

THE CLEAN ENERGY BILL PASSES THE SENATE

This newsletter celebrates the passing of the Clean Energy Future legislation in Parliament on the 8th November, 2011. The legislation was the product of the collaboration of the Labor and Green parties and the two independents - Rob Oakshott and Tony Windsor. The threats made by the Liberal party to rescind the legislation are unlikely to be carried out - as it will be extremely difficult to undo income tax breaks and to get new legislation past a Senate controlled by the Greens.

Climate Alliance supports the new legislation and considers it a balanced approach for the Australian economy. The very modest goal of 5% reduction from 'business as usual' by 2020 is likely to prove to be too modest. One of CAL's Advisors believes that Australia will surpass this target well before 2020 - see below. Certainly the rapid increases of the power prices in Australia are already serving as an impetus to consider ways to reduce energy costs.

CLIMATE ALLIANCE CONFERENCE 2011

15 September 2011

Where to from here? The new rules for business

This year's National Conference featured both stirring and startling presentations from a high-profile panel of speakers. Following the presentations was a panel discussion, with some robust discussion of current issues facing the business world and the ways in which businesses are tackling the step-change opportunities presented by the carbon reduction challenge.

Keynote speaker was Mark Joiner, CFO and Executive Director of the NAB.

See a full report on the CAL website at <http://bit.ly/tBvOFF>

CLIMATE ALLIANCE RECOGNISES BUSINESS LEADERSHIP

At the conference, Climate Alliance announced the 2011 Business Leadership Award winners for outstanding achievements in climate



response within the business community. From a number of highly commendable submissions, three entries stood out in the categories. The winners were: **Qenos** for Board Leadership, **Mr Ben Waters**, GE for Executive Leadership and **Ceramic Fuel**

Cells for Business Innovator.

See our website for more details <http://bit.ly/tBQp87>

Please consider nominating for the 2012 Climate Leadership awards!

NATIONAL AUSTRALIA BANK EXPERIENCE

by Jane Farago, CAL



NAB CEO Cameron Clyne

As most Australian businesses start to grapple with the idea of a carbon price, it won't cause a ripple at one of the nation's largest firms. NAB put its own price on carbon three years ago. It's a process that has fed into company strategy, unlocked new relationships with both customers and suppliers and, above all, unleashed an amazing boon in staff engagement; when



CLIMATE ALLIANCE

A business essential.

NAB CEO John Stewart announced in 2007 that the bank was to become carbon neutral, his inbox was flooded with proud congratulatory emails from staff.

The story began with a question posed to the bank's strategy team, but quickly gathered momentum as people from all areas of the organisation volunteered their input. With strong support from a committed executive, the initiative was rolled out, not as an isolated project, but as one the entire organisation could feel a sense of involvement with.

The initiative proved to be strongly aligned with corporate strategy. Over just three years, NAB made energy savings of 25%. But the benefits went much deeper than that: NAB gained expertise that helps them to serve their business customers; stimulated innovation and business efficiencies; galvanised their staff and made them ambassadors for the bank. It's the embodiment of a growing approach to business, 'profiting by doing good'.

The full story is available on the CAL website at: <http://bit.ly/w1oHQI>

Editor's Note: The NAB won the 2010 Climate Alliance Board Leadership Award for its decision to become carbon neutral by 2010.

CARBON EXPO - MELBOURNE



Early November, the Carbon Expo took place in Melbourne. The two highlights for this writer were the CEO conversations and the presentation on China's progress. The CEO's of AG

Delta, GE and Santos are each, in their own ways, aggressively tackling the new environment. They have considered the new regime and are moving quickly to capitalise on the new opportunities for their shareholders. Australian LNG production capacity is currently approximately 20MT/yr, increasing to 73MT/yr by 2018. It could reach 100MT/yr by 2020! By way of comparison, Qatar, the world's largest producer, currently has a capacity of 70MT/yr.

The second interesting session reviewed the progress of China with respect to their 5 year plan for renewable energy. In 2010, China spent \$48B on renewable energy - more than any other country (and created 28 million jobs). Wind power capacity doubled every year from 2000 through to 2009. Not only is China positioning itself as the manufacturer of all things renewable, it is also quickly developing the expertise to develop IP. Australian businesses will need to seriously consider how they will participate in this market - other than as a consumer!

