

ClimateWorks Australia's Low Carbon Growth Plan for Australia (2010) available in print and online

How has the Low Carbon Growth Plan for Australia integrated environmental, social and governance (ESG) behaviour into Australia's corporate and investment culture and contributed to investor markets?

Economy wide plan highlighting opportunities for business

- The Low Carbon Growth Plan is the first comprehensive economy wide Growth Plan for Australia that analyses and presents information from both a societal and investor perspective highlighting the least cost opportunities for investment into carbon abatement while continuing to grow the Australian Economy.
- The Low Carbon Growth Plan analyses costs as well as volumes of abatement, providing substantive data in an area where there was little available previously. By focusing on the lowest cost opportunities and highlighting that many of those opportunities are already profitable to investors, the Low Carbon Growth Plan provides industry and Government with a compelling case for climate change action.
- The Low Carbon Growth Plan for Australia provides a roadmap for the first ten years of transition, a roadmap that does not require technological breakthroughs or significant changes to the business mix in our economy or to the lifestyles of Australians. This method of prioritisation is a new and innovative way to combine a two-dimensional cost-curve analysis with a third dimension that is very important in climate change: the risk of emissions lock-in. This method of prioritisation helps to present the many emission reduction opportunities in a useful, easy to understand way.

Innovative cost curve methodology that quantifies costs to the investor

- This is the first time that the whole of economy cost curve has also been presented from the investor perspective, taking into account the private cost of capital for each sector, energy taxes, retail margins and subsidies. This provides a clear signal to businesses about which opportunities are already profitable. This approach is innovative and was lacking in the public debate on emissions reductions prior to this. Cost curves typically focus on one business or one sector looking at the costs or benefits of proposed mitigation efforts from a society wide view point but fail to describe the operating environment in which businesses make investment decisions. By including realistic costs of capital and accounting for taxes and subsidies the ClimateWorks analysis has more relevance and use for industry. The Low Carbon Growth Plan takes a whole of economy approach, demonstrating that opportunities for carbon abatement exist in all industries, and also that there is clearly a role for all sectors of the economy in climate change mitigation.

High level of business engagement

- In researching, assimilating data and presenting the findings of the Low Carbon Growth Plan ClimateWorks has sought to engage business on many levels to enable a transparent, easy to interpret and reliable report. This is shown in our bottom up approach to data collection, extensive sense checking with recognised leaders and experts in each sector and our presentation of data in an easy to understand format that makes sense to business. This has been recognised and applauded by business leaders.
- Overall, the work is innovative and first of its kind providing a level of detail not previously obtained and has had a significant impact on perspectives on carbon abatement analysis for investors, government, business and community.

Achievements – The findings have shaped policy direction and investment decision making processes

- The report launch received national coverage and was covered in all states of Australia in a wide range of media including print, radio & TV including a front page story in The Sydney Morning Herald.
- The report has provided much information that is readily useable by others and has been referenced in government reports such as the Prime Minister's Energy Efficiency Task Group Report.
- In addition, the report's findings have been – and continue to be – presented in boardrooms, to Government working parties, to Ministers, at conferences and seminars, reaching at least 3000 specific audience members. We also receive near daily meeting requests from organisations wishing to work with us in the future to realise the opportunities highlighted in the report, or to understand the findings in order to shape their own policy direction.
- Assessor reports from organisations such as Australian Industry Group (AiG), Siemens Australia, MECU and other industry experts highlight the usefulness and the positive impact created by this innovative work.
- ClimateWorks has since been commissioned to undertake regional Low Carbon Growth Plans for Geelong and Gippsland further highlighting the Plan as a useful tool to help shape investment decision making processes in order to mitigate climate change.