



Climate & Recovery Initiative

Stakeholder Roundtable Five

9 June 2021, 5:00-6:30pm AEST

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Climate & Recovery Initiative

The **Climate & Recovery Initiative (CRI)** is a collaborative initiative coordinated by the Centre for Policy Development and ClimateWorks Australia, with a steering group that includes Pollination Group, Australian Industry Group and the Australian Council of Trade Unions. Working together, we are seeking to identify the best ideas and opportunities for aligning Australia's economic recovery with climate and transition priorities, and to get them into the right hands.

Our stakeholder roundtable series brings together trusted leaders, experts and advisers from business, regulation, policy and the community to consider the challenges and opportunities ahead. The fifth roundtable in the series will focus on the G7 meeting, the recent IEA report and other developments in Australia.

This briefing pack contains:

- Instructions for joining via Zoom
- Roundtable agenda and participant list
- Overview of recent developments
- Roadmap to COP26
 - Accountability mechanisms
 - Build potential towards 2050
 - Strengthen 2030 targets



Agenda – Roundtable Five, 9 June 2021

Time	Duration	Agenda Item
5:00pm	10 mins	Welcome and introductions <i>Travers McLeod, CEO, CPD and Anna Skarbek, CEO, ClimateWorks</i>
5:10pm	30 mins	The march is on – an overview of recent developments <i>Travers McLeod</i> Featuring remarks from the Climate Coordinator of the Department of the Prime Minister and Cabinet, the British High Commission, and the UN Sustainable Development Solutions Network (Southeast Asia).
5:40pm	45 mins	Discussion: what is holding us back, what are the immediate opportunities, and what brave steps could be taken by the end of the year? <i>Anna Skarbek & Travers McLeod</i>
6:25pm	5 mins	Conclusions and next steps <i>Anna Skarbek</i>

Joining the roundtable via Zoom

This meeting will be conducted on Zoom video conferencing. For this meeting to run as smoothly as possible, we would prefer that all attendees join the Zoom call with video. If you are unable to join via video or have difficulties connecting on the day, please contact **Georgia Wilkinson** at georgia.wilkinson@cpd.org.au or on 0439578961.



Joining via laptop

Please join the call 5 minutes ahead of the start time

1. Start the call on your computer or tablet by clicking the following link: <https://us02web.zoom.us/j/85034454663>
2. For those without Zoom installed please click “join from browser” at the bottom of the screen. For those with Zoom installed please click “open zoom.us”
3. If prompted, please enter your name
4. If prompted, please enter the meeting ID 850 3445 4663
5. Turn on your video and ensure your audio is connected



Joining via phone

1. Please join the call 5 minutes ahead of the start time
2. Join the call using one of the following numbers:
+61 2 8015 6011
+61 3 7018 2005
+61 8 7150 1149
1. Use meeting ID 850 3445 4663
2. Use password 118278
3. Press # when asked for participant ID

During the discussion

1. When you would like to contribute to the conversation please click “Participants” at the bottom of the window, then click “Raise hand”
2. Please “mute” your microphone when you are not speaking
3. Use of the “Chat” function will be available throughout the call to ask specific questions or provide feedback when required

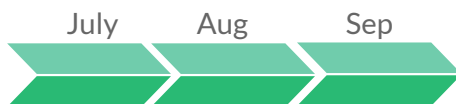
Overview of the CRI process



Identifying priorities

Framing paper on opportunities for transition-aligned recovery

First stakeholder roundtable to identify key priorities and opportunities (25 June)



Refining key CRI proposals

Develop key proposals and analysis identified through first roundtable

Second stakeholder roundtable to refine and test support (8 September)



Shaping medium term agenda

Refine CRI proposals and work towards implementation

Pursue collaborations and policy development to **elongate the window for influence** and support better climate-recovery alignment in 2021 ahead of COP26

Third stakeholder roundtable (23 November)

First CRI public forum (23 Nov)



Supporting ambition & action

Pursue key priorities from the **'roadmap to COP26'** and share intelligence on an evolving domestic and global agenda

Fourth stakeholder roundtable (3 March)

Fifth stakeholder roundtable (9 June) ahead of key global meetings in second half of 2021

Second CRI public forum (August tbc)

Key question for this fifth roundtable:

