

A large, stylized letter 'C' graphic on the left side of the slide. It is composed of several segments in various shades of blue and green, arranged in a circular pattern.

# Caps and Targets Review

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Anthea Harris  
Chief Executive Officer

7 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

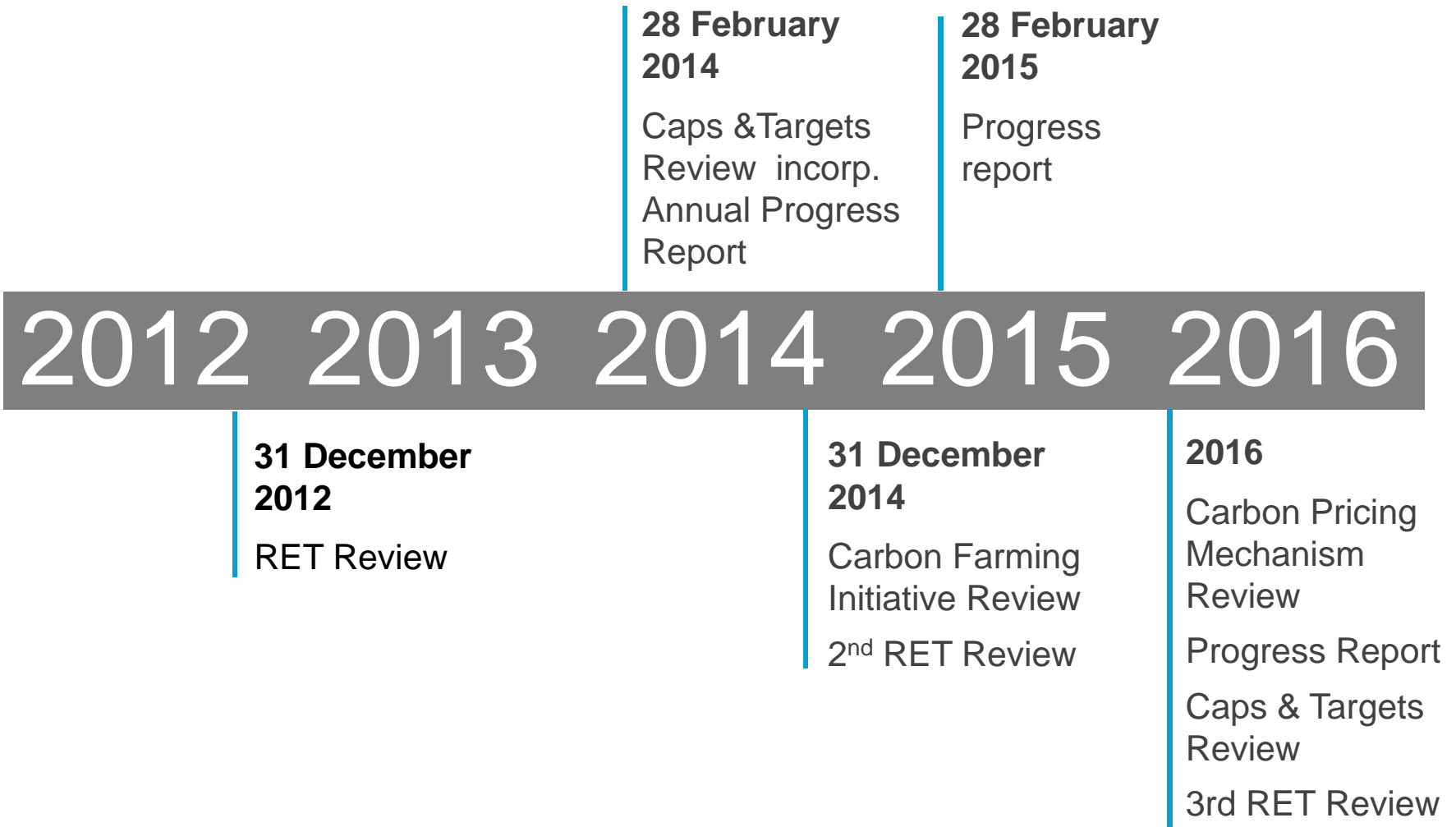


Elana Rubin



David Karoly