The investment community estimates that \$13Trillion will need to be spent on renewable energy globally by 2035. This estimate does not account for the shortfall created by a number of countries shutting down their nuclear power industry!

See over.

THE GLASS IS HALF FULL

by Adjunct Professor Alan Pears

Can Australia do better than 5% emission reduction by 2020? Government projections of Australia's greenhouse gases have suggested that meeting a 5% reduction target by 2020 will be tough, given business as usual growth trends. But recent changes seem to be indicating bigger cuts are feasible.



Image: Nissan LEAF

In transport, the car industry is driving rapid fuel efficiency improvement, while consumers are buying smaller cars and shifting to diesel and hybrid. And electric cars are around the corner - such as the Nissan LEAF. Use of public transport is growing rapidly, as anyone who squeezes on at peak hour can tell you! Improving transport logistics, rail upgrades and more efficient trucks are also transforming freight emissions.

In the commercial sector, new building energy regulations and rapid adoption of green rating schemes, as well as equipment efficiency standards are driving efficiency improvements, often of 50% or more.

In industry, schemes such as the Commonwealth Government's Energy Efficiency Opportunities program are unearthing billions of dollars of cost effective energy efficiency improvements that also improve business competitiveness. And in homes, energy efficient 6 star houses, high efficiency lights, 8-star energy efficient TV's and efficient appliances, as well as solar technologies, are cutting consumption. Indeed, total Australian electricity consumption has declined for the past three years, a trend never seen before. As Australians focus on opportunities to cut emissions, save money and improve productivity, the potential to cut emissions just seems to improve.

LIZ BOSSLEY VISIT DOWN UNDER



Climate Alliance is delighted to announce that Liz Bossley will be visiting our fair shores from the 23rd November through to 29 November. She will be talking at a number of venues to address director liabilities resulting from the impact of a carbon price on long term energy buy or sell contracts. Please visit here for details: <http://www.climatealliance.org.au/>

WORLD HEADED FOR IRREVERSIBLE CLIMATE CHANGE IN FIVE YEARS

IEA warns - *Guardian* 9 Nov 2011.

Quote from the article: "The world is likely to build so many fossil-fuelled power stations, energy-guzzling factories and inefficient buildings in the next five years that it will become impossible to hold global warming to safe levels, and the last chance of combating dangerous climate change will be "lost for ever", according to the most thorough analysis yet of world energy infrastructure.

Anything built from now on that produces carbon will do so for decades, and this "lock-in" effect will be the single factor most likely to produce irreversible climate change, the world's foremost authority on energy economics has found. If this is not rapidly changed within the next five years, the results are likely to be disastrous."



Any fossil fuel infrastructure built in the next five years will cause irreversible climate change, according to the IEA. Photograph: Rex Features

"The door is closing," Fatih Birol, chief economist at the International Energy Agency, said. "I am very worried – if we don't change direction now on how we use energy, we will end up beyond what scientists tell us is the minimum [for safety]. The door will be closed forever."

If the world is to stay below 2C of warming, which scientists regard as the limit of safety, then emissions must be held to no more than 450 parts per million (ppm) of carbon dioxide in the atmosphere; the level is currently around 390ppm. But the world's existing infrastructure is already producing 80% of that "carbon budget", according to the IEA's analysis, published on Wednesday. This gives an ever-narrowing gap in which to reform the global economy on to a low-carbon footing."

"If current trends continue, and we go on building high-carbon energy generation, then by 2015 at least 90% of the available "carbon budget" will be swallowed up by our energy and industrial infrastructure. By 2017, there will be no room for manoeuvre at all – the whole of the carbon budget will be spoken for, according to the IEA's calculations."

Climate Alliance Membership

Business leaders are cordially invited to join Climate Alliance and benefit from networking opportunities, invitations to events and access to information that deals with the opportunities and risks of climate change. See website for details and registration forms.

About Climate Alliance

Climate Alliance is a not-for-profit, membership based company that collects and disseminates information on climate change. Our primary focus is to provide independent, business-oriented information to business leaders, to help them inform themselves about the opportunities and risks resulting from climate change. We do not consult, lobby or develop policy.

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