

A large, stylized letter 'C' composed of various shades of blue and green segments, positioned on the left side of the slide.

Caps and Targets Review

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Chief Executive Officer

6 May 2013

ABOUT THE CLIMATE CHANGE AUTHORITY

Who we are

- Established by *Climate Change Authority Act 2011* to provide expert advice on climate change policy
- Independent statutory authority, comprising nine members and supported by a secretariat
- Report to Australian parliament through Climate Change Minister
- Subject to Ministerial direction on general matters only, not on the conduct or content of reviews

Authority members



Bernie Fraser



Ian Chubb



Lynne Williams



John Marlay



John Quiggan



Heather Ridout



Clive Hamilton

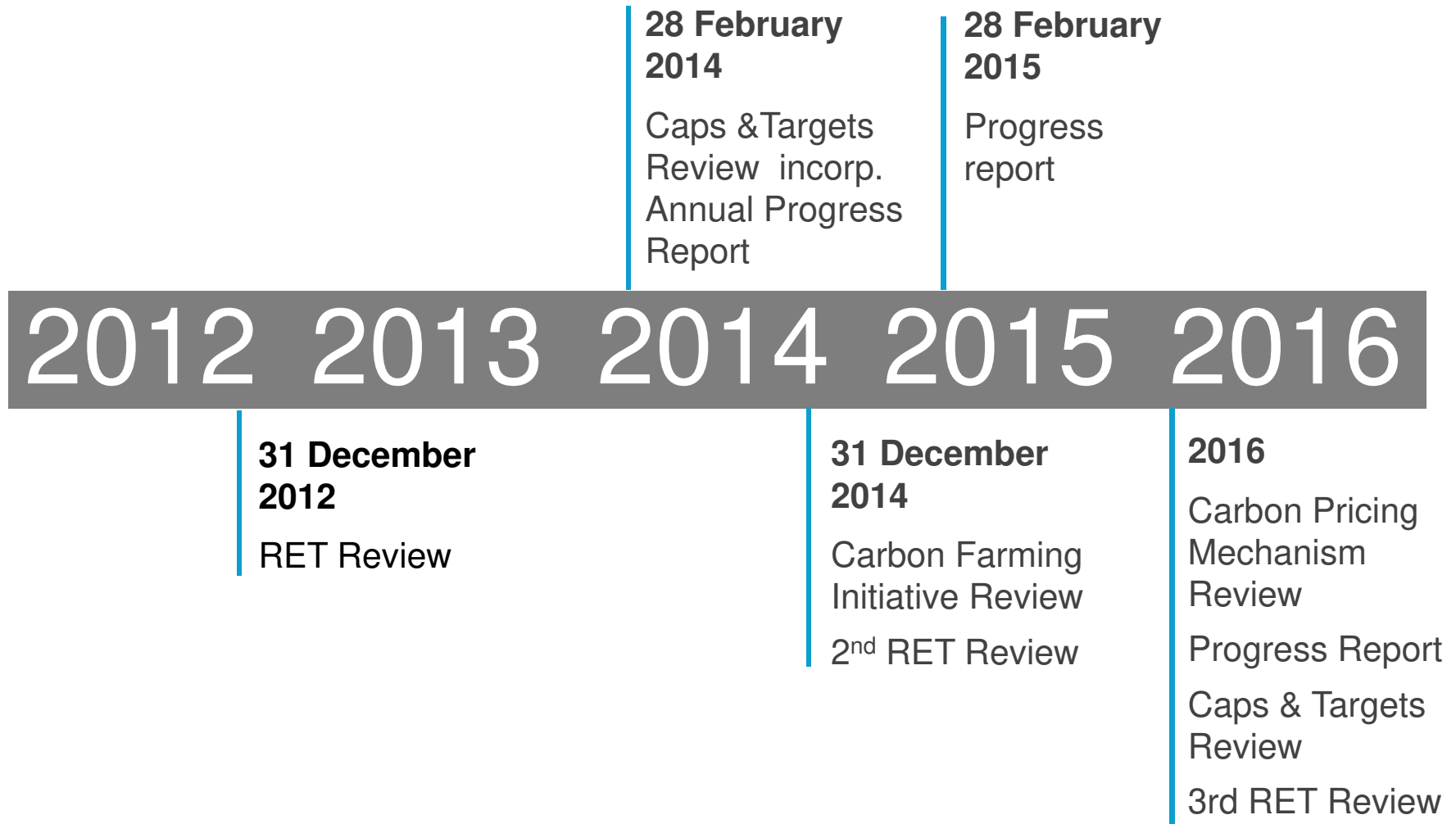


Elana Rubin



David Karoly

Authority's work program



THE CAPS AND TARGETS REVIEW