# Authority's work program



# THE CAPS AND TARGETS REVIEW

# The Caps & Target Review

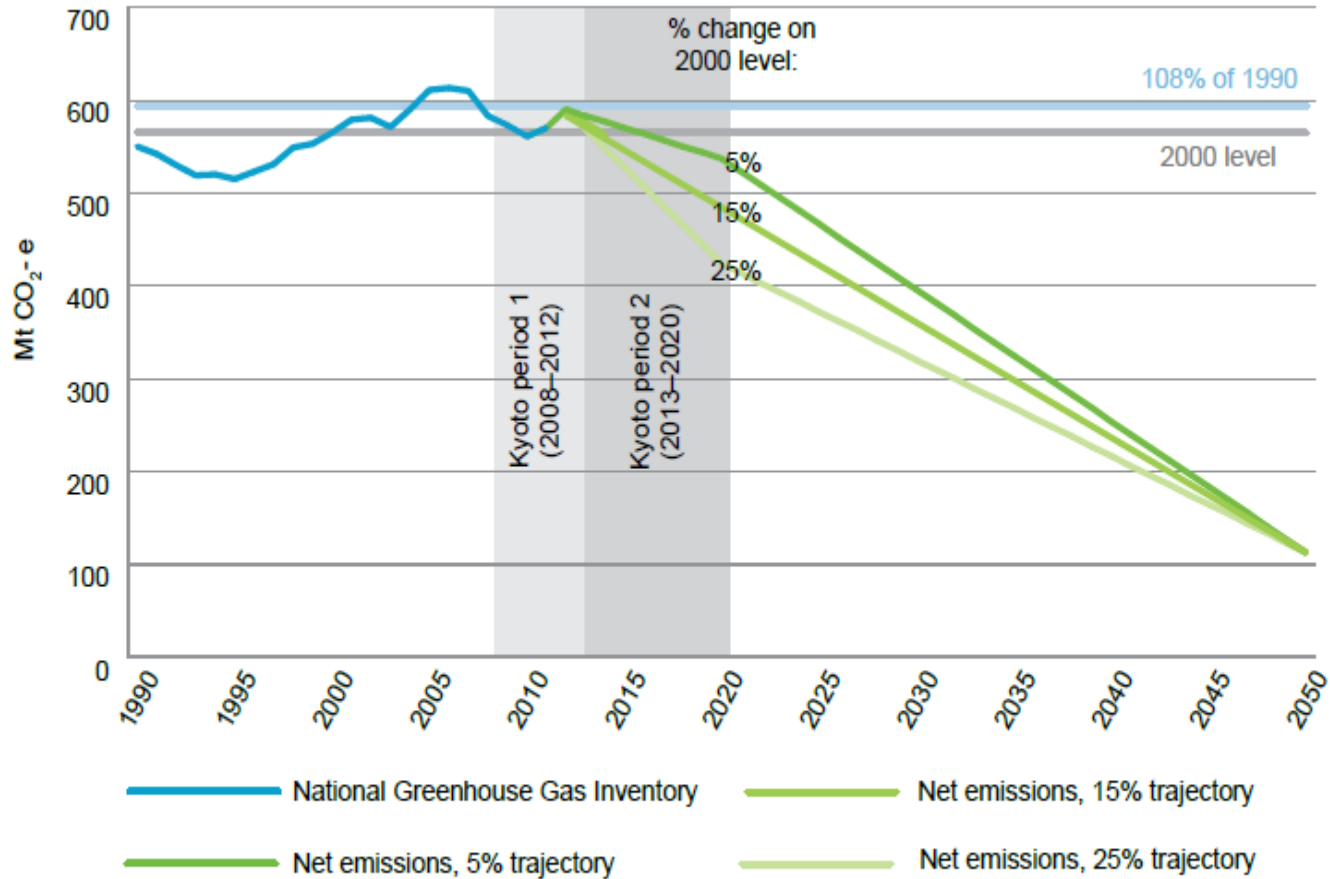
- The Authority will:
  - review Australia's progress towards its medium and long term emissions reduction targets
  - recommend a 2020 emissions reduction target
  - recommend caps (or 'limits' on emissions) for the first five trading years of the carbon pricing mechanism
  - recommend a national carbon 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.

