



PRIME MINISTER

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Mr Richard Mathews
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Dear Mr Mathews

Thank you for writing to me about climate change.

Australia is taking strong climate action as part of a coordinated global effort. The latest report from the Intergovernmental Panel on Climate Change reinforces the importance of global action to reduce emissions, and of keeping within reach the Paris Agreement goal of limiting temperature rise to 1.5C°. Australia has a strong track record of setting, achieving and exceeding our commitments – and it is clear our policies are working.

We have met and exceeded our Kyoto commitments by 459 million tonnes, and our emissions are down 20 per cent from 2005 levels.

We are well on the way to meeting and beating our Paris commitment – reducing emissions by 26 to 28 per cent on 2005 levels by 2030. Achieving our 2030 target will see our emissions per capita fall by almost half, and by nearly two-thirds per unit of GDP.

We are on the pathway to net zero. Our goal is to get there as soon as we possibly can by investing in technology that enables and transforms our industries – and not through taxes that eliminate them, and the jobs and livelihoods they support and create.

For Australia, it is not a question of if or when we will reach net zero, but importantly how. That is why we are investing in priority new technology solutions, through our Technology Investment Roadmap initiative. We are investing around \$20 billion to achieve ambitious goals that will bring the cost of clean hydrogen, green steel, energy storage and carbon capture and storage to commercial parity. We expect this to secure more than \$80 billion in total investment in the decade ahead.

Through our \$1.6 billion emission reduction package announced in the 2021-22 Budget, the Government is investing \$275.5 million to accelerate the development of clean hydrogen hubs in regional Australia. These will transform Australia's transport industries, mining and resource sectors, manufacturing, and fuel and energy production.

This package also includes \$565.8 million to foster international collaboration and achieve technology breakthroughs, lowering energy costs and creating more than 6,000 jobs, especially in our regions. Already we've announced international partnerships with the United Kingdom, Germany, Japan and Singapore to accelerate the development of new industries like hydrogen. These investments in future technologies complement existing policies, including the \$1.9 billion investment in low emissions technologies announced in the 2020 21 Budget, our Climate Solutions Package and the Emissions Reduction Fund. So far under the Emissions Reduction Fund we have secured over 200 million tonnes of emissions reductions.

We are charting our own course to ensure Australia is well placed to prosper in the new energy economy, consistent with strong action on climate change. Australia is already on track for around one-third of our electricity needs to be met by renewables in the early 2020s. Last year, Australia deployed new renewable energy over seven times faster per capita than the global average. We have the world's highest uptake of rooftop solar – one in four households now have rooftop solar systems.

To support the deployment of renewable energy, the Government is investing in the energy infrastructure of the future. This includes investing in the Snowy 2.0 project, which will be the largest energy storage project in the Southern Hemisphere, and backing new microgrids in regional and remote communities to deliver affordable, reliable power. The Government is working with state governments to accelerate priority transmission projects that support the integration of renewables into our energy system.

As well, the Clean Energy Finance Corporation, the world's most successful green bank, has mobilised over \$32 billion in new investments in our economy.

Tackling climate change requires an economy-wide approach. We are supporting the agriculture sector, with the Emissions Reduction Fund offering incentives for farmers to be paid abatement. As well, we are developing a national strategy to remove barriers to consumers wanting to take-up new low emissions vehicle technology.

Australia is making a strong contribution to the global effort of tackling climate change while ensuring we continue to build a strong job-creating economy.

Thank you for taking the time to write to me on this important issue.

Yours sincerely



SCOTT MORRISON