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8 April, 2009

Committee Secretary
Senate Select Committee on Climate Policy
P.O. Box 6100
Parliament House
Canberra, ACT 2600
Australia
climate.sen@aph.gov.au

RE: Senate Select Committee on Climate Policy Inquiry

Dear Sir/Madam:

BP has been a long-time advocate for climate change policy and action in Australia, and therefore we welcome the opportunity to comment on your inquiry. We are strongly supportive of a Government commitment to early action on climate change, with the focus on emissions trading as the key policy instrument, supplemented by complementary measures to facilitate investment in and deployment of large-scale, low-carbon, step-change technologies. The sooner that action is taken, the sooner that business will be provided with the required certainty to effectively deal with these future carbon constraints.

Our attached submission provides more background to the above-mentioned views, as well as our comments on the Carbon Pollution Reduction Scheme (CPRS). As BP stated in our Green Paper submission in September, in our subsequent testimony to the Senate Select Committee on Fuel and Energy in February, and in our submission in March to the Senate Standing Committee on Economics, we believe that the Carbon Pollution Reduction Scheme Green Paper largely "got it right" with respect to many of the emissions trading design issues.

BP encourages the passage of the CPRS Bill, provided we achieve a successful conclusion to the EITE (Emissions Intensive Trade Exposed) assessment process that we are in the midst of for our refining and LNG businesses. However, we are concerned that this EITE assessment process—as effective as it has been—is moving too slowly relative to the proposed legislative timetable. Achieving an effective solution for providing transitional assistance to EITE industries—realising emissions reduction while maintaining economic growth—will be the key determinant of the scheme's success. Policies to support EITEs are not an opt-out from meaningful climate change action; they are an enabling pre-requisite.

BP is happy to meet with your review team to discuss any of our views in more detail. Please contact my office if you would like to arrange this.

Yours faithfully,
BP Australia Pty Ltd

A handwritten signature in blue ink, appearing to read 'M. A. Proegler', with a long horizontal flourish extending to the right.

Mark A. Proegler

Attachment

BP Australia Submission
Senate Select Committee Inquiry on Climate Policy

Australian Actions on Climate Change

BP has been at the forefront of efforts to raise awareness of the significance of climate change in Australia, working to highlight the economic and physical risks to the country of failing to take appropriate action. We were an early supporter of emissions trading in Australia, drawing on our experience of BP's internal trading system in the late 1990s and our involvement in the European Emissions Trading Scheme (EU ETS). In 2006, we were a part of the Australian Business Roundtable on Climate Change which highlighted Australia's physical and economic vulnerability to climate change and argued for early action. Since then we have been an active contributor to the policy debate on the development of a national emissions trading scheme. These efforts to increase awareness and develop appropriate policy mechanisms have been underpinned by action. We believe that minimizing GHG and other emissions is a fundamental part of operating responsibly and have taken steps over many years to reduce emissions.

BP Views on Climate Change

Since the late 1990's, BP has supported precautionary action to limit greenhouse gas (GHG) emissions and has worked to combat climate change in several ways, even though aspects of the science are still the subject of expert debate. Our position on climate change is well defined:

Sustainable emissions reduction We believe that climate change is a long-term issue, which needs to be tackled over the next 50 years or more. We support urgent but informed action to stabilize GHG concentrations through sustainable long-term emissions reductions at the lowest possible cost. Large-scale reductions in emissions will require the use of both existing and emerging technologies.

Government and business working together Governments and businesses need to work together to create a policy framework or 'space' that drives economic progress and provides energy security while delivering significant emissions reductions. Such a 'space' can be defined by appropriate policy and regulation, while activity within it will be driven by market mechanisms.

We believe that the policy and regulatory interventions must support the development and implementation of appropriate technological solutions and also enable the amendment of market mechanisms as new knowledge around climate change emerges.

Recognizing the role of fossil fuels With fossil fuels currently the source of 80% of the world's primary energy and likely to remain vital to global energy supply for at least 20 to 30 years, innovation to reduce carbon emissions from fossil fuels can make a major contribution to stabilization. Consequently, energy companies like ours have an important role to play in contributing to policy and education, enabling market mechanisms, developing and deploying new technological and

commercial solutions based on both fossil fuel and new energy sources at large scale.

Preferred Policy Instruments: Emissions Trading

BP believes that for a GHG emissions reduction system to be effective, efficient and fair, the process must cover as much of the economy as practicable. Therefore, we believe an economy-wide program should be an objective of the design of such a system.