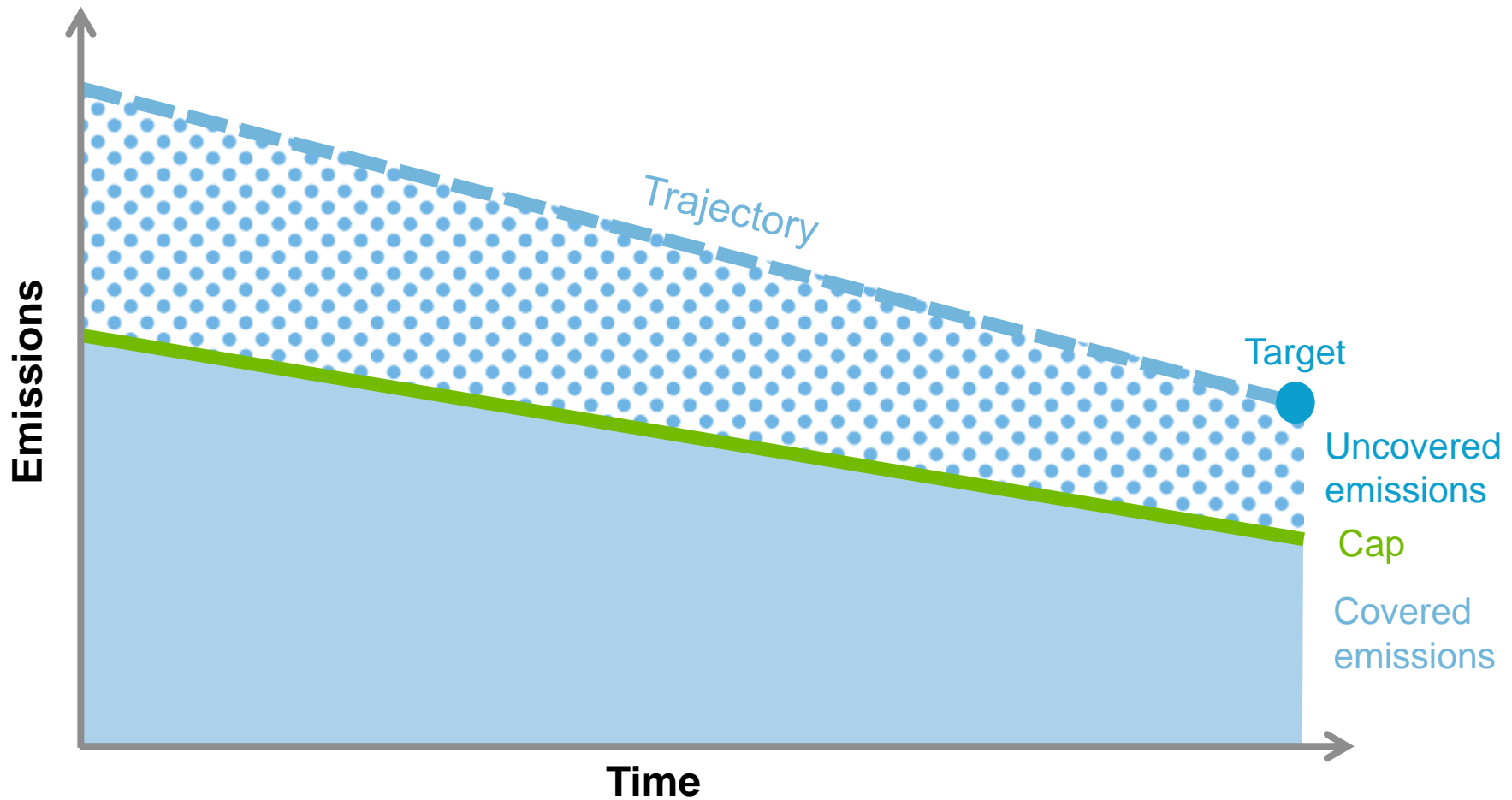


# Australia's emissions since 1990 and current targets



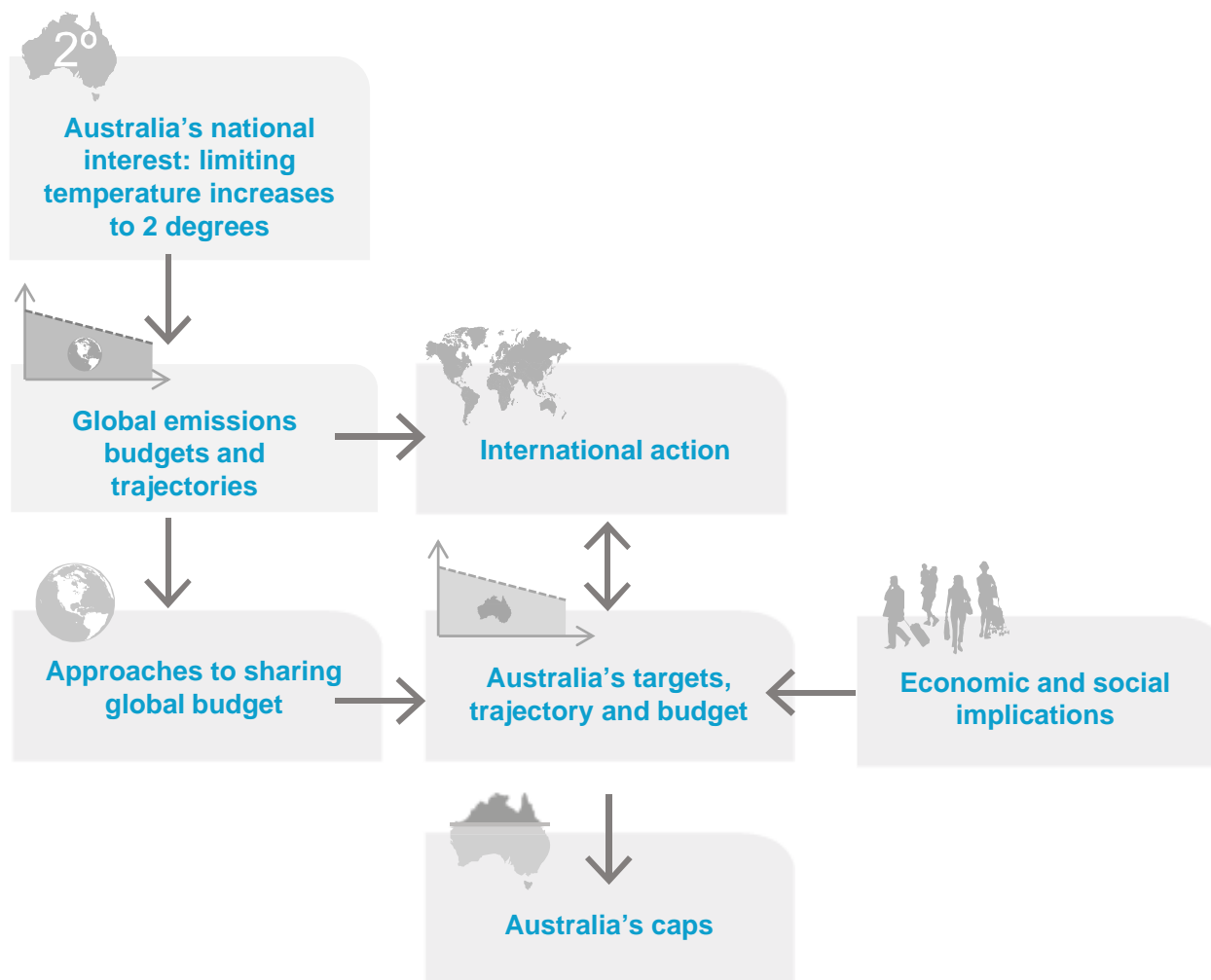
Note: Trajectories to the 2020 and 2050 targets are illustrative; they begin in 2012 and assume a straight line reduction to the target. The Authority will recommend a trajectory as part of its final report.

