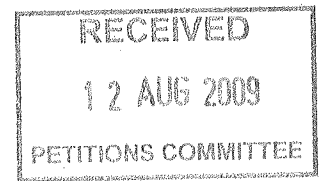




Minister for Climate Change and Water



Mrs Julia Irwin MP
Chair
Standing Committee on Petitions
PO Box 6021
Parliament House
CANBERRA ACT 2600

16 AUG 2009

Dear Mrs Irwin

Thank you for your letter of 9 June 2009 concerning a petition on climate change.

Tackling the challenge of climate change is one of the Australian Government's highest priorities. The Government has committed to ambitious emissions reduction targets and is implementing a comprehensive nationwide response to climate change: reducing emissions; adapting to unavoidable climate change; and helping to shape a global response. These actions will safeguard our environment and support our economy for the years ahead.

The Government has developed a comprehensive and integrated suite of climate change policies and programs to guarantee that emissions come down, that provide incentives for action as we meet our ambitious 2020 pollution reduction targets, and which will transform our economy over time. This suite of policies and programs involves:

- a legislated cap on carbon pollution, through the Carbon Pollution Reduction Scheme (CPRS), which will place an explicit price on carbon;
- measures to improve energy efficiency in our homes, shops, offices and workplaces;
- measures to deploy existing clean energy and low emissions technologies;
- support for the creation of new clean energy and low emissions technologies and products;
- opportunities for households to engage in individual action; and
- measures to help business and community groups prepare for a low carbon future.

The Government's substantial investments in developing clean and low carbon energy technologies; ambitious action on energy efficiency; and well designed, limited transitional support for our emissions intensive industries will provide the long-term framework and confidence required to create the new jobs and businesses of the future.

The Government is strongly committed to reducing Australia's carbon pollution. The CPRS is the main driver to achieve this important environmental goal. When it commences on 1 July 2011, it will guarantee that Australia meets its expanded emissions reduction targets of as much as 25 per cent of 2000 levels by 2020.

The stationary energy sector produces approximately 50 per cent of Australia's greenhouse gas emissions, so renewable energy will have a key role in moving Australia to the clean economy of the future. The Government is expanding the Renewable Energy Target (RET) Scheme by over fourfold, to increase the use of renewable energy to 20 per cent of the electricity supply by 2020.

The \$4.5 billion Clean Energy Initiative announced in the 2009-10 Budget complements the CPRS and the RET by supporting the research, development and demonstration of low-emission energy technologies, including industrial scale carbon capture and storage (CCS) and solar energy. The Clean Energy Initiative has three components: a CCS Flagships Program to support construction and demonstration of large-scale integrated CCS projects in Australia; a Solar Flagships Program to support construction and demonstration of large-scale solar power stations in Australia; and a new body called Renewables Australia, which will promote the development, commercialisation and deployment of renewable technologies through a commercial investment approach.

The Government also recognises the important contribution to be made through action on energy efficiency in meeting its targets. Through the \$3.9 billion Energy Efficient Homes investment package, under the \$42 billion Nation Building – Economic Stimulus Plan, we will provide the resources to enable almost all Australian homes to be operating at a minimum two-star energy rating.

To further support voluntary action by Australians to lower emissions, funding of almost \$76 million will be provided over five years to establish the Australian Carbon Trust, which will provide information and tools for households and businesses to participate in Australia's climate change response.

Since the Prime Minister, the Hon Kevin Rudd MP, ratified the Kyoto Protocol as the first official act of the new Government, Australia has played an active and constructive role in efforts to secure a new global agreement to tackle climate change. Ratifying Kyoto means that Australia now has the standing to positively contribute to an international framework that addresses climate change beyond 2012, the first compliance period of the Protocol. To effectively tackle the global threat of climate change, it is essential that more countries – especially those that produce large amounts of carbon pollution – reduce their emissions. Developed countries need to take the lead and, by developing a flexible and workable emissions trading model, Australia is showing the world that it is possible to take on emissions targets while maintaining economic growth and increasing living standards.

Australia is engaged in a range of bilateral, regional and multilateral partnerships and initiatives, including the Government's \$200 million International Forest Carbon Initiative, which supports reductions in emissions from deforestation and forest degradation in developing countries.

Even if global mitigation efforts are successful, the science shows that some climate change impacts are unavoidable. Those impacts threaten assets, investments, environments, communities and regional economies around the country. The Government is building capacity to adapt to the unavoidable impacts of climate change through a range of programs including the Australian Climate Change Science Program, the Super Science Marine and Climate Initiative, the National Climate Change Adaptation Research Facility and the National Coastal Vulnerability Assessments.

Further information on steps the Government is taking to address climate change, including details of key measures, can be accessed at www.climatechange.gov.au.

Yours sincerely

Penny Wong