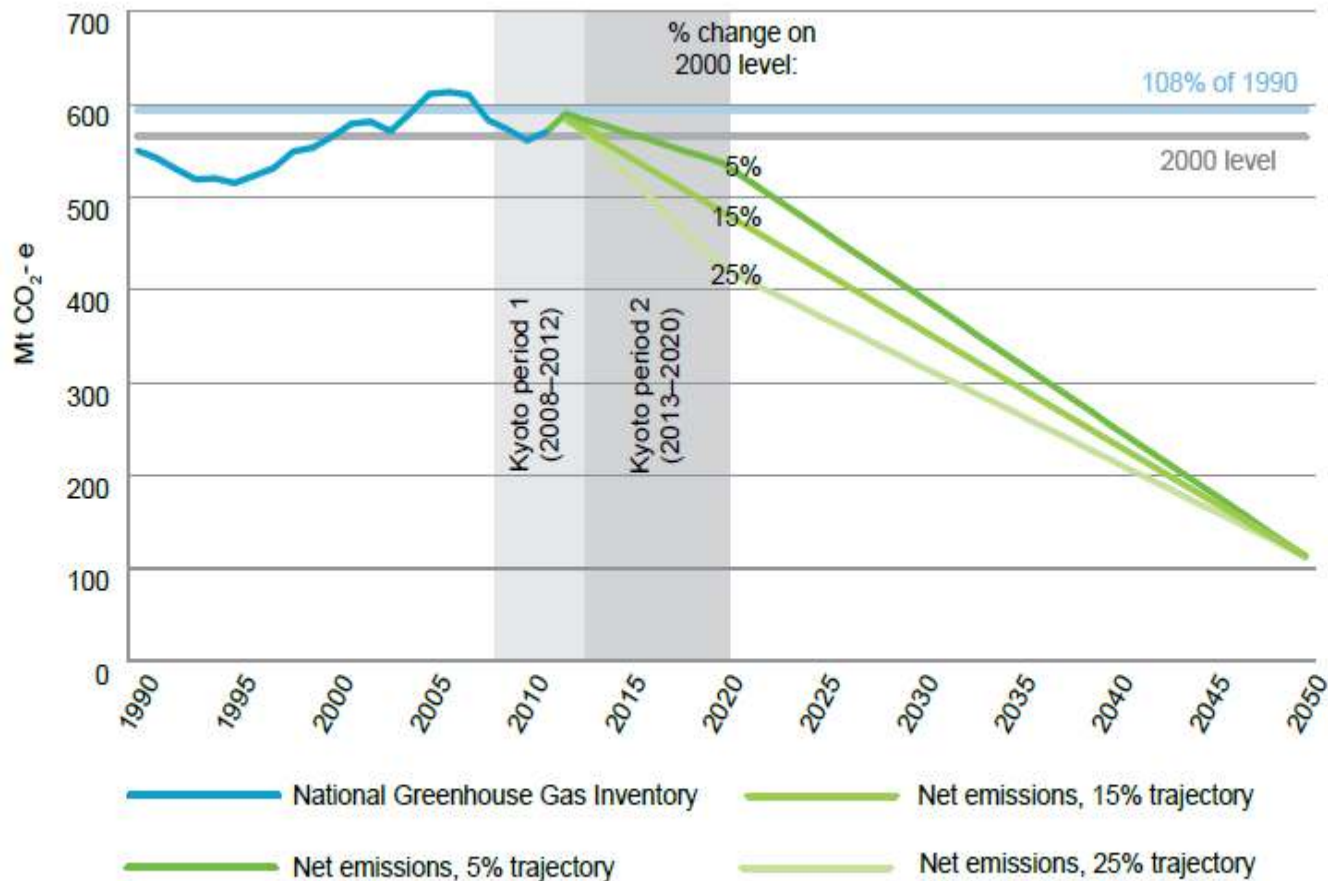
The Caps & Target Review

- The Authority will:
 - review Australia's progress towards its medium and long term emissions reduction targets
 - recommend a 2020 emissions reduction target
 - recommend caps (or 'limits' on emissions) for the first five trading years of the carbon pricing mechanism
 - recommend a national carbon budget and indicative national emissions trajectory
- The Caps and Targets Review will look at Australia's emissions reduction goals not the policies & measures to achieve targets

Australia's Emissions Reduction Targets

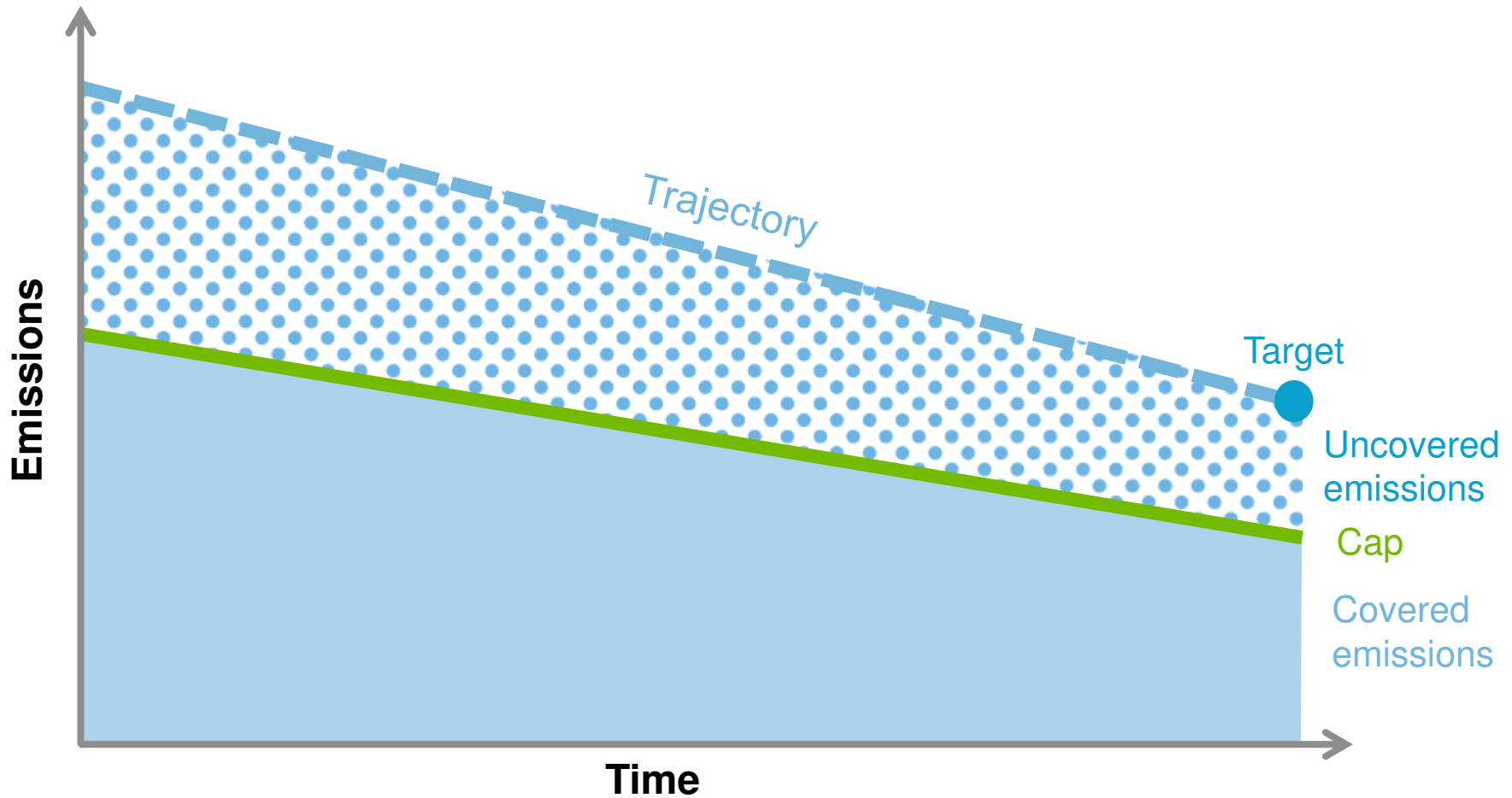
- Government's current emissions reduction targets:
 - 80 per cent below 2000 levels by 2050
 - 5 per cent below 2000 levels by 2020
- The Government has indicated it will increase the 2020 emissions reduction target by up to 15 per cent or 25 per cent below 2000 levels if particular conditions are met.