# Key concepts

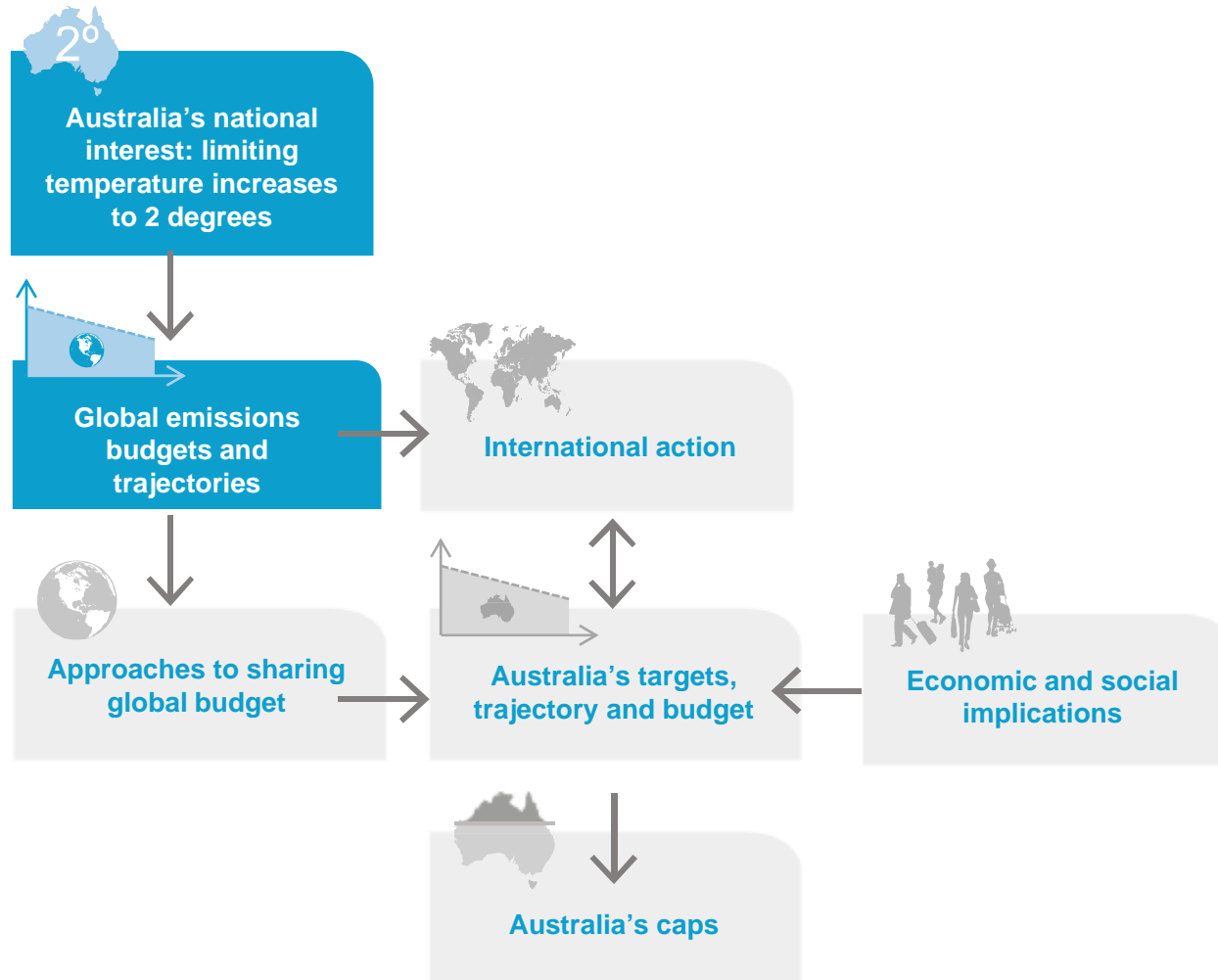


# KEY MATTERS WE WILL EXAMINE IN THE CAPS & TARGETS REVIEW

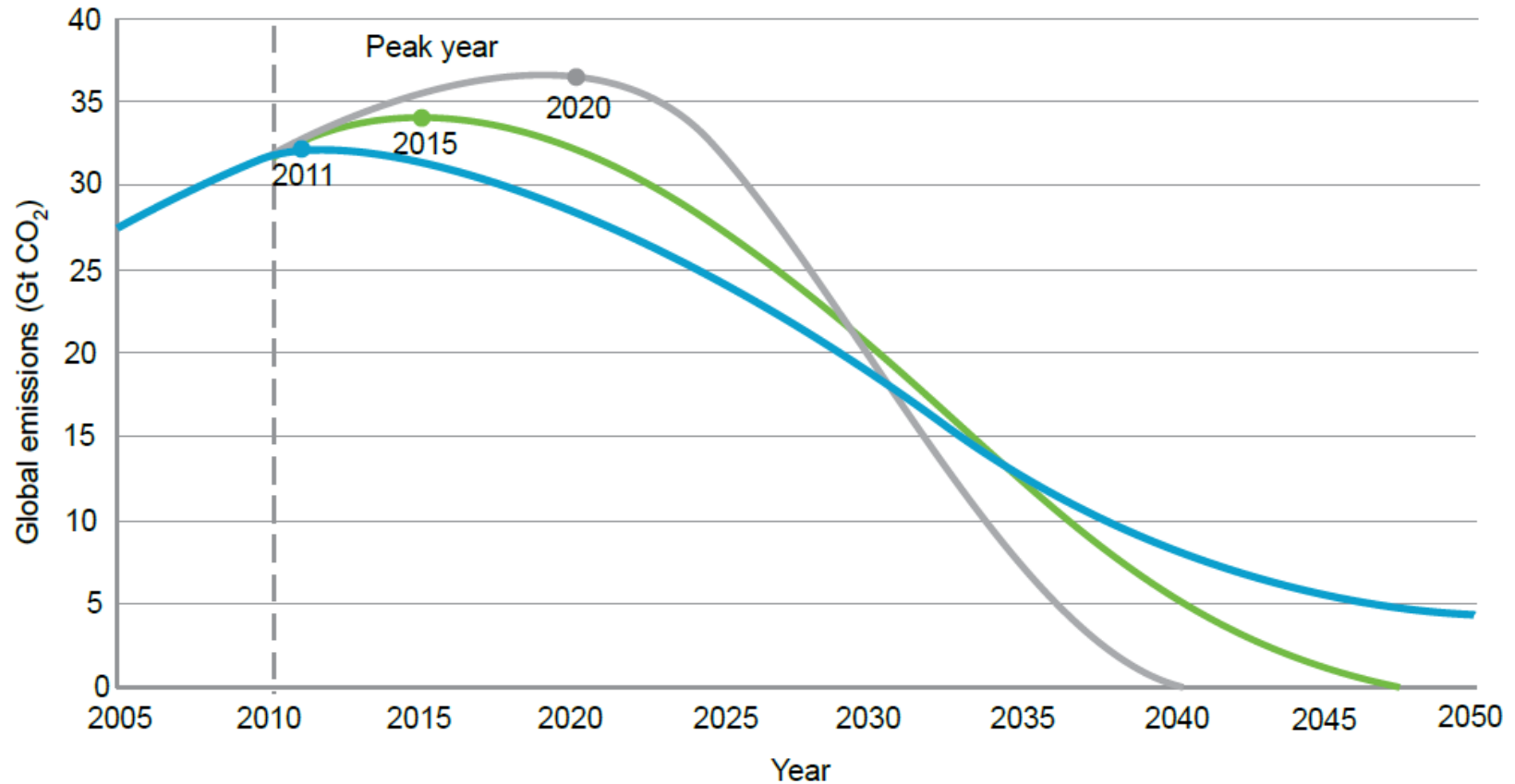
# Authority will consider four key matters to inform its recommendations