We advocate the introduction of emission caps and that market mechanisms, such as emissions trading, be used to enable economies to adjust to a carbon-constrained world. In a cap-and-trade system, a cap is set on the total emissions from a group of emitters – whether companies, plants, countries or regions – and participants can trade emissions permits within that limit. Our major European assets already operate within the EU's Emissions Trading Scheme (EU ETS), currently the world's largest cap and trade system, and we support its extension and development. The collective EU ETS experience, in addition to fifteen years+ learning's from the United States Acid Rain emissions trading program and subsequent NOx emissions trading and GHG trading in RGGI (Regional Greenhouse Gas Initiative)—not to mention the many years of Australia's emissions trading policy developments and stakeholder engagement-- have provided a large knowledge foundation on which to build an Australian program. While BP's preference is for a global emissions trading system, realistically this will begin with national systems such as the EU—and soon, Australia.

Key elements of a successful emissions trading system (ETS) include:

- Multiple policy instruments working in parallel to address GHG mitigation across sectors and to incentivize technology and markets for lower carbon energy
- Government-set mandatory caps and administration with clearly defined consequences for non-compliance
- Robust systems for measuring, monitoring, and reporting emissions
 - Third-party verification; transparent registries; standardized methodologies are all essential. Underpinning systems should be developed in such a way to give maximum compatibility with existing national and international tools & protocols
- Long-term investment confidence and appropriate accountability
 - In order to promote significant (permanent) behavioural/operational changes and new technology investment, the market and regulations must provide a clear long-term framework for investment
 - There must be alignment between incentives and actions of emitters
- Broad Coverage – large region and multi-sector
 - A large market is more cost effective - distributing the economic burden & increasing opportunities for low-cost abatement measures. The market may be increased through an offset programme or linkage to other trading systems

- Compatibility with existing (and future) policies - any emissions trading program should be developed to work in harmony with existing regulations and be flexible to change as new policies and measures emerge.

Emissions Trading Versus a Carbon Tax

BP believes that the use of markets remains the most effective method of addressing climate change. Unlocking the ability of the competitive market to innovate and change behaviours will achieve the lowest cost solution to the issue.

- Traditional 'command and control' permit limitation of emissions at individual locations is an inefficient policy tool for a global pollutant
- The power of the market is best harnessed by establishing a carbon price across a sizeable economy and across sectors.
- This can be achieved in various ways – taxation and 'cap and trade' process are key policy tools.

BP therefore recognises that both trading and taxes can be used to create an economy-wide carbon price that enables market innovation and optimisation. BP prefers trading to taxation based primarily on its ability to:

- Deliver an environmental goal without the adjustments that would be required to allow a tax based system to adapt to changes in the marginal cost of mitigation caused by technology and behavioural changes. Repeated rises in taxes are likely to be politically unpopular and short-term pressures may cause them to be delayed or abandoned.
- The greater likelihood of being able to deliver regionally or globally linked systems over time
- In the very long term, the potential to translate environmental goals directly into policy targets (because goals are expressed in terms of emissions).

A recent *Wall Street Journal* Opinion Piece written by Fred Krupp of the Environmental Defense Fund offers a good synopsis of this "trade versus tax" issue:

"Carbon Caps are the Best Policy"¹

Why taxing emissions is an inferior approach

..."An emissions cap is not only a very different policy compared to a carbon tax, but a far superior approach, environmentally and economically.

¹ "Carbon Caps are the Policy", US Wall Street Journal Opinion page, 24 March, 2009, Fred Krupp, Environmental Defense Fund.

From an environmental point of view, the difference is stark. A cap is a legal limit on pollution. There is no guessing what will happen -- the level of emissions is set in law, and enforcement of that limit proceeds accordingly. No air pollution problem has ever been solved except by imposing a legal limit on emissions.

Environmental taxes have worked well to raise revenue, but without a cap they inevitably become a license to pollute in unlimited amounts. Moreover, to require that other countries make the reciprocal commitments necessary to lower global pollution, we have to enact our cap -- and have other nations do the same in a transparent, verifiable and enforceable way. A carbon tax doesn't make such a system of commitments possible.

From an economic point of view, the case for a cap is also strong. A well-designed cap will push our economy towards clean, domestic energy in the most flexible way possible, leaving business free to grow and thrive. Investors will be driven by the market's demand for clean energy. Companies that make clean energy products -- from steel for wind turbines to energy-efficient windows, and all the companies that supply them -- will become engines of job creation.