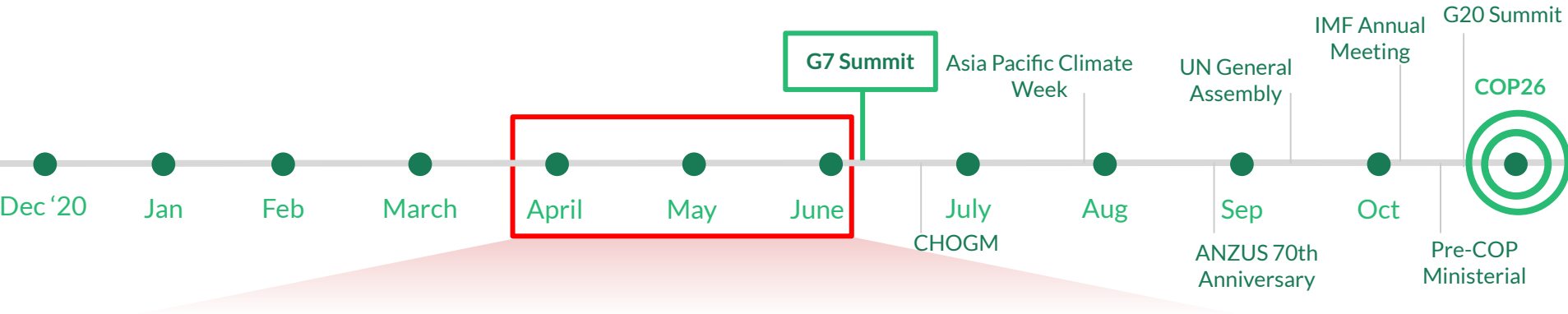
The global climate march is on. What's holding us (and the nation) back from reaching our potential, and what can we do about it?

Participant list for Roundtable Five

Name	Position and affiliation
Angela Cummine	Co-Director Sustainable Finance, NSW Treasury
Anna Skarbek	CEO, ClimateWorks Australia
Akhil Abraham	Head of Climate Diplomacy, British Royal Commission
Bianca Sylvester	Director, CEFC
Carolyn Jackson	Deputy Secretary, Environment and Climate Change, VIC Dept. of Environment, Land, Water and Planning
Cathie Armour	Commissioner, ASIC
Chris Barrett	Deputy Secretary, VIC Department of Treasury and Finance
Christophe McGlade	Senior Analyst, International Energy Agency
David Thodey AO	Chair, CSIRO, Tyro and Xero
Eytan Lenko	Executive Chair, BZE
Geoff Summerhayes	Chair, Sustainable Insurance Forum & former Board Member, APRA
Graham Sinden	Head of Climate Risk, APRA
Helen Bennett	Head of Climate Change Division, Department of Industry, Science, Energy and Resources
Ian Learmonth	CEO, CEFC
Innes Willox	Chief Executive, Australian Industry Group
James Larsen	Climate Coordinator, Deputy Secretary, Department of the Prime Minister and Cabinet
Jo Evans	Deputy Secretary, Climate Change and Energy Innovation, Department of Industry, Science, Energy and Resources
John Lydon	Co-Chair, Australian Climate Leaders Coalition & Senior Partner, McKinsey & Company
Jonathan Kearns	Head of Department, Financial Stability, RBA
Karen Hussey	Deputy Director General, QLD Dept of Environment and Science
Kate Wilson	Executive Director, Climate Change and Sustainability, NSW Department of Planning, Industry and Environment
Lachlan Creswell	Executive Director, Macquarie Capital
Lani Perlesz	Project Manager, ClimateWorks Australia
Louise Davidson	CEO, ACSI

Name	Position and affiliation
Mark Rodrigues	Executive Director Climate Change, VIC Department of Environment, Land, Water and Planning
Matthew Brine	First Assistant Secretary, Environment, Industry and Infrastructure Division, Fiscal Group, Australian Treasury
Mark Wakeham	Senior Advisor, Australian Council of Trade Unions
Michelle Andrews	Director General, Department of Water and Environmental Regulation Western Australia
Michele O'Neil	President, Australian Council of Trade Unions
Patrick Suckling	Senior Partner, Pollination Group
Paul Heithersay	Chief Executive, SA Dept. for Energy & Mining
Pradeep Philip	Lead Partner, Deloitte Access Economics
Richard Yetsenga	Chief Economist and Head of Research, ANZ Banking Group
Rupert Posner	System Lead - Sustainable Economies, ClimateWorks Australia
Sam Mostyn AO	Chair, Chief Executive Women
Sarah Gill	Principal Policy Officer, WA Department of Water and Environmental Regulation
Tanya Hosch	Executive General Manager Inclusion and Social Policy, AFL
Tim Goodson	Analyst, International Energy Agency
Tennant Reed	Principal Advisor, National Public Policy, the Australian Industry Group
Tim Reed	President, Business Council of Australia
Toby Phillips	Program Director, CPD
Travers McLeod	CEO, CPD
Warwick Ragg	General Manager, Natural Resource Management, National Farmers Federation
Wing Woo	UN Sustainable Development Solutions Network

