

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 116
Hearing: Budget Estimates
Outcome: Agency
Programme: Climate Change Authority
Topic: VEHICLE EMISSIONS, INTERNATIONAL AGREEMENTS AND INTERNATIONAL CREDITS PROGRAMMES
Hansard Page: N/A
Question Date: 10 June 2014
Question Type: Written

Senator Urquhart asked:

Could you please provide further information on the three projects identified at Estimates (vehicle emissions; international agreement; and the use of international credits)?

Answer:

The Authority's work plan aims to make a constructive contribution to mitigation policy development, and help position the Authority to deliver on its 2014/15 statutory reviews, if necessary. The Authority is undertaking three research papers, covering:

- Priorities for the next international climate agreement
- Vehicle emission standards
- The use of international emissions reductions to help meet Australia's targets.

International agreement

The Climate Change Authority (the Authority) released a research paper titled *International climate action: priorities for the next agreement* on 23 June 2014.

This research paper identifies key priorities for international cooperation on climate change that will encourage greater national emissions reductions. It examines some of the implications that international cooperation will have for Australia, against the background of the Authority's recent Targets and Progress Review. The paper discusses several of the core priority issues which are expected to be considered in the lead up the Paris meeting in 2015 and beyond. These issues include:

- the collective goal to limit global warming to 2°C or below
- post-2020 international emissions reduction targets for major emitting countries
- the common framework for tracking emissions and progress towards targets
- the role of international trade in emission units
- regular reviews of collective and individual efforts to reduce emissions
- legal form of the Paris outcome and its parts.

A copy of the report is available on the Authority's website (www.climatechangeauthority.gov.au).

Vehicle emissions

The Authority is analysing the potential role of emissions standards for light vehicles in Australia.

This builds on the Authority's Targets and Progress Review, which identified significant low cost emission reduction opportunities in the transport sector, and recommended the government investigate near-term introduction of standards.

The analysis examines:

- transport emission trends and the scale of reduction opportunities
- the benefits and costs of policy options, including mandatory standards to improve light vehicle efficiency and reduce emissions
- policy design considerations, including the potential level, scope and timing of standards.

The Authority is consulting stakeholders, including industry, consumer and environment groups, as part of its work. We anticipate releasing a research paper by 30 June 2014.

If the Authority is not abolished and its statutory responsibilities remain unchanged, this work could feed into the Authority's 2015 Progress Review.

International emissions reductions

The Authority is investigating how international emissions reductions could be used to help meet Australia's emissions reduction targets.

This work builds on the Targets and Progress Review, which recommended that the Government establish a fund to purchase international emissions reductions to bridge any gap between domestic reductions and the recommended 2020 goals. The analysis includes:

- the benefits and risks of using international units
- what types of units could be purchased
- the availability and cost of those units
- how a government purchase fund could be operationalised.

The Authority anticipates releasing a research paper by July 2014. The work could feed into the Authority's 2015 Progress Review, if the Authority is not abolished and its legislated responsibilities remain unchanged.