The essential nature of a cap-and-trade system is positive and therefore much more powerful than a tax. Behavior shifts not only to avoid the cost of emissions, but to achieve additional reductions below the required levels, which can be sold to others as carbon credits. The system directly engages the profit motive in pursuit of the environmental goal. In addition, establishing the cap level in law will give companies the certainty necessary to make major, job-creating capital investments now.

On this critical issue of enforcement, some have tried to use the current economic crisis to claim that a tax is superior because they believe the trading system will be overly complex. They suggest that somehow a tax system will emerge from the legislative branch without similar problems. Anyone who has watched a tax bill move through Congress, or leafed through the 17,000 pages of the IRS code, knows that is not true. We can create an effective cap if we establish clear rules to avoid the market manipulation.

As we work our way out of the current recession, it's also important to remember one of the most economically elegant aspects of a cap: It is self-adjusting based on economic conditions. While a carbon tax could only be modified through the cumbersome legislative process, the market price of emissions permits under a cap will fluctuate with the economy. Costs would go down during slow economic periods (because industrial activity, and therefore demand for permits to emit pollution, would be lower) and then, when robust growth returns, incentives would automatically ramp up. Try doing that with a tax.

Finally, rather than debate economic theory, we can look at history. In 1990, President George H.W. Bush and a Democratic Congress joined together to pass the world's first cap-and-trade law to limit the pollution that causes acid rain. It was a simple, straightforward plan to have government set the rules and let the people involved solve the problem. It worked faster and cheaper than anyone predicted.

The almost daily drumbeat of scientific reports underscores the urgency of fast action, and clear limits. A cap is the smart, centrist, environmentally rigorous approach to our energy and climate challenges. It's the best way to truly change our future for the better."

Preferred Policy Instruments: Complementary Measures

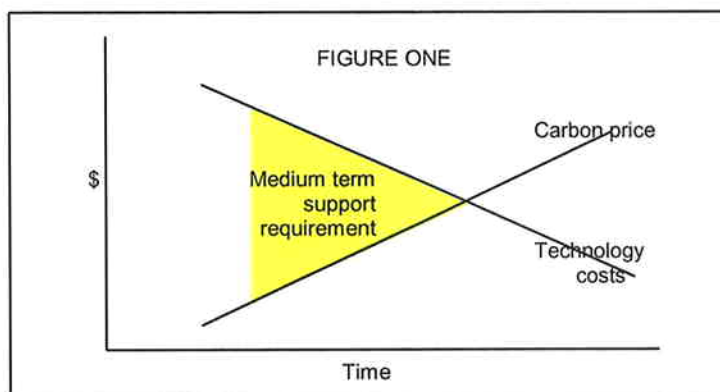
While emissions trading can encourage operational changes and incremental capital investment for large, stationary emitters, it is unlikely to encourage “step change” investments in the near term—in the early stages of the scheme. For this reason, and because of the sense of urgency to reduce emissions, other GHG policies will need to be developed, in parallel with emissions trading, to provide markets for lower carbon energy technology and to address emissions from buildings and other sources of GHG emissions.

We see broadly that these areas will require additional policy focus, alongside the ETS:

- In the medium term, direct support to accelerate the development and deployment of new low carbon technology options;
- An enduring focus on policy to address market failures that are separate to climate change and therefore are not addressed by a carbon price

Medium term requirement for complementary measures

The speed with which we need to address the emissions reduction task must not be underestimated if we are to reduce our total carbon emissions to 60% below 1990 levels by 2050 while at the same time growing our economy. The power stations that will be operating in 2050 and beyond are being designed today, and the technology choices that Australia makes in the next decade will reposition its ability to reduce carbon emissions for a generation.



It is therefore of strategic importance to the climate change challenge that the appropriate policy signals are taking effect in the market straight away in order to accelerate the deployment of new technology. However, as Figure One demonstrates, new low carbon technologies are caught in a paradox:

- The carbon price is generally expected to be introduced at a modest level and then rise as the “cap” in the ETS is tightened;
- The cost of new technologies will start high and then reduce as they are deployed with increasing knowledge and scale, with first movers quickly disadvantaged against later entrants who are able to access their learning's and drive down costs.

Unfortunately, because of the science-driven requirement to reduce our carbon emissions in a short timescale, we need to accelerate the deployment of new low carbon technologies before the point at which these trajectories would otherwise intersect.