Australia's emissions since 1990 and current targets



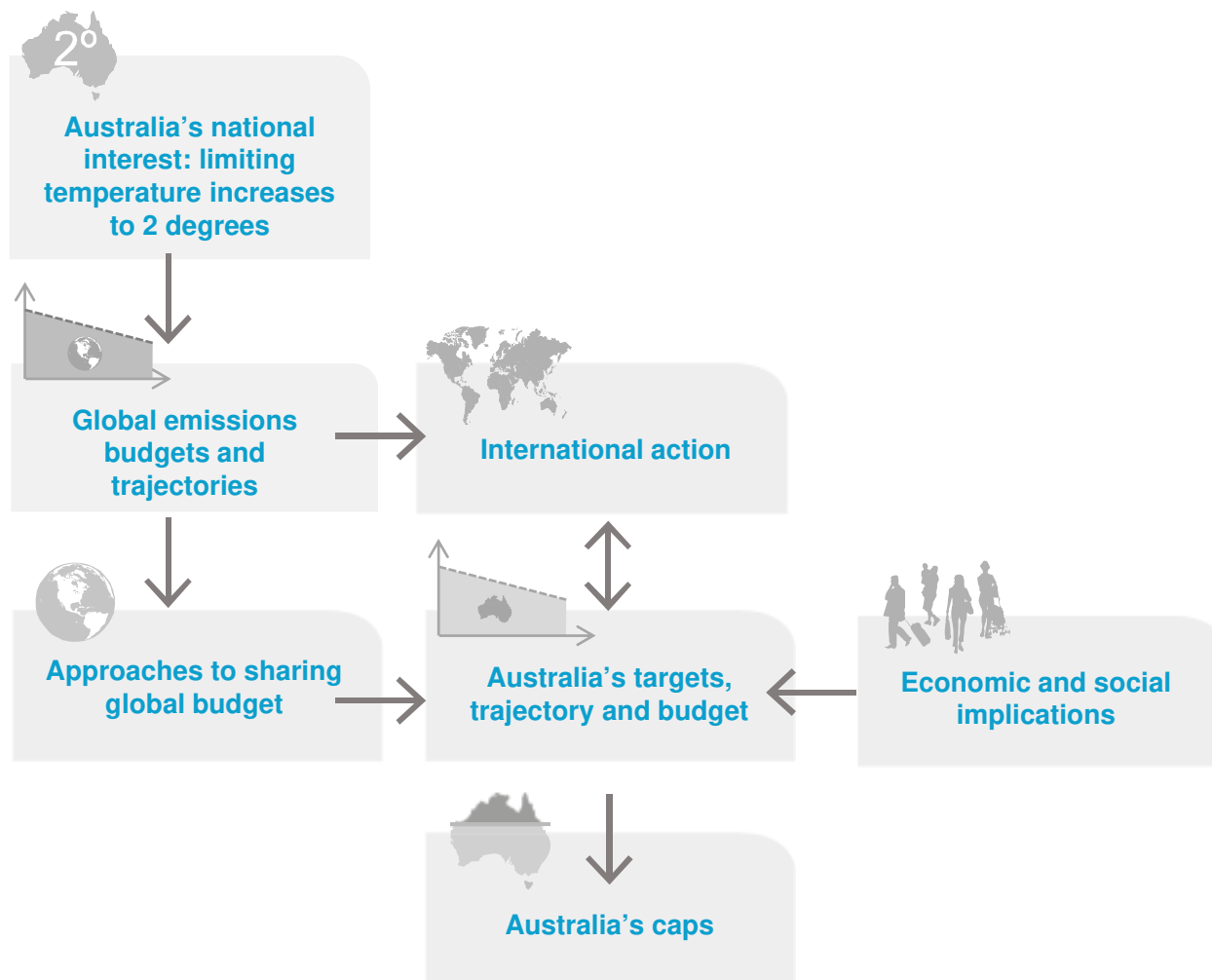
Note: Trajectories to the 2020 and 2050 targets are illustrative; they begin in 2012 and assume a straight line reduction to the target. The Authority will recommend a trajectory as part of its final report.