The eight weeks prior to the G7 meeting has seen major developments across the world



International

- **US Climate Summit** leads many countries to ratchet up their 2030 emissions reduction commitment.
- Germany announces goal of **net zero by 2045**.
- **IEA Net Zero by 2050 report** calls for end to fossil fuel exploration.
- Biden passes Executive Order on wide-ranging public sector **climate risk reforms**.
- **Dutch court** orders Royal Dutch Shell to reduce scope 1/2/3 emissions by 45% by 2030.
- ExxonMobil and Chevron **shareholder activist movements** successful.

Australia

- **Macquarie** joins ANZ, CBA and Westpac in commitment to end coal financing.
- Victoria commits state to **50% emission reduction by 2030**.
- **Federal Court** – students win landmark ruling that environment minister has duty to not cause future harm through climate change.
- **Commonwealth Budget** – total climate spending 0.3% of federal budget, falling to 0.2% in 2022-23.

There's a lot of potential for climate action, but we are yet to reach that potential (individually or collectively) in this "year of action"

- In the last CRI roundtable, participants identified great potential for gains from the climate agenda.
- However, it's clear that we aren't collectively delivering on that. Last time we met, the response skewed negative, and there has been little change since.
- 2021 was framed as the year of action. We are almost at the half-way point. This meeting is an opportunity to take stock.

How much **potential** is there to align Australia's COVID recovery with climate and transition?



Not at all

A great deal

How well are we **delivering on that potential** so far?



Not at all

A great deal

The 'roadmap to COP26'

Recent developments

The roadmap to COP 26

At the March CRI roundtable, we discussed the major shifts in Australia's trade and diplomatic outlook, and advanced a more compelling vision and policy platform for a transitioning Australian economy.

This roundtable will focus on building potentials to achieve the NetZero target for 2050, and strengthening the potential to achieve the target set for 2030.

SECURE AUSTRALIA'S POSITION IN A GREEN GLOBAL ECONOMY

VISION FOR JOBS AND TRANSITIONS IN KEY REGIONS

ACCELERATE KEY INVESTMENTS AND ACCOUNTABILITY MECHANISMS

BUILD NET ZERO POTENTIAL FOR 2050

STRENGTHEN 2030 TARGETS



ACCELERATE KEY INVESTMENTS & ACCOUNTABILITY MECHANISMS

Scrutiny of corporate climate-related targets, governance and disclosures is a critical accountability mechanism for the private sector. This is intensifying rapidly, and moves towards mandatory climate reporting frameworks are accelerating across leading jurisdictions.

New Zealand, Hong Kong and the United Kingdom have introduced measures to make TCFD-aligned reporting mandatory for some sectors. Most recently, President Biden's wide-ranging executive order on climate-related financial risk (20 May) calls for US regulators to recommend new measures. This agenda is also gathering pace multilaterally, with the United Kingdom pushing its G7 counterparts to adopt mandatory climate reporting requirements.

Australia's regulators have continued to strengthen guidance and scrutiny on climate-related disclosures, centred around adoption of the voluntary TCFD disclosure framework. Legal developments, including the updated Hutley opinion released by CPD in April, highlight major legal risks for boards and companies that do not take active steps on identified climate risks.

Pressure from institutional investors and shareholders for more sophisticated climate reporting and strategies is becoming more coordinated. In just the last month, shareholders in ExxonMobil elected two (likely to become three) outside board members who criticised management for not doing enough to prepare for decarbonisation. Chevron also lost a shareholder vote, and Shell was ordered by a Dutch court to take more proactive action in response to climate risks.

