

Heather Ridout -  
Chief Executive Australian Industry Group

What now?

The somewhat confused end to the Copenhagen talks has at best maintained some momentum towards unified action on climate change.

For Australian business, a global agreement was important because it would have created a framework that addressed climate change in a way that did not disadvantage our trade exposed industries and that preserved jobs.

If countries take action together, the competitive pressures on Australian businesses would be more manageable because more businesses around the world would face similar extra costs. Concerted action would also lead to a more rapid reduction in greenhouse gases.

In looking at “what now?” for climate change there are a few important points.

First, the fundamentals have not changed and the priorities of the economy and the environment still require a determined effort to build a global agreement to address climate change.

Second, Copenhagen also underlined the importance of the supports that have been built into the Federal Government's proposed Carbon Pollution Reduction Scheme (CPRS). Over the past year, Ai Group argued for a phase-in period to avoid unnecessary disruption and for strong supports for trade-exposed businesses facing competition from countries that do not take action to reduce emissions.

It is now critical that these supports are at least retained, and potentially strengthened, as we move into 2010 and as Australia decides on the commitments it is prepared to make under the Copenhagen Accord.

In particular Australia cannot commit to large reductions unless both developed and developing countries commit to clear and verifiable actions to slow the growth of greenhouse gas emissions.

A third element in asking what now is, just because Copenhagen has pulled up short, the pressure on individual businesses to reduce their emissions and improve energy efficiency will not go away and that they will continue to take efforts in this regard.

Further, the Government needs to redouble its efforts to inform and engage the community and business in this project. The proposed Climate Change Action Fund has an important part to play in this and it needs to be kicked off as a matter of priority.

Finally, the international developments also highlight once again the importance of having an approach to climate policy that gets the job done as effectively and at least cost as possible. Ai Group continues to support a market-based approach to reducing greenhouse gas emissions that avoids unnecessary and intrusive direct regulation and that provides incentives for a full range of opportunities to reduce and offset emissions.