



Climate Policy: State of Play

Ai Group Sustainability and
Technology Forum

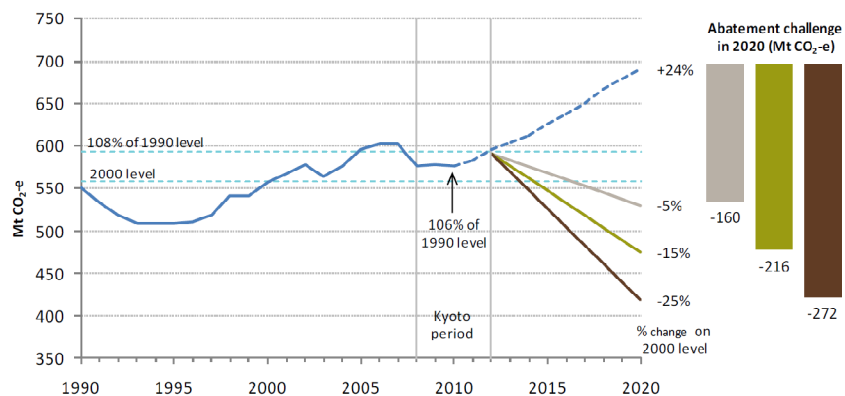
June 2011

Critical areas of agreement

	Government	Opposition
Science	Yes	Yes
Should Australia reduce emissions?	Yes	Yes
<i>Unconditional</i> 2020 target (Vs 2000)?	-5%	-5%
Additional action by 2020 on international agreement?	Up to -25%	Up to -25%
"Least cost abatement"?	Yes	Yes

A substantial shift in development path

Figure 1 Australia's emissions trends, 1990 to 2020



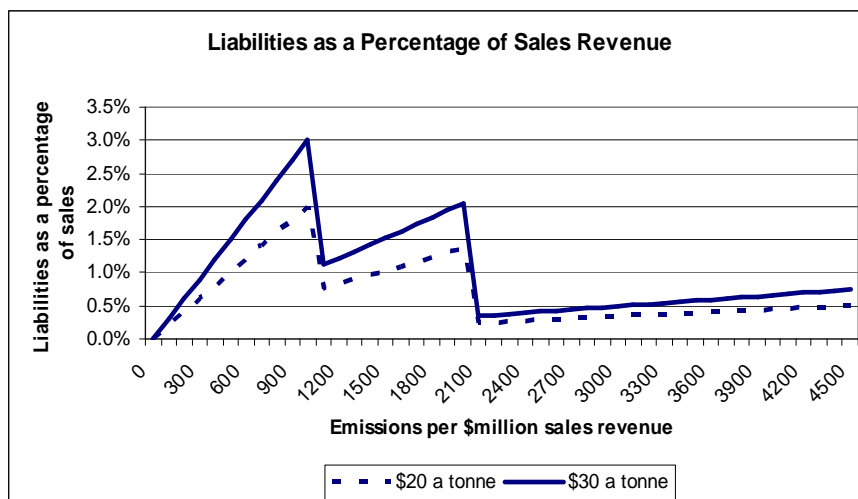
Note: Trajectories to the 2020 target range are illustrative, they begin in 2011-12 at 108 per cent of 1990 levels (consistent with Australia's Kyoto Protocol first commitment period target) and assume a straight line reduction to the target.

Industry issues

- Uncertainty
- Compliance
- Economy-wide burden
- Electricity supply
- Opportunities
- Competitiveness

Trade Exposed Liabilities (Year 1)

(assuming November 2009 EITE Provisions Apply)



Ai Group climate policy principles

- Competitiveness
- Least cost abatement
- Supporting investment
- R&D
- Lowering regulatory burdens



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