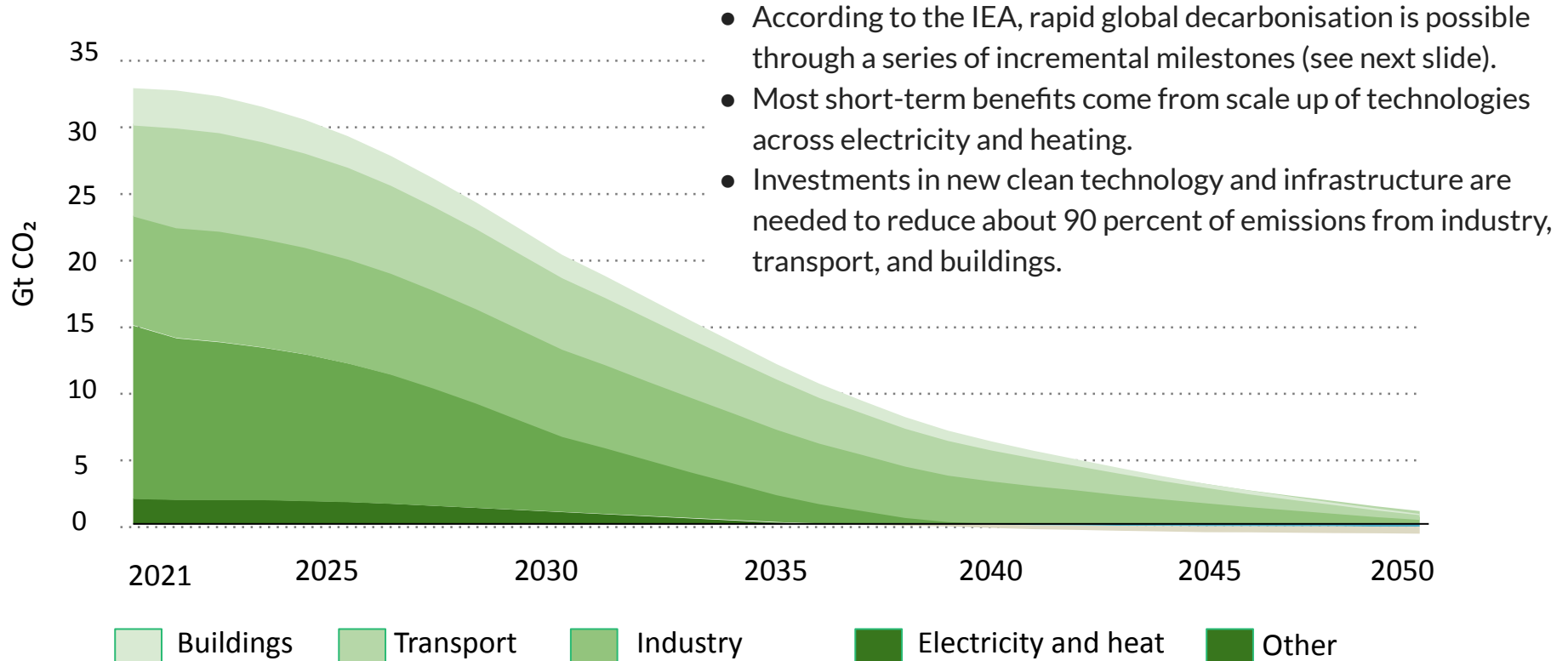
BUILD NET ZERO POTENTIAL FOR 2050

*Global policy momentum on climate and recovery continues to surge, sharpening the focus on the major transitions needed to deliver on medium-term climate targets. The **International Energy Agency's Net Zero 2050 report** was published three weeks ago, outlining a roadmap with over 400 milestones needed to achieve net-zero emissions by 2050.*

