

**\*Thursday 19 March 2020\***

## **Plan now: Integrate post-virus economic repair with land and climate repair**

COVID-19 stimulus and budget initiatives should align with investment and policies working on land, climate and economic repair said the Carbon Market Institute (CMI) today, which also welcomed the Climate Change Authority's latest policy toolkit report.

"The Government should plan now to integrate both the recovery from COVID-19, and the huge public stimulus, with the recovery from Australia's 2019/2020 black summer bushfire season," said John Connor, CEO of the CMI.

"Aligning the three tasks of land, climate and economic repair will give clear long-term signals to investors, business and farmers who are managing risks and seizing the opportunities in the transition to net-zero emissions economy. These signals can help ensure the long-term safety and prosperity of Australia.

"It is imperative that we use the public funds that are available now well, but plan for when public taxpayer funding will need to be reduced," added Mr Connor.

This can be done by evolving policies such as the Government's 'Safeguard Mechanism' so that its carbon reduction regulations or 'baselines' for emissions intensive industries align, at least, with national carbon reduction targets.

As reported in The Australian today, farmers have been winners from the Government's Emission Reduction Fund (ERF) with \$100 million being invested in land sector projects.

"The ERF is throwing lifelines and new revenue streams to farmers who have been struggling with drought, but these policies need more to be put on more sustainable footing, and be less dependent on public taxpayer funds," said Mr Connor.

Next week will see the tenth ERF auction after the last auction priced carbon reductions at \$14.15 a tonne.

"The Government's commitment to add almost \$2 billion to the ERF over the next 15 years is welcome but we should be planning to transition to policies – such as stronger Safeguard Mechanism baselines – that make business the drivers of this market, not the taxpayer", added Mr Connor.

Today's report by the Climate Change Authority "[Prospering in a Low Emission World: A Policy Toolkit for Australia](#)" also recommends declining baselines and measures to maximise the potential of the land sector in carbon reduction.

CMI believes that we can and must reform with smart policy that manages emissions intensive companies' trade exposure and supports affected workers and communities.

CMI's January 2020 [bushfire recovery workshop report](#) noted that recognising climate change as a factor in the unprecedented bush fire weather conditions meant that emissions reduction is hazard reduction. It called for an integration of land and climate repair tasks, now we need to also integrate economic repair with these tasks.

"Finally, it is worth noting that the South Korean Government, so successful in containing COVID-19's impacts, is announcing policies for net-zero emissions for 2050 and boosting its carbon pricing mechanism, setting the course for a clean and more resilient post-COVID-19 economy, Australia should do the same," concluded Mr Connor.

*\*The CMI is the independent peak industry body at the centre of business and climate action. CMI has 75 corporate members and speaks for business leading the transition to a net-zero emissions economy.*

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