Key concepts

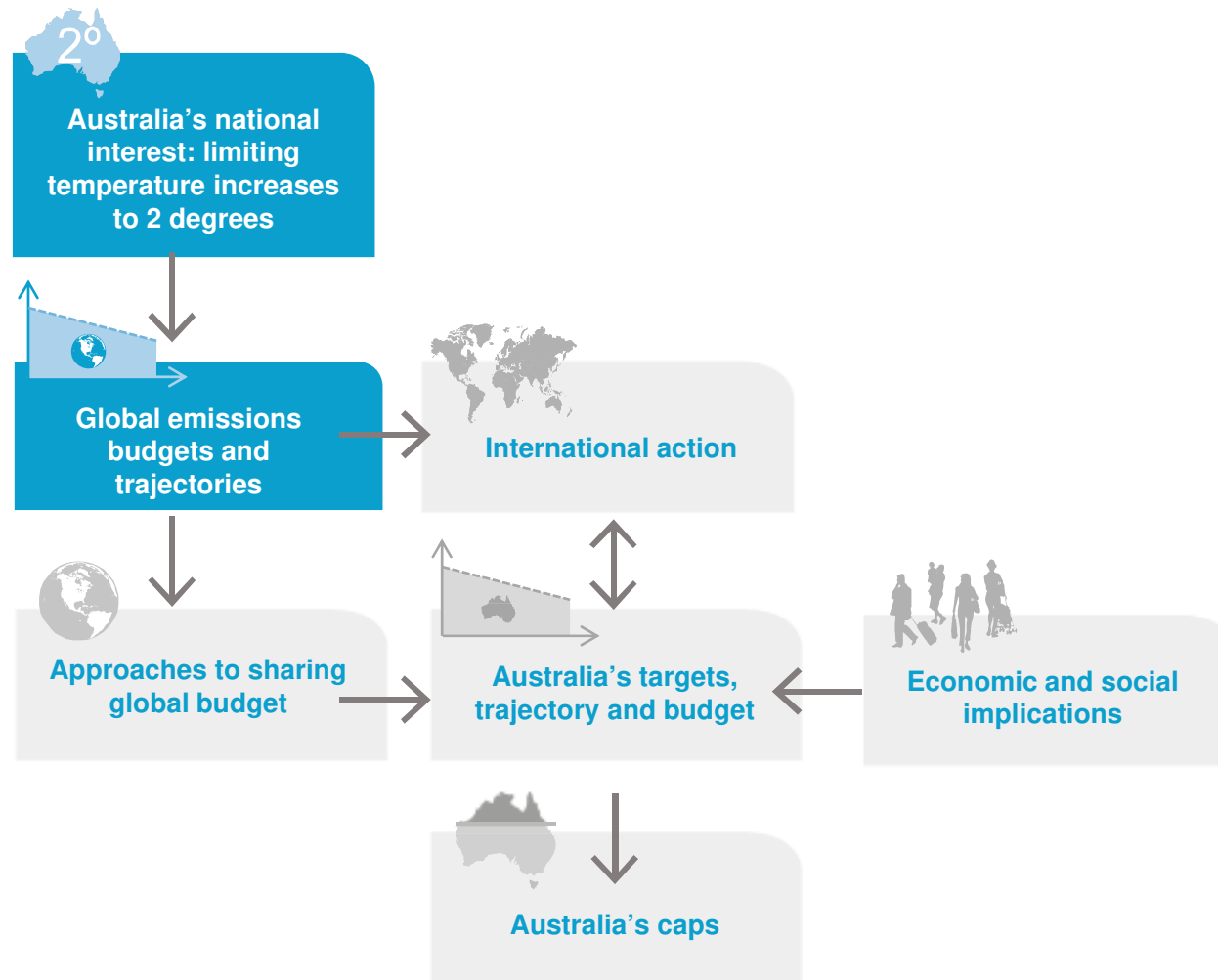


KEY MATTERS WE WILL EXAMINE IN THE CAPS & TARGETS REVIEW

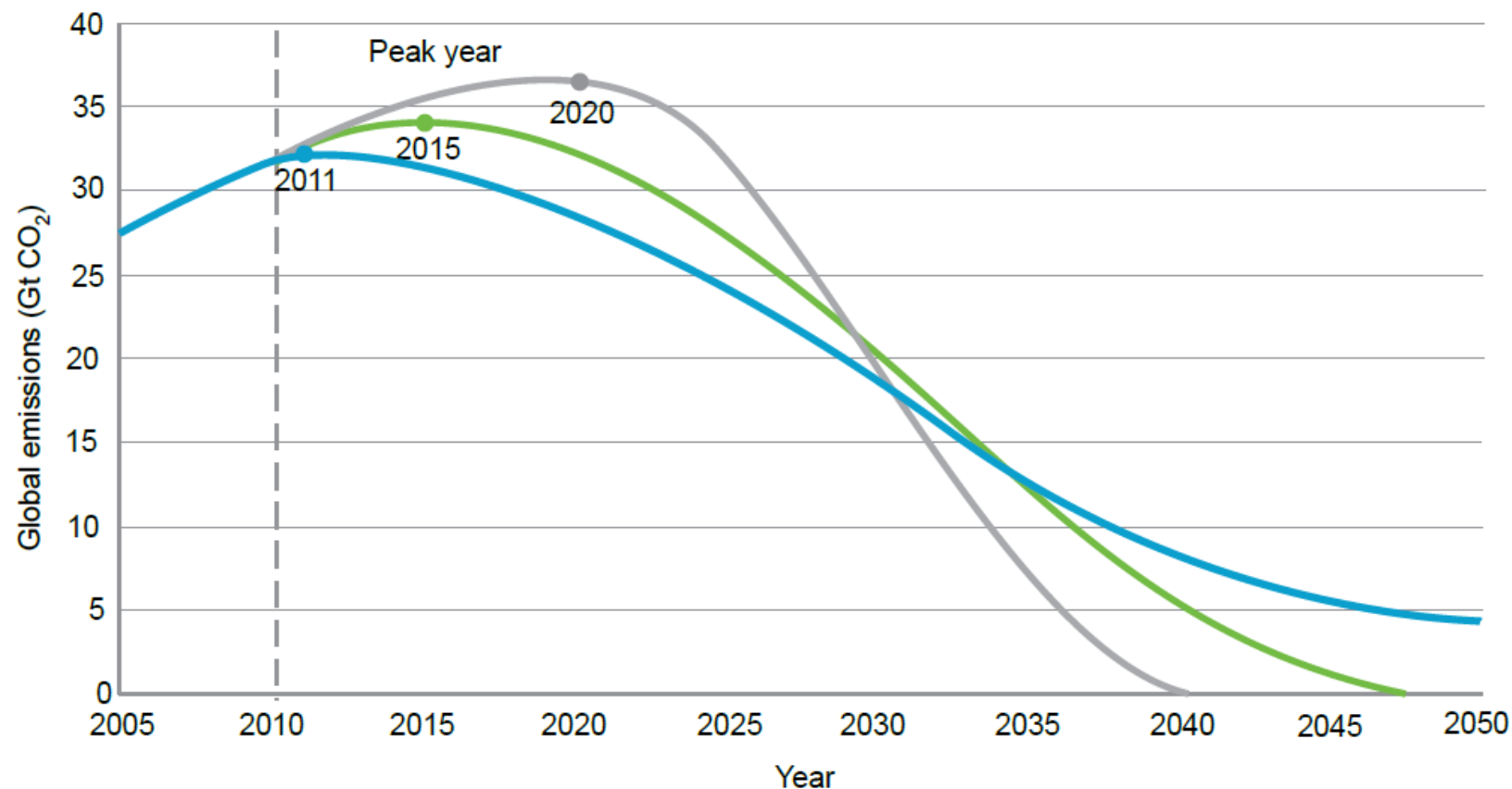
Authority will consider four key matters to inform its recommendations



