

Set bigger climate goals in economic recovery: Business tells government in national survey

Monday November 30: Australia's COVID-19 economic recovery plans don't do enough to integrate climate action and Australia should have a 2050 net-zero emissions target, say Australian business respondents in the 2020 Australian Climate Policy Survey, released today.

Conducted by the Carbon Market Institute in the lead up to the 7th [Australasian Emissions Reduction Summit](#) (Dec 2-4), the survey finds **76%** of respondents think the Morrison government is not sufficiently integrating climate goals in its economic response to the pandemic.

John Connor, CEO of the CMI says: "Some of the 234 respondents to this survey are from Australia's biggest emitting companies. The others are investors, carbon project developers and carbon market experts.

"Driven by regulators, investors, consumers, concern about carbon border tariffs and their own strategic interests, business leaders are taking action but they clearly want the national government to assist with targets and policies, not just technology development support."

The survey found support is increasing among the business and investment community for a net zero emissions by 2050 target, with **88%** of respondents saying Australia should set a target, up from 83% last year.

"This survey shows that even during a pandemic and a recession, corporate and investor concerns over climate action are undimmed, as realisation of the many opportunities for Australia in a low carbon economy brighten," says Mr Connor.

The survey further reflected growing corporate concern of climate change, finding that:

- **87%** report recognition at board and executive level of the material financial and strategic risks posed by climate change (up from 77% in 2019)
- **57%** state that their organisation has faced increased shareholder action/resolutions regarding climate change (42% in 2019)

"With 70% of our trading partners setting net-zero emissions or carbon neutrality goals, and many of them openly discussing carbon border adjustments to penalise laggards, it's no surprise to also see carbon tariff concerns jump nine points to **79%**," says Mr Connor.

"Business concerns continue to rise, too, about Australia using its Kyoto carryover credits to achieve its 2030 reduction target, with **79%** of respondents disagreeing with that plan, up from 76% last year."

Other results from the survey include:

- **88%** of respondents are expecting Australia to have by 2030 at least an implicit carbon price of over \$20, 55% expect that price to be over \$30
- **75%** of those using internal carbon pricing now apply over \$20 (up from 63% in 2019)
- **84%** agree Australia should have mandatory reporting of carbon risks
- **83%** believe baselines allocated under the Safeguard Mechanism should be set to reduce over time in line with the trajectory of Australia's 2030 emissions reduction target
- **78%** believe Australia's current 2030 target of 26-28% reductions is an inadequate contribution towards the Paris Agreement goal and should be increased

“With abundant clean energy resources and likewise abundant opportunities for biological, industrial and geological carbon sequestration, Australian business leaders are aware of significant opportunities in a transition to net-zero emissions as well as the spiralling costs of climate inaction,” says Mr Connor.

“While recent additional support for technology development is welcome, Australian business leaders are seeking targets, stronger policies and transition planning to manage risks and maximise opportunities.”

To interview CMI CEO John Connor contact Clare Price on 0490 252 743 or clare.price@carbonmarketinstitute.org

About the Survey

The Carbon Market Institute is the independent industry association for business leading the transition to net-zero emissions. CMI has more than 90 corporate members.

Each year the CMI surveys the attitudes of Australian business and industry to climate and energy policy, corporate climate action and economic implications of international developments. The 2020 survey is the sixth in a series.

This survey was conducted from October to November 2020 and reflects a broad market perspective, with 234 respondents: 85% with C-suite and senior management roles; 45% of respondents were from direct emitting sectors; 39% report emissions under the National Greenhouse and Energy Reporting Scheme; and 30% represented individuals from the finance, consulting and advisory service industries.