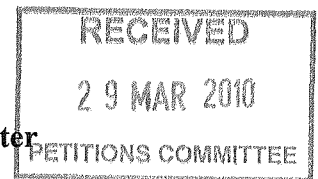




Minister for Climate Change, Energy Efficiency and Water



18 MAR 2010

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

Dear Mrs Irwin

Julia

Thank you for your letter of 10 February 2010 concerning a petition in regard to climate change financing for developing countries.

Climate change is one of the greatest social, economic and environmental challenges of our time. Australia is committed to playing a full, fair and constructive part in building global solutions to climate change and, as a developed country, is committed to taking the lead on reducing emissions.

Australia will cut its greenhouse gas emissions by 25 per cent on 2000 levels by 2020 if there is a global agreement sufficient to stabilise greenhouse gases in the atmosphere at 450 parts per million (ppm) or lower. Should global agreement fall short of the action required to achieve 450ppm, Australia will cut its emissions by between 5 and 15 per cent on 2000 levels by 2020.

Australia is taking strong action on climate change domestically, including by introducing the Carbon Pollution Reduction Scheme to help meet our emission reduction goals. Transforming Australia's economy into a low-carbon economy will demonstrate that deep cuts in emissions are compatible with continued strong economic growth and improved living standards, helping to build confidence among other countries to reduce their emissions.

Australia is making a significant contribution to mitigation and adaptation solutions globally, through our active participation in international negotiations and through a suite of bilateral, regional and multilateral partnerships.

My response to the questions raised in the petition are set out at Attachment A.

Thank you for bringing the concerns of the petitioners to my attention.

Yours sincerely

~~Penny Wong~~



Response to Petition on Climate Change

1. Go to Copenhagen with a firm commitment to reduce carbon emissions by at least 40% by 2020, as current science indicates. This supports Alliance of Small Island States (AOSIS) call to limit global temperatures to 1.5 degrees Celsius.

Australia seeks comprehensive global action capable of stabilising atmospheric greenhouse gas concentrations at 450 parts per million (ppm) carbon dioxide-equivalent or lower. This concentration would reduce the risks associated with severe climate change and is consistent with the goal of limiting global temperature increase to no more than two degrees. If the world agrees to an ambitious global deal capable of delivering stabilisation at 450 ppm or lower, Australia will reduce its emissions by 25 per cent on 2000 levels by 2020. On a range of indicators, Australia's 25 per cent target is comparable or more ambitious than any announced national targets for 2020.

Should global agreement fall short of the action required to achieve 450ppm, Australia will cut its emissions by between 5 and 15 per cent on 2000 levels by 2020. The 5 per cent target represents Australia's minimum unconditional commitment, irrespective of the actions of other nations. Should countries reach a global deal that includes commitments by all major economies to substantially restrain emissions, and by all advanced economies to take on comparable emission reductions, Australia will reduce emissions by up to 15 per cent below 2000 levels by 2020.

On 27 January 2010, Australia inscribed its full target range in the Copenhagen Accord, reinforcing the message that we will play our full and fair part in global efforts. We will continue to work with other countries to maximise the ambition of global action. Australia's submission is available at: http://unfccc.int/files/meetings/application/pdf/australiacphaccord_app1.pdf.

The Copenhagen Accord is the first time that both developed and developing countries have agreed to keep global temperature increase to below 2 degrees Celsius, and to take responsibility for action to realise this target.

2. We ask that the Australian government formally recognise that without measurable, reportable and verifiable financing from developed countries, developing nations will not accept commitment to slow their emissions growth, and without effort from developing nations, Annexe 1 nations will not commit to ambitious emission reduction targets.

Climate change is a global issue. The Australian Government believes it is in Australia's interest to assist developing countries to take urgent adaptation actions and to build their capacity to reduce emissions.

The Copenhagen Accord, noted at the United Nations Framework Convention on Climate Change (UNFCCC) meeting in Copenhagen in December 2009, represents an important step forward on the provision of climate change finance to assist developing countries. To build the immediate capacity of developing countries to take action, developed countries agreed to provide new and additional resources approaching US\$30 billion for the period 2010-2012 – the 'fast-start period'.

For the first time, developed countries further committed to a longer-term financing goal of mobilising US\$100 billion annually by 2020 from both public and private sources. As a first step, the Government welcomes the establishment of the United Nations Secretary-General's

High-Level Advisory Group on Climate Change Financing (announced by the Secretary-General Ban Ki-moon on 12 February) to study the contribution of potential sources of revenue toward realising the longer term goal.

The Government also considers the transparent reporting of funding contributions is vital to the credibility of financing commitments under the Accord. Under the Accord Parties have agreed to ensure the accounting of finance is robust and transparent.

3. Therefore Australia must honour the commitment made in Bali to contribute to financing mitigation and adaptation in developing nations, especially our Pacific and South East Asian neighbours. This commitment should be in the order of 0.5% GDP which is approximately \$4 billion per annum.

Australia will play its fair part in climate change financing.

In Copenhagen, the Government committed US\$120 million to fast-start financing for Reducing Emissions from Deforestation and Forest Degradation (REDD), as part of a US\$3.5 billion package of assistance for the period 2010 to 2013. Other donors include the United States, Norway, the United Kingdom, France and Japan. This contributed to the overall progress made on establishing a mechanism for REDD at COP15. Australia has advocated a strong outcome on REDD, and is taking early action in partnership with developing countries through our International Forest Carbon Initiative. Australia's contribution is part of the International Forest Carbon Initiative, making that initiative a \$273 million, six year program.

The Government's \$150 million International Climate Change Adaptation Initiative (ICCAI) supports vulnerable developing countries in the Asia-Pacific region to meet their high priority climate adaptation needs. The initiative will be delivered over three years (2009-2011) and prioritises support to our neighbouring Pacific Island Countries and East Timor. It aims to: improve scientific information on, and understanding of, climate change impacts within partner countries; assist partner countries enhance strategic planning and vulnerability assessment capacity; and support implementation of priority national and community adaptation measures.

In addition, Australia's Fifth National Communication to the UNFCCC (available at http://unfccc.int/resource/docs/natc/aus_nc5.pdf), reported that the Government's total climate change financing support for developing countries reached \$285 million in 2008-09. Some developing countries have proposed that developed countries contribute between 0.5 to 1 per cent of their Gross National Product toward an international climate change fund. Australia does not support this proposal.

Targeted public financing will continue to be essential to reach areas where private financing and carbon markets cannot reach. However carbon markets will be crucial for the long term, to deliver predictable funds at scale for real emissions reductions and to unlock private investment in low-emissions activities.