# (1) Climate science

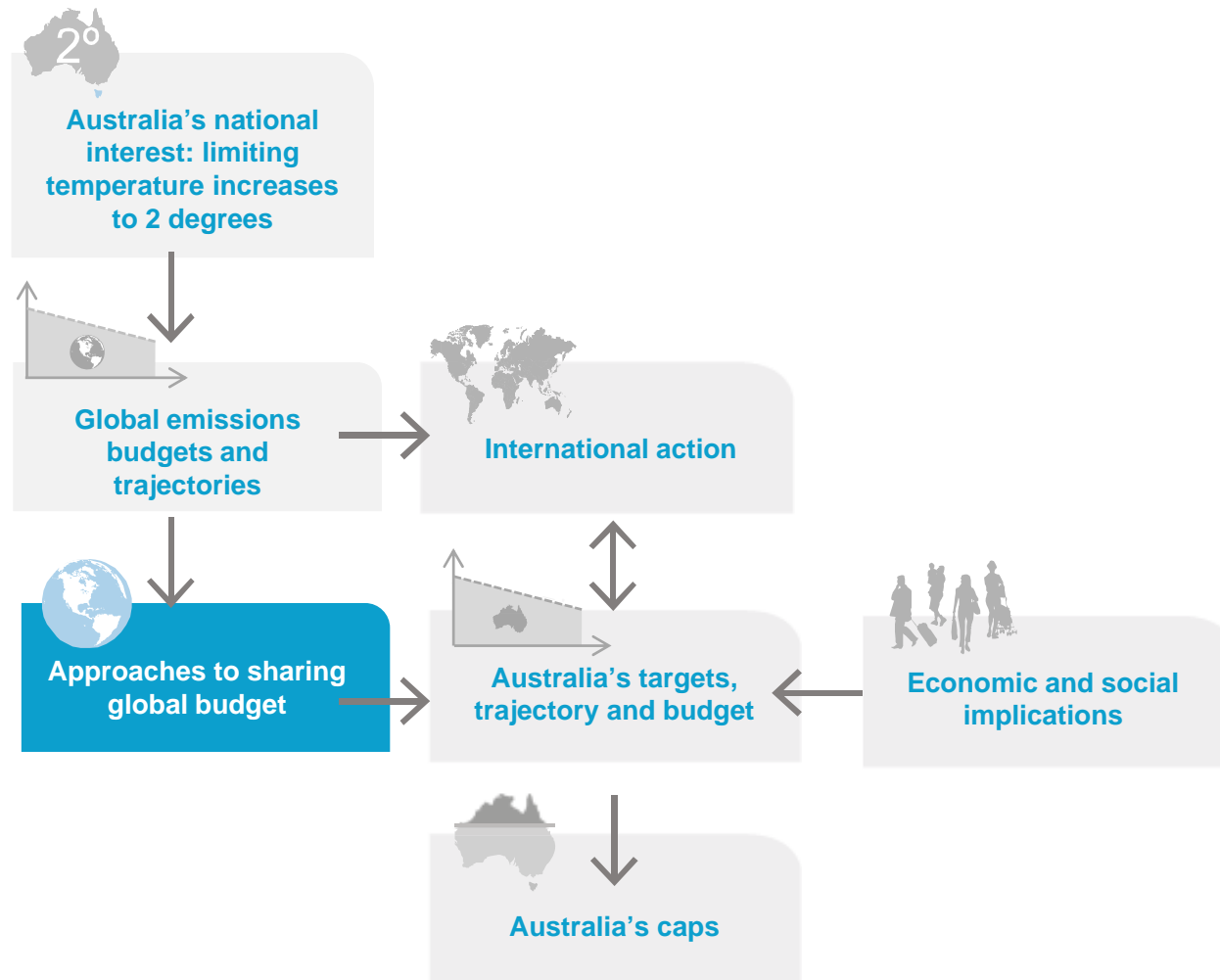


# Global emissions budgets and trajectories



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

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

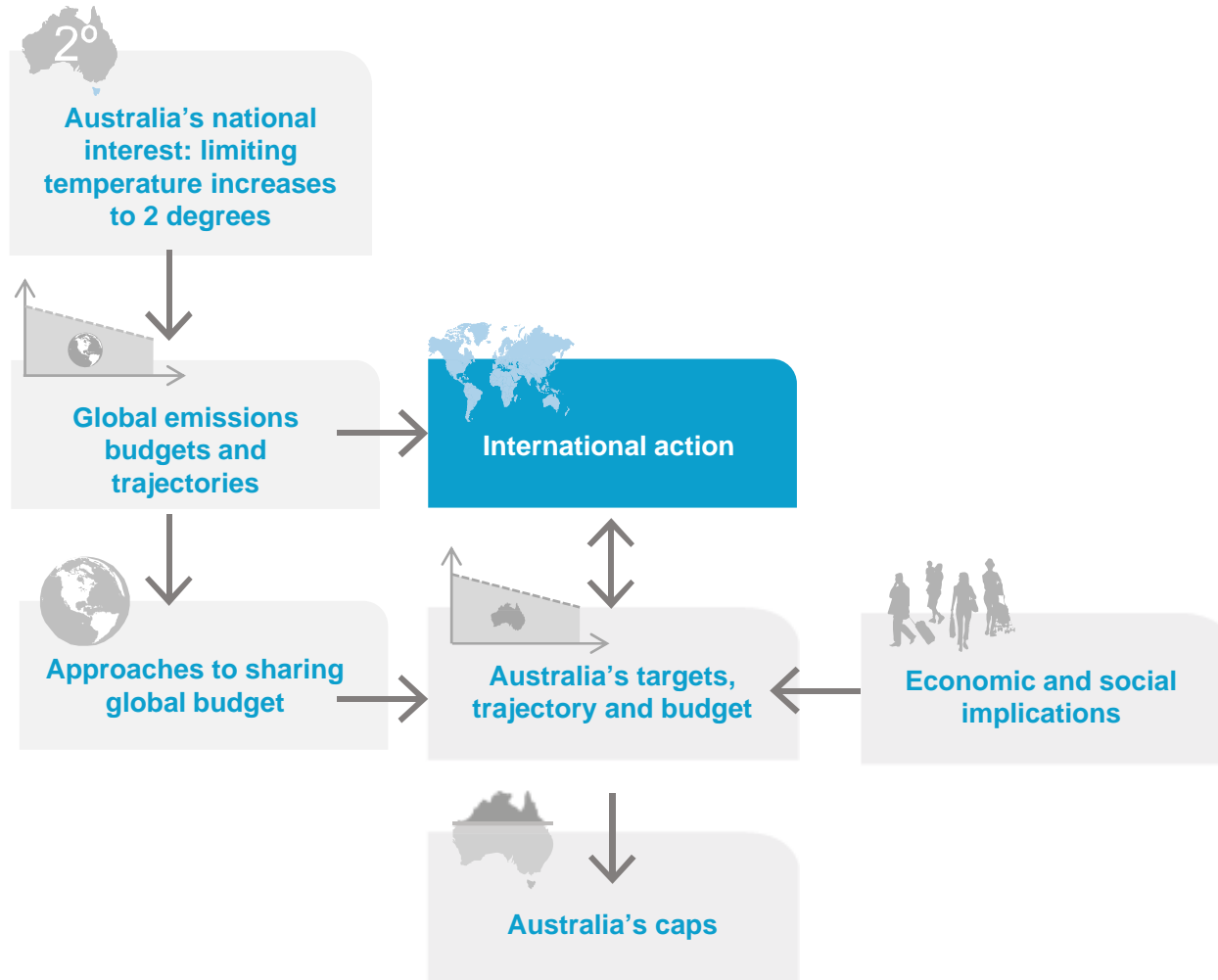