Policymakers effectively have two options at their disposal. On the one hand, they could drive up the carbon price faster and sooner by setting tough and non-negotiable targets in the ETS, so that the economy has no choice but to deploy low carbon technologies quickly and the carbon price floats freely at whatever level is required. The problem with this approach is that to begin deploying the technologies on an industrial scale—such that the first projects bear fruition in a medium term (2020) time horizon—an initial carbon price of some hundreds of dollars per tonne would likely be required, in our estimation. With these costs borne across the economy in the form of higher fuel and utility bills for working families and industry, such a policy response does not appear tenable.

On the other hand, the second policy response is to seek to reduce the effective technology cost by maintaining and strengthening transitional measures. Combinations of market based measures (such as NRET) and direct project support (along the lines of the former Low Emission Technology Development Fund) are likely to be the most efficient medium term basis for the accelerated deployment of new technologies. Their continued utilisation will be a key policy response to protect against both (a) locking in a higher future mitigation burden by tolerating too slow a start in technology deployment, and (b) the risk of short term carbon price shocks if the implacability of the carbon reduction imperative forces the economy to deploy new technologies at the top of their price curve without any other protection.

An important second benefit of this approach is that the use of direct policy support will both accelerate the deployment of technologies and also accelerate their path down the cost curve. The sooner the technologies move down the cost curve, the sooner they can be supported by a carbon price alone, and these complementary measures can be dispensed with.

Economic rationalists could perhaps counter that history typically demonstrates that markets have worked best when fettered with the fewest constraints and interventions. Indeed, if we had an indefinite period of time to meet the challenge of climate change, we would agree with them that an unfettered carbon market would be the most efficient means of resource allocation. But we do not have an indefinite period of time: we must halve our carbon emissions quickly, during a period when we expect to double our energy consumption. It would be pressing the purity of economic rationalism into the realms of negligent complacency, were we to argue that a single policy instrument, the carbon price, could bear this whole burden.

The scale of the challenge will be reflected in the scale of the medium term policy commitment required. Policymakers have become used to supporting renewable energy through relatively generous mechanisms but on only a very small aggregate scale. For example, the entire current installed wind capacity in Australia creates on average some 2,500GWh of power per year². A single 500MW clean coal power station with 80% availability would provide that amount plus a further 1,000GWh of additional power as well – 3,500GWh in total, from just one project. Even a modest 5cpl per kWh subsidy such as has effectively been provided to renewable energies such as wind and hydro through the NRET

² <http://www.auswind.org/downloads/factsheets/WindEnergyInAustralia.pdf>

scheme would sum up to the equivalent of \$175 million of subsidy *every single year* to a single project of this scale, if the same support mechanisms were applied – or billions of dollars over the life of the project.

We make this point not to argue that this should be the basis for policy setting, but rather as a means of seeking to adjust the mindset of the community when it considers the scale of policy support required. The deployment of low carbon power on a scale never before achieved will need support on a scale never before applied: the challenge is not to support small projects with ten or fifty million dollars at a time, but rather to convert the capital stock of the economy as a whole. Writing bluntly, the requirement will run to billions of dollars from both the private and public sectors.

It would be folly to transfer the burden of this task onto a single policy instrument, and we argue strongly that an ETS must be supported by additional medium term measures at scale. In 2007, BP was one of a group of companies who called for a National Low Emission Technology Strategy³ to oversee these policy measures, and this recommendation is still valid.

For the last two years, BP and Rio Tinto, through their joint venture company, Hydrogen Energy, have been studying the feasibility of building a 500MW Integrated Gasification and Combined Cycle (IGCC) power plant with Carbon Capture and Storage (CCS) near Perth. Although we have recently concluded that the geological formations that we have studied do not provide the level of certainty we require for an early project, we have nevertheless acquired valuable perspectives on the challenges of deploying this technology at scale.

Not all market failures relate to carbon

It would be a mistake to survey the entire landscape of policies relating to energy technologies that happen to have a low carbon footprint, and to assume that carbon is the only motivation for putting policies in place to support them.

For the solar photovoltaic (PV) industry, for example, a carbon price will provide marginal assistance but it does not overcome the fundamental market failure that it faces, which is the systematic locking out of its power from a proper place in the value chain. Indeed, our belief is that Solar PV would be economic today, even without a carbon price, were it able to claim its proper place in the value chain.