(1) Climate science

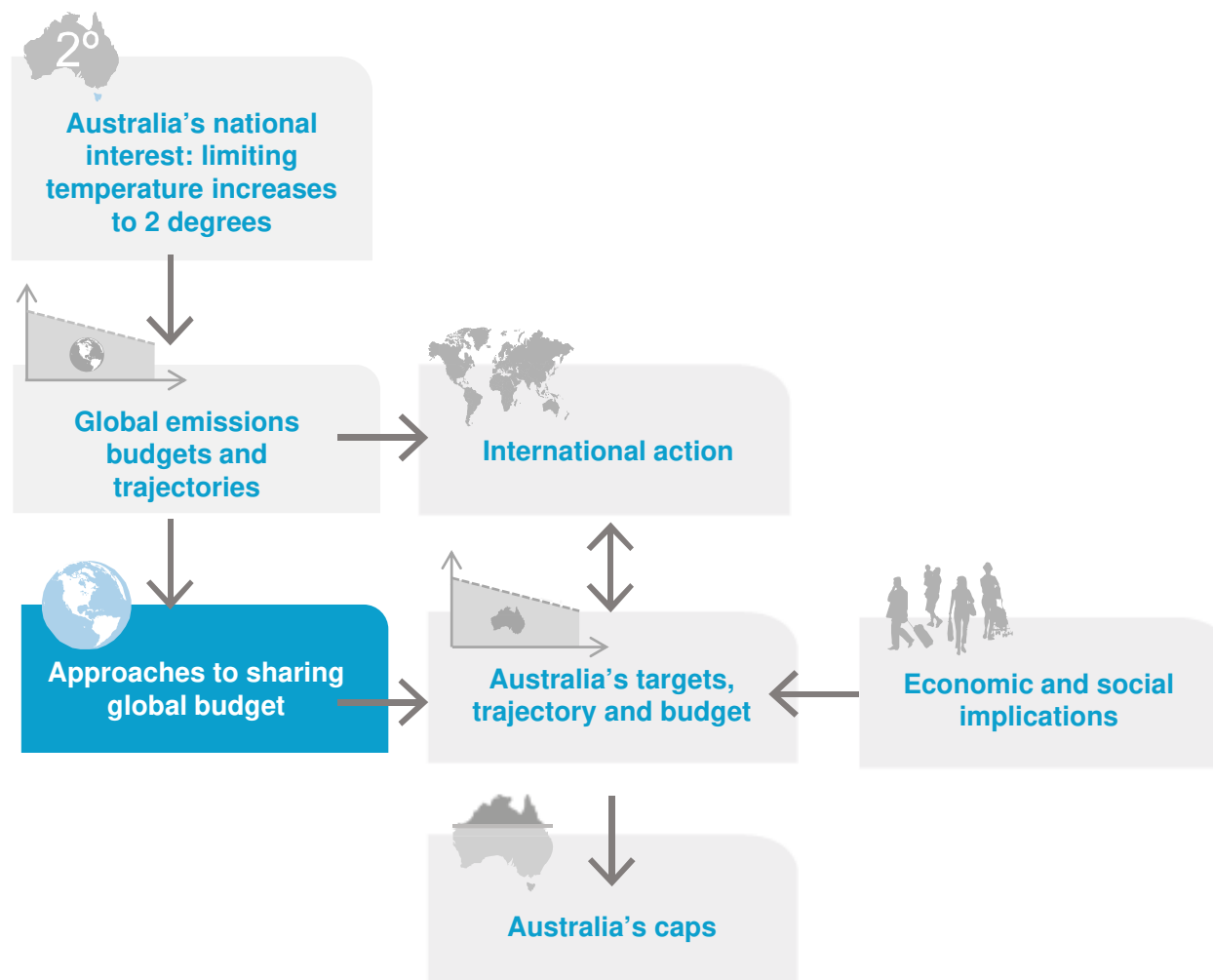


Global emissions budgets and trajectories



Source: Adapted from German Advisory Council on Global Change, 2009

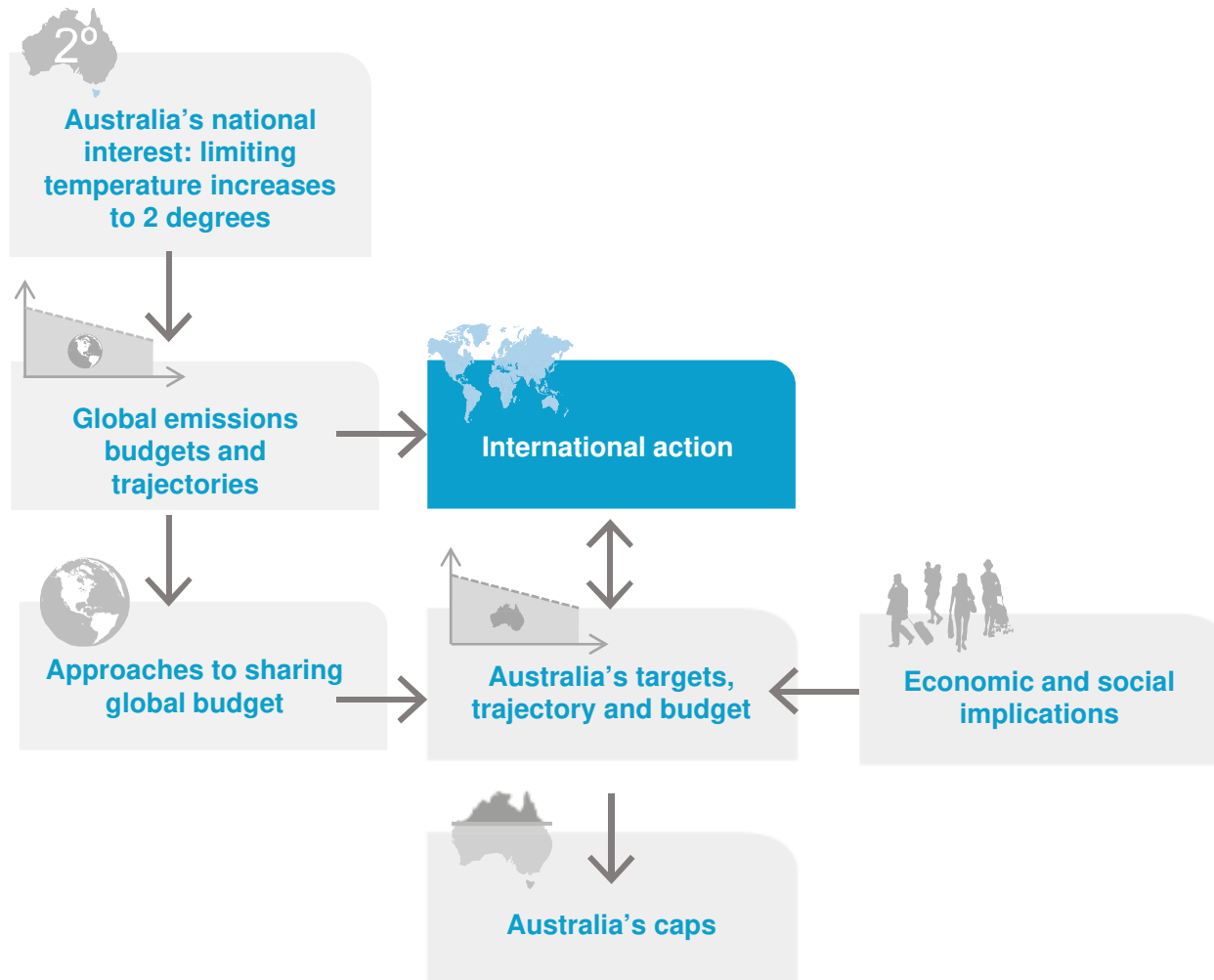
(2) Australia's share of the global emissions budget



Australia's share of the global emissions budget

- The Authority will consider what is a defensible, fair share of the global emissions budget
- Possible factors we will take into account:
 - Capability
 - Responsibility
 - Equality
 - Access to sustainable development