# Australia's share of the global emissions budget

- 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



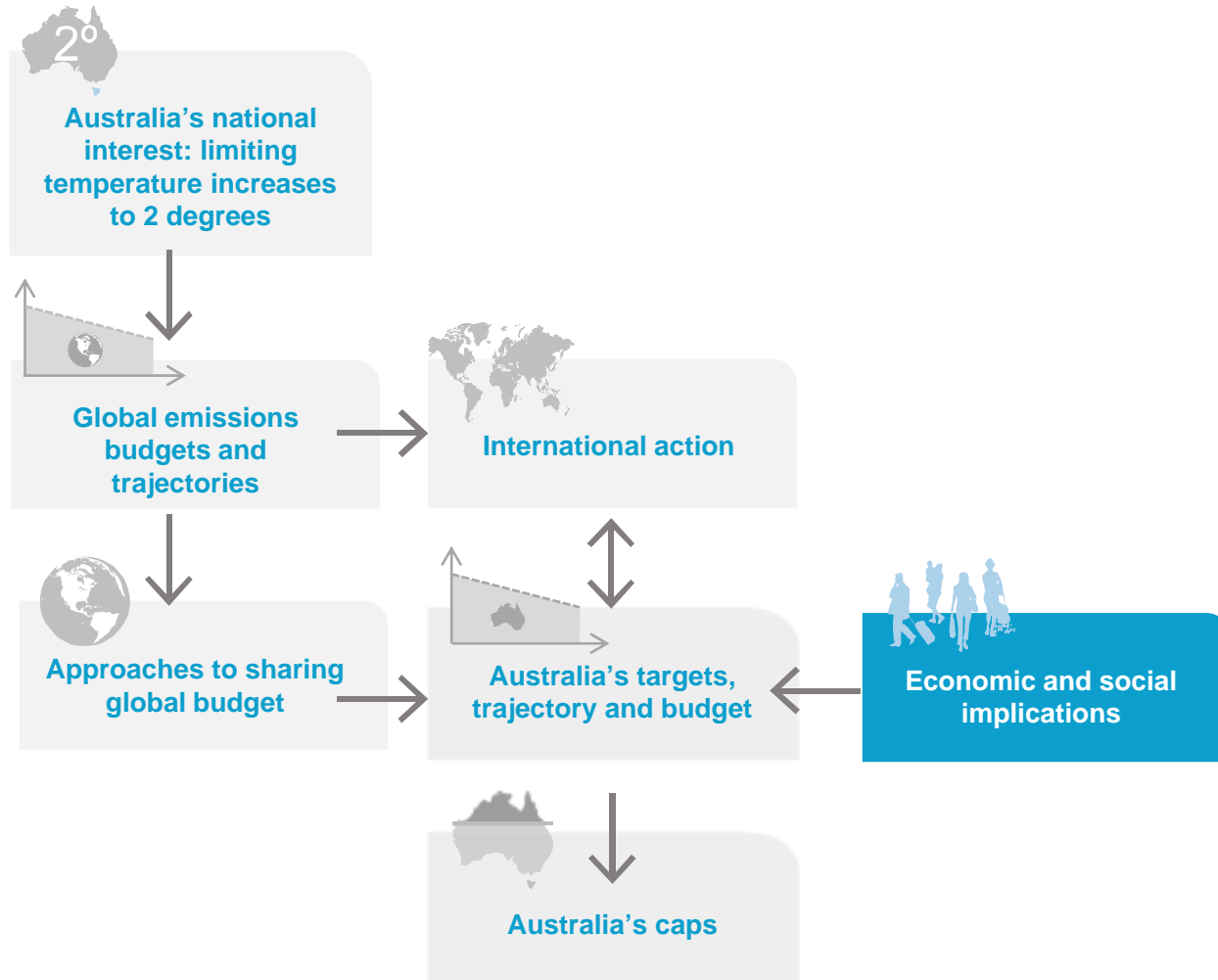
# (3) International action



# 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

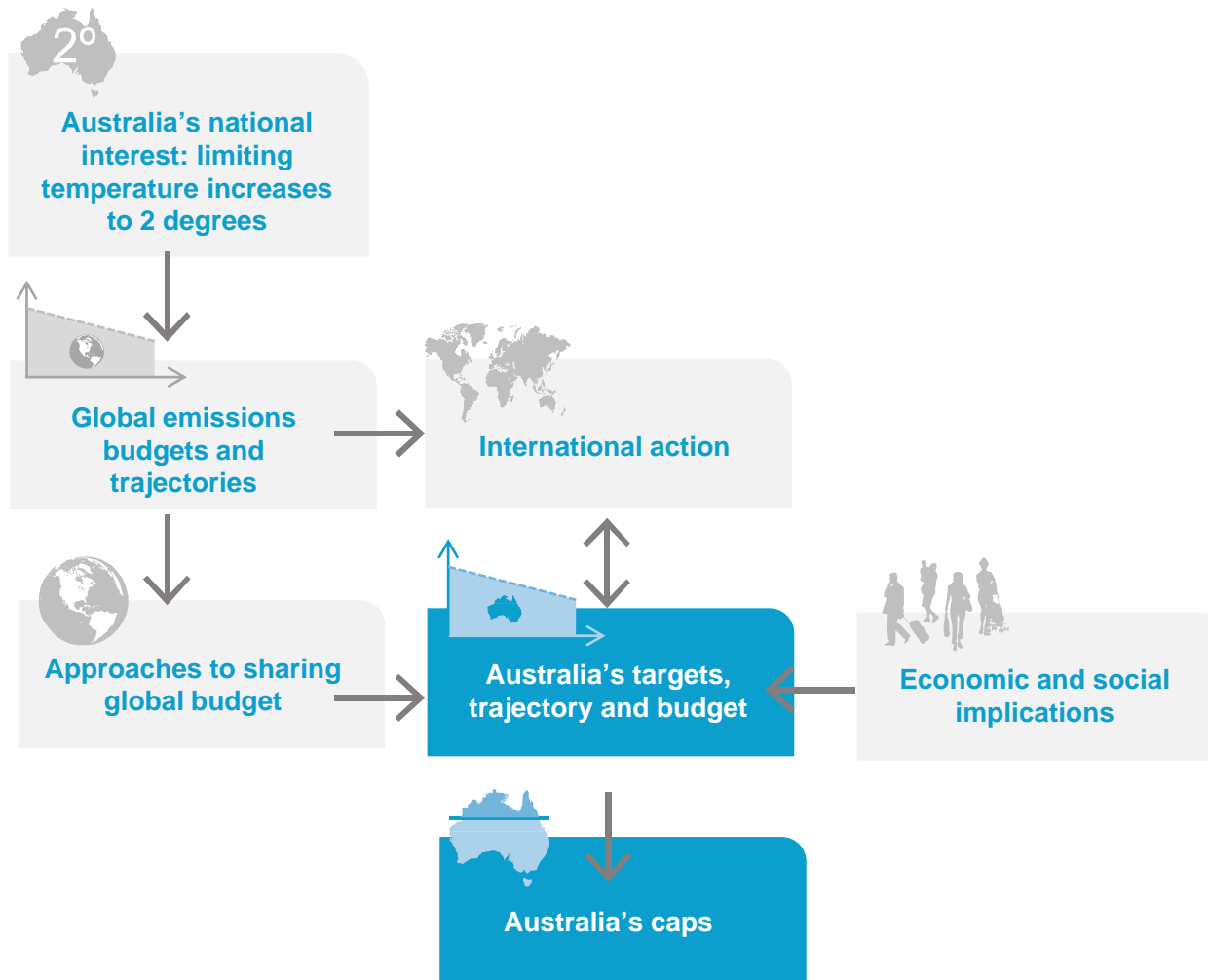
