



Australia's commercial and residential buildings present energy efficiency opportunities of 30–70 per cent: the CH2 building in Melbourne is a leading example of energy-efficient design. City of Melbourne

Business signs up to support short-term cuts

While the Australian Government and Opposition are delaying making a decision about short-term cuts to greenhouse gas emissions until 2008, the National Business Leaders Forum on Sustainable Development has signed up almost 100 senior business people to support a national climate change framework that calls for a 20 per cent cut

in greenhouse gas emissions, from 2000 levels, by 2020.

The framework is based on recommendations made last year by the Australian Business Leaders Roundtable on Climate Change, whose members include Westpac, IAG, Swiss Re, Visy, BP Australia and Origin Energy.

The roundtable concluded that if Australia embraced a

target of a 60 per cent emissions cut by 2050 there would be a negligible impact on the economy; in fact, it found that delaying action to cut emissions would do more economic harm than taking early action.

After the forum's annual meeting in Brisbane in May, a consensus statement was issued arguing that 'an ambitious short-term target will be necessary if Australia is to ... galvanise the economy and create the conditions for a useful and relevant domestic cap and trade scheme in greenhouse gas emissions'.

The consensus document laid out what forum participants see as the three essential elements of an effective national framework for climate change: short-term and long-term targets for emission reductions; a broad and equitable emissions trading scheme; and Australian leadership in establishing an international scheme.

'Business leaders believe that Australia can only achieve the adjustments needed when an effective price is placed on carbon and that this should be introduced as soon as practicable', the document says.

'The scheme should not exempt favoured sectors. Allocation of licences should be based on a mixture of "grandfathering" and auction.

'It should begin as soon as practicable. Business needs the investment certainty that a carbon price signal will bring.

'We must recognise that a carbon price is unlikely to be sufficient to advance the development and deployment of low emissions technology and that other support will be needed (for example, mandatory renewable energy targets, or MRETs).

'Australia needs to design a framework that moves beyond the present Kyoto Protocol and the Asia Pacific Partnership on Clean Development and Climate (AP6) and submit it

for international debate – preferably in time for this year's meeting of the UN Framework Convention on Climate Change in Bali in December.'

Forum participants include former Shell Australia CEO, Peter Duncan; a former senior executive from the oil and coal industries, Ian Dunlop; and former federal Liberal leader, John Hewson.

Dunlop, who was Chairman of the Australian Greenhouse Office Experts Group on Emissions Trading from 1998 to 2000, would like to see Australia look beyond a 20 per cent goal by 2020 saying, 'We probably have less than five years before we cross the threshold into the arena of dangerous climate change' (see page 9).

A detailed executive report available on the forum's website overviews 10 fully costed studies showing how OECD nations can achieve deep-cut targets.

The report, developed by leading Australian sustainability think-tank, The Natural Edge Project, outlines how energy efficiency plus further investments in renewable energy supply make a 20 per cent target by 2020 achievable.

Also included in the report are findings of government research which demonstrate that energy efficiency opportunities of 30–70 per cent still exist for all industry, commercial and residential building sectors in Australia.

In the UK, one of the first countries to implement a national emissions trading scheme and carbon tax, thousands of companies achieved cuts totalling nearly three times the agreed targets by 2002. As a result, they saved over US\$650 million from reducing their greenhouse gas emissions.

More information:
National Business Leaders Forum on Sustainable Development Climate Change Framework, www.nblf.com.au

1 'Grandfathering' or free allocation of licenses can assist sectors whose international competitiveness is negatively impacted.