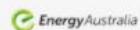


Carbon Market Institute

CPLC Asia Working Group

18th March 2021

**Carbon
Market
Institute**





Australian Snapshot

Policy Landscape

Australia's NDC Target:

26-28% reduction below 2005 levels by 2030.

Emissions Reduction Fund: AUD\$2.55billion Govt fund to directly invest via reverse auction process, in carbon abatement contracts (generating Australian Carbon Credit Units).

Auction places explicit price on carbon.

Safeguard Mechanism: 'Baseline & Trade' type model. Baseline set at 100mtpa; Company must purchase and retire ACCUs to acquit carbon liability, if emissions exceed baseline in any one year.

Safeguard enables trading in emissions.

Federal Politics

- Political sensitivities to emissions trading & carbon pricing from a decade of 'climate wars'.
- Unsophisticated political discourse on climate policy has prevented stable policy development beyond election cycles.
- Current Government preference for supporting voluntary market activity over expanding formal compliance markets.



Corporate Climate Action

Voluntary pricing and targets

Announced Corporate Targets

Net-Zero by 2020

- Facebook
- Telstra

Net-Zero by 2030

- Apple
- Microsoft (carbon negative)

Net-Zero by 2050

- Inpex
- AGL Energy
- BHP
- BP
- Shell
- IFM

Shadow Carbon Prices (USD)

