

## Climate Action Statement

BCSD Australia is committed to addressing critical industry issues, sharing best practice and bringing different sectors and stakeholders together to develop a blueprint for action on energy, industry, the built environment, transport, infrastructure, ICT, agriculture, forestry systems and finance that:

1. Meets societal development needs by ensuring adequate provision for basic needs for all people, respecting human rights and creating good and decent jobs for an appropriately qualified labour force;
2. Drives the necessary structural transformation needed to ensure emissions reach net zero in a timeframe supporting achievement of the Paris Agreement goals of limiting temperature rise to well below 2°C and preferably 1.5°C;
3. Builds resilience and adaptation to expected and likely changes in climate; and
4. Provides a framework for disclosure, reporting and accountability.

There is a pathway for effective implementation of this transition, broadly outlined as follows:

### **A. Unlock the potential of Australia's Nationally Determined Contribution (NDC) to drive low-carbon solutions and innovation**

1. Review and strengthen Australia's NDC to take it to its highest level of ambition:
  - Increase emission reduction targets to ensure an aggregate effect matching the Paris Agreement goal of staying well below 2°C or meeting 1.5°C
  - Ensure a wider sectoral scope including:
    - Energy-related targets and energy transition timelines to scale-up renewable energy sources and improve energy efficiency within the next four (4) years;
    - A roadmap to decarbonise the transport system;
    - Plans to enhance climate-smart agriculture, reforestation and landscape management;
    - Plans for low-carbon cities and energy-efficient buildings, including improved building and equipment standards and codes;
    - Plans to develop and deploy technologies for carbon sequestration;
    - Plans to enhance adaptation plans to enhance resilience and contribute to the delivery of the Sustainable Development Goals (SDGs); and
    - Plans to align the financial system with the above objectives.
  - Engage with business and finance to design and implement domestic policies that remove barriers to innovation, technological transfer and finance; and drive deep system transformation and structural change to transition our economy.

2. Negotiate internationally to ensure there is a transparent and harmonised United Nations Framework Convention on Climate Change (UNFCCC) review mechanism to promote a race-to-the top at the global level:
  - Support standardised timelines for all NDCs in line with the five-year review cycle starting in 2020, using the same baseline;
  - Support inclusion of business and finance in the discussions on the use of standardised methods for accounting, reporting and verification; and
  - Share best practice guidelines on high-performing NDCs to increase the successful implementation of other NDCs.

## **B. Contribute to the scale up financial resources to invest in a low-carbon future**

1. Scale up public and private investment:
  - Design sustainable finance roadmaps where additional sources of finance contribute to the target of USD 100 billion/year by 2020, national mitigation and adaptation and the delivery of the Paris Agreement goals and SDGs;
  - Facilitate private sector engagement on the Green Climate Fund Board and simplify pathways for private sector involvement at Fund and country level to leverage and amplify the level of private capital flows.
2. Implement meaningful carbon pricing mechanisms (Article 6):
  - Ensure robust and complementary carbon pricing mechanisms (such as carbon tax, market-based mechanisms, standards or a combination of these and other appropriate mechanisms) to redirect investments towards low- carbon solutions;
  - Ensure coherent regulations between national and regional carbon markets and alignment between the various systems with clear global rules aiming for global coverage in order to prevent economic distortions and carbon leakage; and
  - Set up global market-based mechanisms in the international aviation and maritime sectors.
3. Set clear timelines for the removal of fossil fuel subsidies.

### **To contribute to the achievement of these goals, BCSD Australia and its members will:**

1. **accelerate** and scale up business and finance solutions and action in the transformation of a low-carbon economy;
2. **demonstrate** leading practice and economically sustainable, competitive commercial solutions to climate challenges;
3. **leverage** networks to share, develop and collaborate on solutions within and across sectors;
4. **enable** our employees, supply chains, customers and communities to minimise and disclose climate and de-carbonisation risks as well as pursue energy efficiency, clean energy, and low carbon solutions;

5. **create** awareness to identify, develop and responsibly market technologies, goods and services that are consistent with those required to meet our combined emission reduction commitments;
6. **advocate** for a just transition for affected communities and industries; and
7. **promote** transparency about the progress being made through the activities of BCSD Australia and its members.

**BCSD Australia and its members support policies that meet the following criteria:**

1. Decisive collaborative action on climate change because it makes good business and financial sense now and for the future.
2. True pricing of goods and services which internalise the cost of pollution, including its monitoring, reporting and verification.
3. Consistent and effective policies and measures to drive the transition to net zero-carbon economy, that incentivises the private sector to innovate and deploy (e.g. market mechanisms) and regulate, enforce and penalise non-compliance (e.g. minimum energy performance standards).
4. Independent institutional frameworks that research, develop, commercialise and monitor low-carbon technologies, systems and adaptation responses.
5. Smart policies and standards to increase energy efficiency (including buildings, vehicles and appliances).
6. Disclosure of energy and greenhouse gas emissions data across all sources and sinks throughout the economy.

As at September 2019