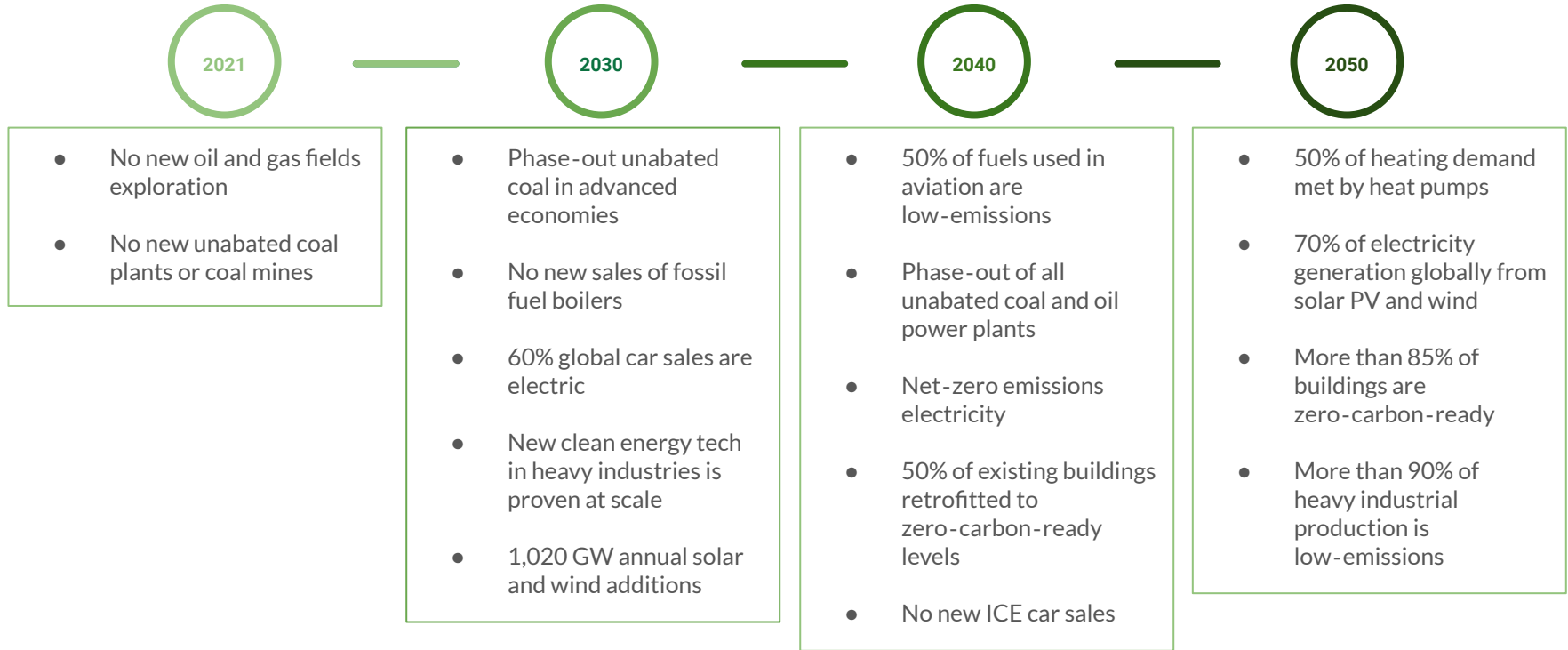
The IEA's roadmap outlines its vision of a credible, technologically-feasible net zero pathway, with no offsets from outside the energy sector and with low reliance on negative emissions technologies. Achieving this will require a step change in approach and ambition, including an “unprecedented clean technology push to 2030.” Key measures include ending new investment in fossil fuel and unabated coal fired power and ending sales of new internal combustion engine passenger cars from 2030.

The report notes that globally, current pledges fall short of what is needed to achieve net zero emissions by 2050, and makes it clear that even leading countries and governments will need to accelerate their near-term ambition. Its key policy priorities and recommendations include: massively expanding clean energy in the 2020s, utilising proven technologies and policies that can achieve the necessary emissions reductions by 2030; dramatically scaling up investment now in the innovations that are needed to drive the transition beyond 2030; and setting rigorous short-term targets and milestones to track progress.

IEA modelling shows a credible path to achieve net zero emissions by 2050



Achieving net zero is possible with a series of incremental milestones



Some of the milestones identified by the International Energy Agency to achieve a global net zero economy by 2050.

5. STRENGTHEN 2030 TARGETS

The upcoming G7 Leaders meeting on 11-13 June follows the announcement of ambitious 2030 commitments by major economies and will include a wide-ranging climate agenda. The United Kingdom has staked its presidency on securing stronger climate action ahead of its hosting of COP26.

The 11-13 June G7 Leaders meeting in Cornwall has three key agenda items: climate change, pandemic preparedness, and global trade. Prime Minister Scott Morrison has been invited to join as an observer along with India and South Korea. In the lead-in to the summit, G7 Environment Ministers reaffirmed commitments to limit global warming to 1.5°C and agreed to stop direct funding of coal-fired power stations in poorer countries by the end of this year. The UK is likely to push for G7 Leaders to agree to joint approaches on carbon border taxes, green finance, coal phase out and measures to help developing countries address climate change.

Commitments made by a wider range of global economies ahead of the April Biden Climate Leaders Summit have established a much more ambitious global emissions reductions pathway to 2030. These included scaled-up commitments from the UK (68% reduction on 1990 levels), the EU (55% below 1990 levels), the US (50% reduction on 2005 levels), Japan (44% below 2005 levels) and New Zealand (30% reduction on 2005 levels). With a 26% emissions reductions target to 2030 (from 2005 levels) Australia remains less ambitious than the majority of its global counterparts.