

Too early to walk away from energy target: BCA



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David Crowe, *The Australian*, 12:00AM October 12, 2017

The nation's peak business group has rejected calls for Australia to walk away from its pledge to reduce greenhouse gas emissions.

The Business Council of Australia says it is "way too early" to set a lower goal despite Tony Abbott warning of industries being sacrificed to "climate gods".

BCA president Grant King said the government should stick with its stated policy but must explain how it would reach its target of cutting carbon emissions by 26 to 28 per cent by 2030.

"That's a 2030 target, that's a long time away — it's way too early to give up on those sort of targets," said Mr King, who has decades of experience in the energy industry. "We should be thinking about whether we need to get there in a straight line.

"You can see with the way the cost of renewables is coming down that you'd be better off to invest in renewables tomorrow than you would today, because of the technology learning curve.

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“So I think we can have a lot of discussion about how we meet the target but I don't believe Australia should walk away from the target. But nor should it be increased.”

The comments came after former Productivity Commission chairman Gary Banks told The Australian the country should consider “whether we've signed up to something that for our economy is too tough” because of the cost of reaching the target.

In a key pledge to the Paris climate-change talks two years ago, Mr Abbott as prime minister presided over a decision to reduce Australia's emissions by 26 to 28 per cent by 2030 compared to 2005 levels. He also implemented a Direct Action policy that has cost taxpayers at least \$1.7 billion to reduce emissions. But this week he queried the target, saying “primitive people once killed goats to appease the volcano gods” in the way industries were now being sacrificed.

Malcolm Turnbull fended off questions of whether he was being undermined by his predecessor, noting Mr Abbott had made the original pledge. “We're on track to achieve it and we will ensure that we do ... as Mr Abbott said at the time, Australia is a nation that when it makes international commitments of this kind, keeps them,” the Prime Minister said.

The Australian understands the government is confident it can reach the target under an energy investment framework that emphasises the affordability and reliability of electricity rather than emissions.

BCA chief executive Jennifer Westacott said the government should outline its new policy, with or without a clean energy target, before revisiting the target.

Amid talk by Coalition backbenchers including Mr Abbott about putting taxpayer funds into a new coal-fired power station, Ms Westacott said such a project could take eight years. “Should coal be part of our energy mix? Absolutely it should,” she said. “But we need to stop picking winners. That is the problem with the renewable energy target — that we subsidise things just for being renewable energy — and look at the mess we've got ourselves into.”

She called for a framework that supported all technologies that could achieve the objective.

Manufacturing Australia executive director Ben Eade said Australia needed policy stability without unnecessary, expensive subsidies for energy producers.