Foundation, launched in 2009. Its purpose is to catalyse substantial emissions reductions in the next five years in Australia by working with government, business, industry groups and the community via a collaborative action based approach.

ClimateWorks has substantial experience in identifying cost-effective carbon mitigation opportunities that include energy efficiency, cleaner energy and low emissions technologies and processes across sectors.

ClimateWorks' expertise draws from research we have undertaken and published, including:

- The *Low Carbon Growth Plan for Australia*, and subsequent reports which draw on this analysis, including the *2011 update* and *The Impact of the Carbon Price Package*.
- Sector analyses including the *Industrial Energy Efficiency Data Analysis Project* (2013).

The Low Carbon Growth Plan for Australia demonstrated that it was possible to achieve domestic emissions reductions of 25% at low cost

ClimateWorks 2010 Low Carbon Growth Plan (LCGP) demonstrated that Australia had the potential to achieve greenhouse gas emissions reductions equivalent to a 25% reduction below 2000 levels at low cost using technology already available, and without changing lifestyle or the mix of businesses that comprise Australia's economy.

The 2011 Update to the Low Carbon Growth Plan showed that delay in implementing opportunities increases the cost of meeting targets and reduces the available abatement from each opportunity

In 2011, ClimateWorks updated its modelling for the LCGP. In the 12 months between the publication of the original plan and this update, the projected BAU emissions for 2020 increased, and 5MtCO₂e was lost due to delay in taking action. While it was estimated that almost all of the 5% target could still be met through opportunities below \$30/tCO₂e, further delays to 2013 were estimated to reduce this number to 84%. If no further action were to be taken before 2015, the cost of reaching the 5% target domestically was estimated to increase by \$5.5 billion per year.

ClimateWorks is currently undertaking a project to measure activity taking place across the economy to reduce emissions, and assess the impact of this activity on Australia's progress towards 2020 targets

ClimateWorks' *Tracking Progress* project involves a 'bottom-up' analysis of activity taking place across the economy to reduce emissions.

The project will deliver an assessment of activity that has taken place to date in key sectors of the economy (power, industry, buildings and land-use and waste), as well as activity that is currently under way. We will then provide estimates of the emissions reductions this activity will deliver in 2020. Finally, we will provide an estimate of the emissions for each sector in 2020, if current trends in abatement activity are continued, along with analysis of the key factors that will influence future activity and determine whether trends continue, increase or decrease.

This project will provide valuable information for the Caps and Targets review

This work will be published in July 2013, and will provide valuable information for setting future emissions targets by providing the most complete assessment available of the abatement activity that has taken place so far, including early stage activity that is currently 'in the pipeline' and will influence future emissions. In particular, this work will provide an indication of how much more abatement activity would need to take place across the economy in order to reach a 5% or 25% target, and how much more abatement opportunities are available within each sector.

The Climate Change Authority has provided partial funding for this project, ClimateWorks will ensure that the results are available to inform the Authority's caps and targets review.