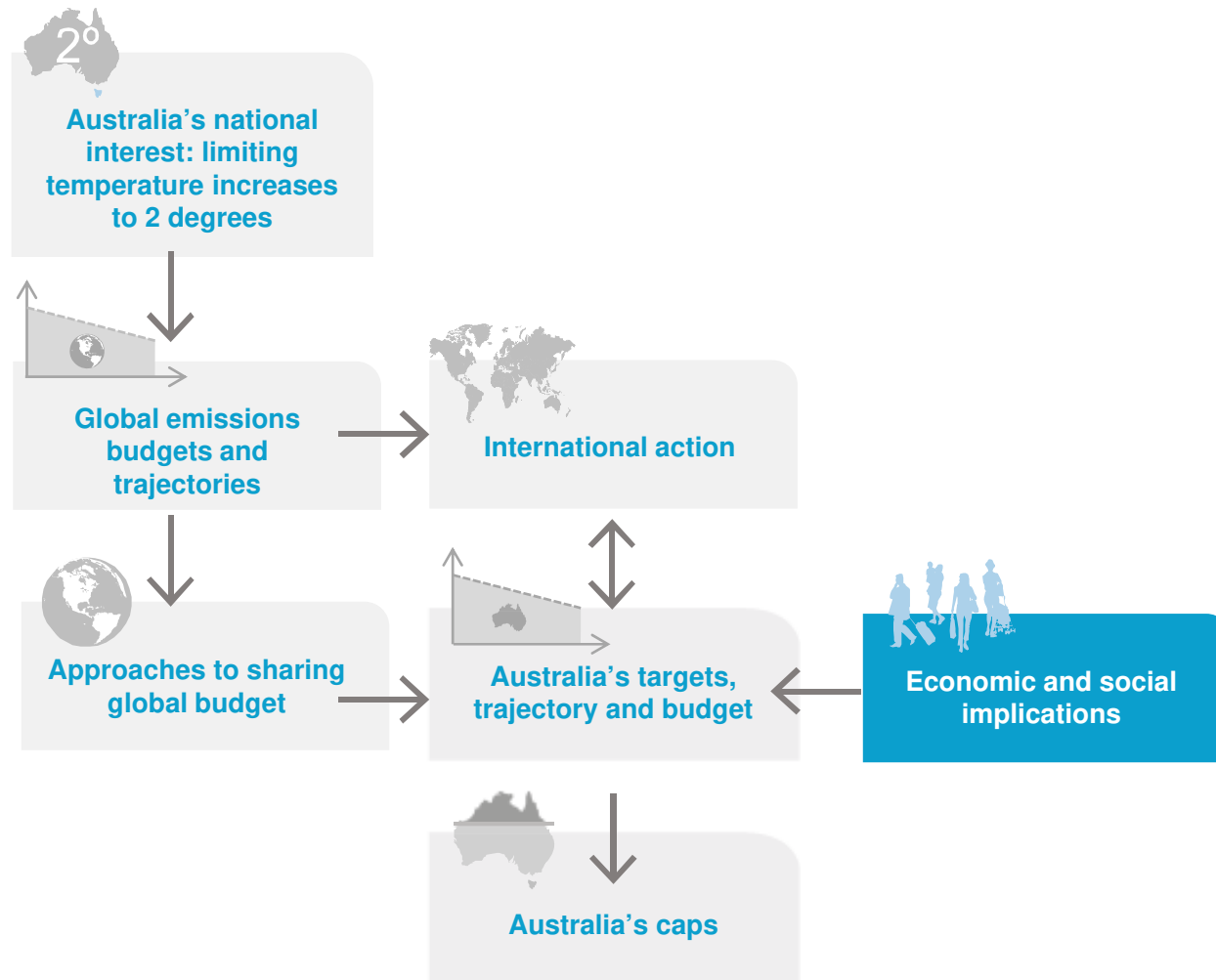
(3) International action



Current international action

- The Authority will consider the level of global action to reduce greenhouse gas emissions, including
 - More than 90 countries, covering 80 per cent of global emissions, have 2020 emissions reduction goals under the United Nations Framework Convention on Climate Change
 - Countries have put in place a range of domestic policies and measures to meet their goals
- The Authority will examine how different Australian 2020 targets compare to those of other countries
 - Such as other major emitters, trade competitors, and countries with a similar level of development

