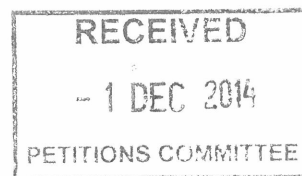




The Hon Greg Hunt MP
Minister for the Environment



MC14-028322

Dr Dennis Jensen MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

27 NOV 2014

Dear Dr Jensen

I refer to your letter of 27 October 2014 concerning a petition regarding the reduction of Australia's greenhouse gas emissions recently received by the Standing Committee on Petitions.

The Australian Government is firmly committed to reducing Australia's emissions to meet its target of 5 per cent below 2000 levels by 2020. Positive and direct action by the Government, business and community will allow us to meet this challenge. For environmental policy to be successful over the longer term, the two goals of reducing emissions and ensuring economic growth must be pursued together. The Government's approach is built on science and the need to develop global efforts to reduce emissions.

The centrepiece of the Government's approach is the Emissions Reduction Fund (ERF), which embodies the principles of lowest-cost, real emissions reductions, and streamlined administration. The ERF will provide the impetus for businesses and the community to improve practices, invest in new technologies, and reduce our emissions.

On 24 November 2014, a Bill to implement the ERF – the Carbon Farming Initiative Amendment Bill 2014 – passed Parliament. It will take effect once proclaimed.

The ERF implements a long-term framework for stable and sustainable climate change policy. It offers strong incentives for businesses to seek out actions that are in their interests as they reduce costs, and in the interests of the environment as they reduce emissions. The ERF will support Australian businesses and communities to enjoy the benefits of economic growth, increased productivity and a cleaner environment.

The Government is also committed to supporting a sustainable renewable energy sector, including through an amended Renewable Energy Target (RET) scheme to achieve a real 20 per cent share for renewables in Australia's electricity mix in 2020.

A review of the RET in 2014 by an independent panel of experts found that electricity demand is declining so forecast demand in 2020 is lower than previously anticipated. This means that what was intended to be a 20 per cent target for 2020 is now tracking towards 26 per cent by 2020.

The Government will continue to seek bipartisan support for an amended RET with a view to providing certainty for the renewable energy sector while better reflecting the market need for new generation and restoring competitiveness to industry.

Further information about the ERF is available on the Department of the Environment's website at: www.environment.gov.au.

I have also copied this letter to the Member for Indi, the Hon Cathy McGowan MP.

Thank you for writing on this matter.

Yours sincerely

Greg Hunt

Cc: The Member for Indi, the Hon Cathy McGowan MP.