Solar PV is a distributed peak-load generation source that is currently being denied the opportunity to contest the competitive generation markets available to other generation sources. The power generation (wholesale) market is fundamentally different to the retail market, in that the wholesale market operates on a half-hourly basis and prices within it reflect the real time value of power in the given half hour. Retail prices however are based on a 365 day, 24 hour average of the value of power in order to simplify tariffs for the consumer. In real time therefore, average retail prices are below true value during peak periods, but in compensation of this are above true value in off peak periods.

³ <http://www.businessandclimate.com/>

Solar PV is a peak power generation source. It ought to be paid the wholesale value of the power that it generates, but instead it is paid the retail value which significantly undervalues its contribution. For example, the standard retail tariff in Sydney is 12c/kWh, whilst the wholesale value of electricity during summertime peak period can reach as much as 25c/kWh⁴. When a consumer installs a solar PV system, they are absolving their electricity retailer of the need to purchase power at such levels – but in return they are compensated at 12c/kWh. The retailer pockets the difference between the two, which is the true value that the solar PV system has created, and thus the individual that has actually made the investment in a solar system is denied the rewards of that investment.

The best response to this market failure would be to address it directly. Modern and inexpensive metering systems enable the power that is generated by solar PV systems to be measured in half hour increments. In the long run, regulators should ensure that retailers are obliged to reimburse the owners of such systems for the true value of the power they generate, which is of course the real time avoided cost of the generation that the retailer would otherwise have been obliged to purchase, plus the avoided costs of transmission and distribution. With access to fair, real-time market pricing for their product, solar PV systems should not need additional policy support.

However, this is not current policy and there are no current plans to remove the structural market failure imposed upon the owners of solar PV systems by the way that the market has been set up by the electricity regulators. Policy support is therefore needed to address this market failure, and care must be taken not to sweep away such support on the misunderstanding that the support was aimed at a carbon objective.

In recent history, this market failure has been partially addressed by the Photovoltaic Rebate Programme (PVRP), a direct subsidy. The level of direct subsidy that this programme has provided has been the subject of many changes and thus the ability of the industry to develop efficiently in response to it has been significantly curtailed. Similarly, the support has been focused at domestic investors, and thus prevented access to commercial investors and rooftops that will enable the industry to develop the commercial scale needed to move down the cost curve.

Another approach to supporting solar development is via a Feed In Tariff (FIT) which more directly addresses the market failure in question. A FIT operates in lieu of real time market pricing, by “deeming” what the proper value of PV generation is and then paying it through a fund raised from a network levy. It is a poor substitute for removing the market failure, but in the interim it is an appropriate transitional measure. BP’s view is that a national FIT is the best solution.

⁴ “The value of PV in summer peaks” Dr Muriel Watt, University of NSW, 2004

BP Comments on the Carbon Pollution Reduction Scheme (CPRS)

As BP stated in our Green Paper submission in September, 2008 (attached), in our subsequent testimony to the Senate Select Committee on Fuel and Energy in February, and in our submission in March to the Senate Standing Committee on Economics, we believe that the Carbon Pollution Reduction Scheme Green Paper largely “got it right” with respect to many of the emissions trading design issues. A key exception to this success, however, was the process for providing transitional assistance to affected industries via the Emissions Intensive Trade Exposed (EITE) process. We were therefore pleased to see improvements in the CPRS White Paper, especially related to the EITE issue—and this EITE assessment process is currently ongoing. The other primary interest areas for our business include design and implementation issues surrounding our obligation as a fuel supplier for transport (product) emissions and the permit auctioning process.

EITE Transitional Support

Achieving a successful solution for providing transitional assistance to EITE industries—realising emissions reduction while maintaining economic growth—will be the key determinant of the scheme’s success. Policies to support EITEs are not an opt-out from meaningful climate change action; they are an enabling prerequisite.

Australia’s climate change policy goals—which BP supports—to begin GHG emissions-reducing actions now, ahead of more global agreements to bind others, creates key challenges: to achieve meaningful emissions reductions while sustaining economic growth; and to not disadvantage Australian businesses who compete with others (either as imports or exports) who face no such carbon constraint. Solving this issue is fundamental to the scheme’s success, and to Australia’s ability to use this achievement to enhance its ability to effectively engage and lead global dialogue on post-2012 emissions reduction commitments. Accordingly, the treatment of EITE industries is an enabler to climate change policy success in Australia and beyond. In particular, a well functioning Australian emissions trading system could be precedent setting for similar policy developments in the United States, which is also an energy and resource intensive economy.