# (4) Economic and social implications



# 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

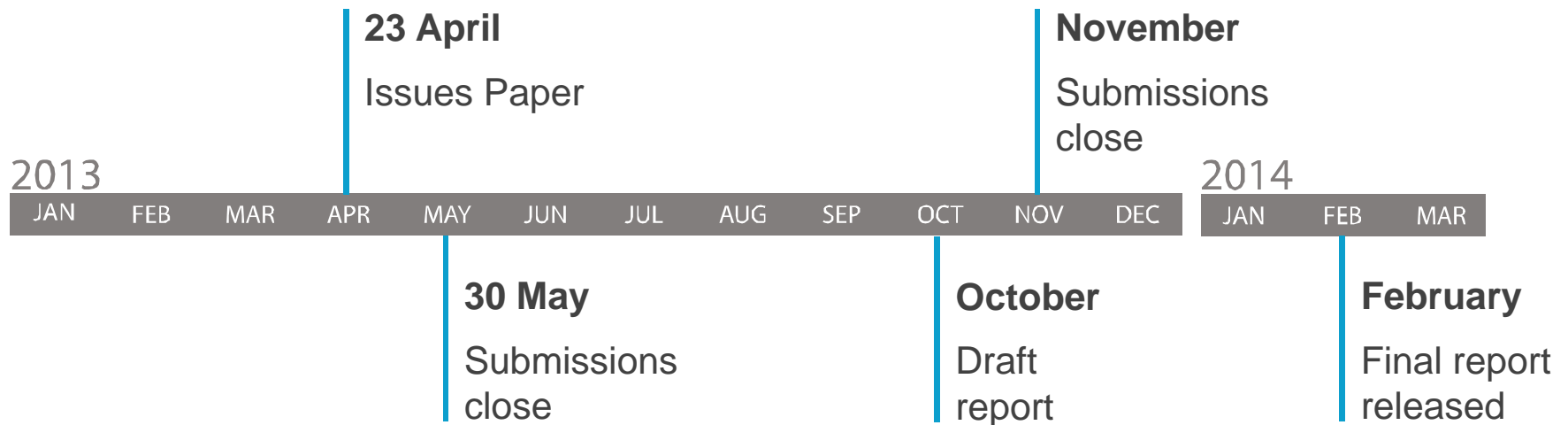
# The Authority will review Australia's progress to reduce emissions annually

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>