

1 May 2015

UNFCCC Taskforce
Department of the Prime Minister and Cabinet
One National Circuit
Barton ACT 2600

Dear Sir

The Australian Sustainable Business Group (ASBG) has prepared this submission on [Setting Australia's Post-2020 Target For Greenhouse Gas Emissions](#).

The Australian Sustainable Business Group (ASBG) is a leading environment and energy business representative body that specializes in providing the latest information, including changes to environmental legislation, regulations and policy that may impact industry, business and other organisations. We operate in NSW and Queensland and have over 130 members comprising of many of Australia's largest manufacturing companies. Members were fully involved in the development of this submission and ASBG thanks them for their contribution.

ASBG strives to assist Government to prepare more efficient regulatory process, with the outcome of achieving practical, efficient, low cost solutions to achieve high environmental outcomes consistent with sound business practices.

ASBG has summarised its key issues:

- A carbon price using market mechanisms is required.
- Carbon pricing can be in a number of forms such as cap-and-trade or base-line-and-credit as long as a clear market signal is provided to price carbon at a reasonable level to enable a smooth transition to a low carbon economy.
- The carbon price should be set to follow Australia's main trading partners and its international position. The \$25/t price was set far too high and inconsistent with Europe's costs- currently around \$9.51/t.
- International credit trading should be open and free.
- Action to deal with international carbon trading taxation arrangements is required.
- Transition to a lower carbon use economy must be undertaken carefully. All energy generation types need to be included in this process. A renewable only approach is not an acceptable position. Renewables, especially weather affected energy generation, must be able to compete on economic merits with other energy generation sources in the provision of reliable energy to Australia, both industry, commerce, government and to the public.
- Transitions to alternative and renewable energy must be one of seed funding rather than subsidisation, with the carbon price the only ongoing price support.
- A baseline date for Australia should be based on the 1990 baseline for consistency.

- The start date for targets should be from 2020 and be a firm 10 years to provide business certainty. Longer timeframes are more likely affected by the political cycle, consequently are not very useful for business investment cycles.
- Any such target will need to be linked to Australia's energy policy and forecast change in mix of lower emission generation processes.
- Assistance, technological and taxation wise, will still need to be provided to energy intensive industries, especially those trade exposed (steel making, Portland cement, aluminium smelting etc) where there are no economically viable technological alternatives.
- Research and seed funding for innovative processes for energy intensive industries needs to be on-going and linked to international efforts and actions.

I look forward to having further discussions with the UNFCCC Taskforce in relation to the issues in this submission.

Yours sincerely

A handwritten signature in black ink, appearing to read "Andrew Doig". The signature is fluid and cursive, with a large loop at the end.

ANDREW DOIG
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