BP endorses many of the CPRS White Paper concepts for EITE support, and is actively working with the Department of Climate Change in the ongoing EITE Assessment Process. Our expected outcome is that our key energy and export infrastructure such as refining and LNG businesses will qualify for EITE treatment, and thus limit the additional costs that will not be faced by our international competitors.

Without significant transitional support, the Australian refining industry will become less viable, and will lose attractiveness as a future investment destination. The refining business is a high-revenue, low-margin activity that competes with imported product that sets the price (import price parity). Any additional costs—carbon or otherwise—cannot be passed on, which reduces profit and long-term viability. And, a viable domestic refining industry is needed for fuel supply diversity and energy security.

It is also important that the introduction of the CPRS does not disadvantage LNG relative to our international competitors and to coal, given its role in reducing carbon emissions and as a major source of current and future export revenue for Australia.

Fuel Tax Adjustment for Carbon Price

The CPRS White Paper proposes to offset the impact of carbon prices on some liquid fuel users for various periods of time by providing a reduction in the fuel excise rate for those liquid fuel users:

- Motorists will have fuel excise reduced by the amount of the carbon price for three years.
- Heavy vehicle road users whose effective excise is limited to the value of the Road User Charge (RUC) will be assisted by removing the impact of the carbon price from their fuel use for one year.
- Some industries (fishing and agriculture) which are not subject to a net excise will also be assisted by removing the impact of the carbon price from their fuel use for three years.
- The excise rate will be permanently reduced at the end of the three years by the prevailing carbon price at that time.

The CPRS White Paper indicated that these excise offsets will be introduced at the start of the CPRS (in mid 2010), and that further adjustments will be made at 6-monthly intervals thereafter if the average emissions permit price increases. The excise adjustments are to be based on the embodied carbon emissions in diesel.

BP is pleased with the White Paper guidelines for implementing this carbon offset, which we believe will maintain carbon market integrity and liquidity while meeting the policy objective of matching the excise tax offset to the product carbon price. However, we are concerned that additional details on how these excise changes will be calculated and applied are not included in the draft legislation. It is also important to note that, whatever the details, this process will not yield an exact "cent for cent" match since the basis for the excise offset will be historical carbon prices while the product carbon prices will be current carbon prices.

Auction Design

The CPRS White Paper provided design details for the permit auctioning process, for which little additional clarification is offered in the draft legislation. Although BP accepts most of the White Paper recommendations, we have a specific issue relating to restrictions on auction purchases that needs to be addressed. Namely, we do not accept the proposed parcel size limit of 25% on bidders for a particular auction. This places an unacceptable limitation on our ability to acquire permits, for which our needs are considerable, given our obligation to acquit permits for use of our liquid (transport) products.

BP Background Information

BP in Australia

BP Australia has been operating here since 1920. We're involved in a range of activities, such as exploring natural gas and crude oil resources. We also refine and market petroleum products, produce lubricants, and help to generate a significant amount of solar power. We have two crude oil refineries, our Kwinana refinery in Western Australia and our Bulwer Island refinery in Queensland. We produce some of the cleanest fuels in Australia, and have sold over 500 million litres of biofuels to date; by the end of 2008, over 200 stores will be offering BP Unleaded 91 + ethanol as a replacement fuel for regular unleaded 91. We also have a network of almost 1,400 BP branded service stations throughout Australia, and we make and market BP and Castrol lubricants. Our exploration business is focused on the Northwest Shelf (NWS), where we're one of six participants in Australia's largest resource development. This produces a range of hydrocarbon products: natural gas, liquefied natural gas (LNG), liquefied petroleum gas, crude oil, and condensate. In addition, BP Solar has been operating in Australia for over 20 years.

Australian Actions on Climate Change

BP has been at the forefront of efforts to raise awareness of the significance of climate change in Australia, working to highlight the economic and physical risks to the country of failing to take appropriate action. We were an early supporter of emissions trading in Australia, drawing on our experience of BP's internal trading system in the late 1990s and our involvement in the European Emissions Trading Scheme (EU ETS). In 2006, we were a part of the Australian Business Roundtable on Climate Change which highlighted Australia's physical and economic vulnerability to climate change and argued for early action. Since then we have been an active contributor to the policy debate on the development of a national emissions trading scheme. These efforts to increase awareness and develop appropriate policy mechanisms have been underpinned by action. We believe that minimizing GHG and other emissions is a fundamental part of operating responsibly and have taken steps over many years to reduce emissions.