

EMBARGOED UNTIL 16 March 2010



## **NEW LOW CARBON GROWTH PLAN FOR AUSTRALIA**

A blueprint for how Australia can achieve an ambitious reduction in greenhouse gas emissions and build a growing low-carbon economy was released today.

The ClimateWorks Australia report provides the first comprehensive economy-wide Low Carbon Growth Plan for Australia.

ClimateWorks Executive Director, Anna Skarbek, said the report identified 54 separate opportunities - across all sectors - to reduce emissions while both continuing to grow the economy and offering profitable opportunities for business.

Ms Skarbek said that under the Plan, Australia could reduce greenhouse gas emissions by 25 per cent below 2000 levels or 249 million tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e) by 2020 but it required a combination of a carbon price and targeted actions.

"We have developed a low-carbon growth plan for Australia, which was a commitment made by all national leaders at the Major Economies Forum in July 2009," she said.

"The Plan clearly sets out actions government, business and individuals can take to reduce Australia's greenhouse gas emissions at the lowest possible cost.

"The Plan is based on the McKinsey & Company greenhouse gas abatement cost curve methodology and takes account of recent changes in technology and policy.

"It identifies actions to reduce emissions, barriers to their implementation and their relative cost in six key sectors – power, forestry, industry, buildings, agriculture and transport."

Ms Skarbek said the report shows that Australia can cut greenhouse gas emissions by 25 per cent by 2020 at a net cost to households of approximately \$185 a year.

"The new data shows that Australia can substantially cut emissions for less than \$4 per week per Australian household, which is around the same cost as a cup of coffee," she said.

"This represents the net economic cost to the community, taking into account the economic benefits from many of the actions which result in savings.

"The Plan shows there are many opportunities for emission reductions to be made at low cost or with a net economic benefit to society. The opportunities offering net savings are primarily composed of energy efficiency improvements in buildings, industry and transport.

"A carbon price will increase the incentive for business to invest in emissions reduction. For example, a carbon price would triple the volume of opportunities that are profitable for businesses, if Australia adopted the carbon price associated with the Garnaut 25% scenario of \$43 per tonne in 2013 rising to \$69 per tonne by 2020."

Ms Skarbek said a combination of a carbon price and targeted actions were required to achieve a 25 per cent reduction in emissions from 2000 levels.

“Additional action will be required to overcome other barriers that do not respond to a carbon price. These include market structure and supply, information gaps, decision process, capital constraints and investment priorities,” she said.

“Delaying action will mean some low cost opportunities are lost. Many emissions reduction opportunities exist only for a finite period, for example installing inefficient equipment locks in excessive emissions for many years into the future.”

Key findings of ClimateWorks Australia’s Low Carbon Growth Plan include:

**Buildings opportunities include:**

- Reducing oversized and unnecessary equipment, decreasing energy losses from open refrigeration and insufficiently insulated ovens, improving the energy efficiency of all appliances and equipment, replacing electric water heaters with gas and solar-powered water heaters

**Transport opportunities include**

- Improving the fuel efficiency of petrol- or diesel-fuelled cars and trucks, for example decreasing the accelerating and rolling resistance and weight of the vehicles

**Agriculture opportunities include:**

- Soil carbon sequestration such as increasing the prevalence of deep rooted perennial grass species, optimising grazing intensity and timing, and reducing salinity and erosion through revegetation, and reducing livestock emissions through using higher quality feed and anti-methanogenic vaccines

**Forestry opportunities include:**

- Reforestation, including commercial timber forestry and on-farm reforestation such as planting 1–2 per cent of productive farmland with trees in the form of windbreaks or plantings along waterways and as tree islands to shade livestock, reducing first-time deforestation and reducing clearing of regrowth

**Industry opportunities include:**

- Energy efficiency through improved control systems and processes, reduction of duplicated or oversized equipment, upgrade of motor systems, decrease of energy losses in boilers and steam distribution systems, and waste heat recovery

**Power opportunities include:**

- Onshore wind, coal to gas shift, solar thermal with storage, improved coal and gas power plant thermal efficiencies and reduced transmission and distribution losses

\*ClimateWorks Australia is a new non-profit organisation that provides practical solutions dedicated to a sustainable and prosperous low carbon society. It was formed through a partnership between The Myer Foundation and Monash University and has international links with the US-based ClimateWorks Foundation.

**Contact: Anna Skarbek 0419 686 018**

**[www.climateworksaustralia.org](http://www.climateworksaustralia.org)**