
At last, PM gets break on climate plan

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Ambitious ... Anna Skarbek, Photo: Simon Schluter

THE government's carbon price plans could deliver more than double the cut in domestic greenhouse gas emissions that Treasury predicted, a new analysis by the research group ClimateWorks has found.

In a report to be released today, ClimateWorks says "complementary measures" included in the plans - such as a \$10 billion clean energy financing corporation, carbon farming programs and payments to close high-emitting power plants - working alongside a carbon price will boost the scheme's overall effectiveness.

The report finds all up the climate change deal negotiated between Labor, the Greens and independent MPs could "unlock" 133 million tonnes of emissions savings across Australia by 2020.

ClimateWorks's findings are more than double those predicted by Treasury, which suggested a carbon price would reduce domestic emissions by 58 million tonnes by the end of the decade. But Treasury's modelling did not include the complementary measures and was based on a \$20 a tonne starting carbon price, less than the government's proposed \$23 starting price.

Australia has to reduce its emissions by 159 million tonnes by 2020 if it wants to meet the bipartisan 5 per cent reduction on 2000 levels.

Emissions cuts not made domestically through a carbon price or other measures will have to be met through importing international carbon offset permits created by developing nations.

ClimateWorks's head, Anna Skarbek, said the findings suggested Australia should set a more ambitious target of 25 per cent by 2020.

Ms Skarbek said ClimateWorks's analysis showed a carbon price and complementary measures working together would remove a number of barriers for industry to invest in reducing their emissions.

"Our report found that the carbon price improves profitability for these actions by making it more cost effective for business to reduce emissions," she said.

Ms Skarbek added it was important that the complementary measures were well designed and implemented properly to achieve the most emission cuts possible.

The opposition has been critical of the amount of international permits that will be required to meet the 5 per cent target under the government's scheme according to Treasury's analysis.

The Opposition Leader, Tony Abbott, said after the carbon price package was released: "Under the government's own proposals we are going to have to spend or Australian businesses are going to have to spend more than \$3 billion a year purchasing abatements from abroad and we all know the potential for fraud, the potential for scamming."

While ClimateWorks has found 133 million tonnes of carbon savings could be driven by the carbon package within Australia borders, not all of those savings will be able to contribute to the 5 per cent target.

In its findings, ClimateWorks has included 12.2 million tonnes reduction from land sector measures - such as soil carbon - that cannot be counted under international rules.

ClimateWorks has also included 12 million tonnes of carbon savings from a national energy efficiency scheme requiring energy retailers to ensure their customers use less power.

The government has so far only committed to do a further study on a national energy savings scheme, and has reserved a final decision on the scheme.

Ms Skarbek said when carbon savings not recognised internationally were excluded, the domestic cuts identified by ClimateWorks still accounted for 76

per cent of the cuts needed to meet the 5 per cent 2020 target, meaning far less international permits than Treasury suggested.

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