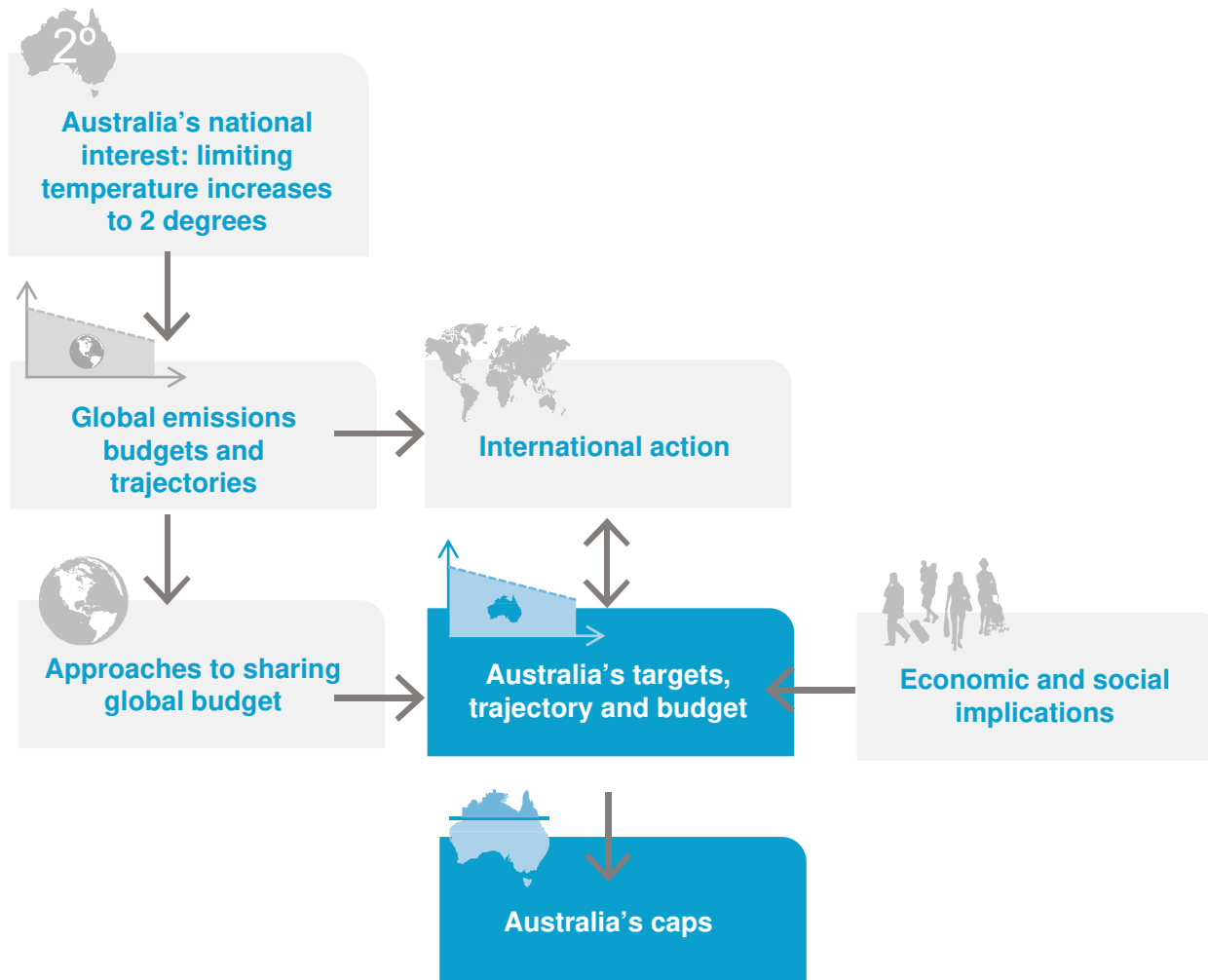
(4) Economic and social implications



Economic and social implications

- The Authority will examine the economic and social implications of different targets, for example:
 - Changes to prices
 - Changes to economic growth and national income
 - Changes to patterns of industrial activity
- In this Review the Authority will not examine the costs and benefits of
 - taking action on climate change
 - the carbon price or other domestic policy mechanisms

Bringing it all together: recommendations on targets, trajectories and caps



Bringing it all together

- Authority will need to consider how to translate targets and trajectories to caps
- Authority will need to consider timeframes for recommendations
 - How far beyond 2020 we provide guidance - 2030? 2050?
 - And in what form - longer term carbon budget or target?

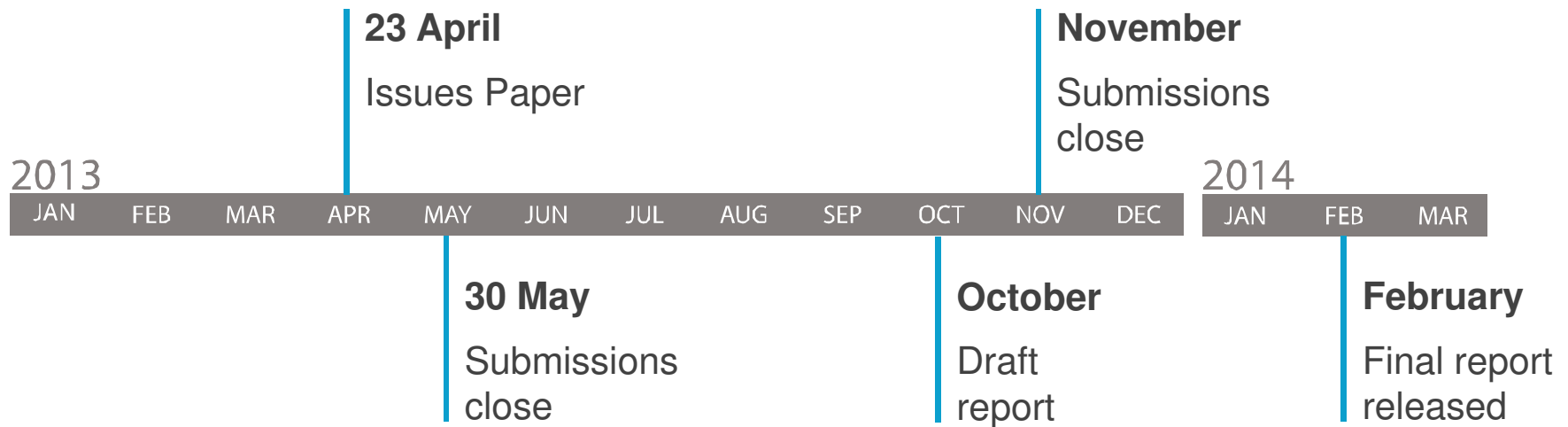
LOOKING AT AUSTRALIA'S PROGRESS TOWARDS OUR EMISSIONS REDUCTION TARGETS

The Authority will review Australia's progress to reduce emissions annually

The Authority will:

- examine what has been driving changes in emissions to date
- develop a framework for assessing future progress
- explore opportunities and risks from links between the domestic carbon pricing mechanism and international carbon markets

Caps & Targets Review timeline



Issues Paper available at:
<http://climatechangeauthority.gov.au/caps>