BP: \$100

Woodside: \$80

Newmont: \$50

South32: \$40

Newcrest: \$25-50

Microsoft: \$15

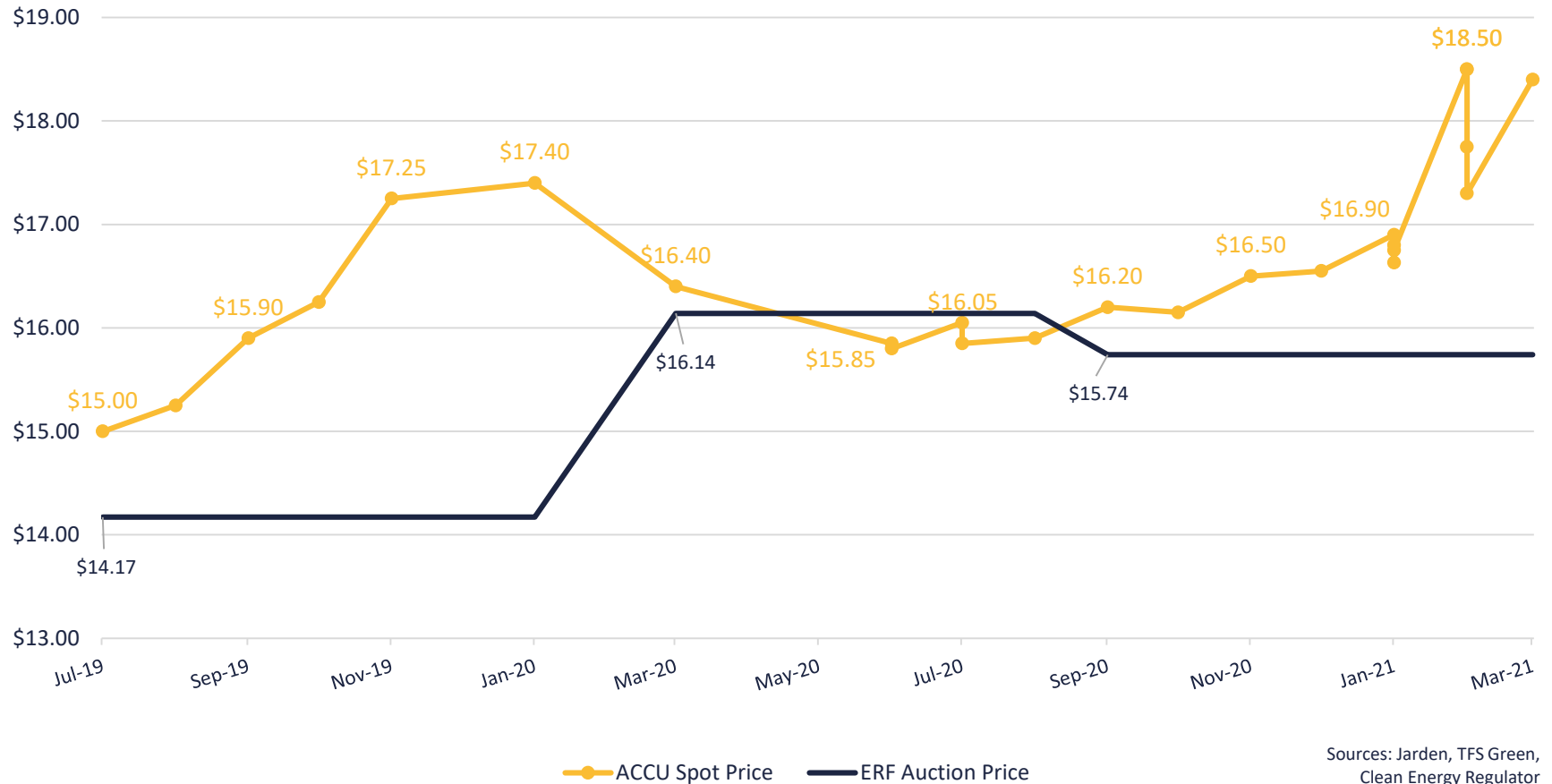
Wesfarmers: \$14



Australian Carbon Credit Units

Spot and auction prices

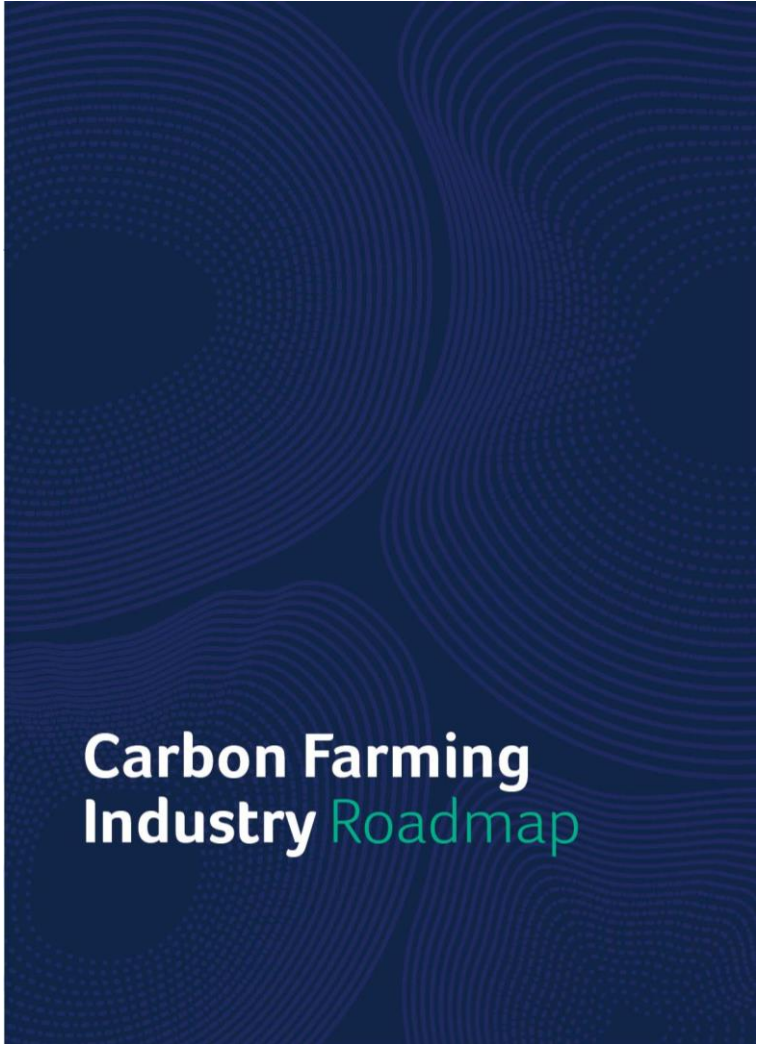
ACCU Spot vs Auction Prices



Sources: Jarden, TFS Green, Clean Energy Regulator



Australian Carbon Farming Industry Roadmap



OUR VISION FOR THE FUTURE.

Our domestic carbon farming industry can become a vibrant sector in the Australian economy.

An industry that can be a strong source of jobs and revenue for the range of market participants, whilst making a significant contribution to Australia's net-zero emissions trajectory by 2030.

- **GOVERNMENT**
- **FINANCE & INDUSTRY**
- **LAND SECTOR**
- **CARBON SERVICE PROVIDERS**

carbonmarketinstitute.org/roadmap



Australian Carbon Industry Code of Conduct

*Supporting best practice
integrity, transparency and accountability
in Australia's Carbon Market*



Australian
Carbon Industry
Code of Conduct
SIGNATORY



Australian
Carbon Industry
Code of Conduct
FOUNDATION SIGNATORY

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Australian
Carbon Industry
Code of Conduct



Australia in 2021

Aligning Public & Private Policy Engines

- Government commitment for long-term strategy before COP26.
- Australian Federal Election late 2021/early 2022.
- Impact of US re-entering the Paris Agreement & Asia region:
 - Announcement of the 'Quad' alliance with US, Japan, India and Australia.
 - US/Australia positioning to driving a 'new energy economy'.
- Australian leadership of OECD (incoming Secretary General)
- Increased sophistication of corporate engagement in domestic & regional carbon markets.
- And of course...

8TH ANNUAL



**Australasian
Emissions
Reduction
SUMMIT 2021**

24-25 JUNE | ICC SYDNEY

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ZERO & BEYOND**

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business leading transition