

ILO Research Conference, Green Jobs for Asia and the Pacific, Japan, 21-23 April,

Session 1: Government Policies to Address Environmental Concerns and Promote Green Jobs.

Slide 1; IOE Presentation; the role for business

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Slide 2; What is the IOE

Membership organisation, established in 1920.
146 national employer association members, 138 countries.
Role; leadership in social and labour policy and international policy development

Slide 3; Message;

1. Climate change is threatening the economic stability of our communities
2. Government policies need to
 - a. Reduce GHG emissions, AND
 - b. Perpetuate economic development so communities can maintain their standard of living
3. Funding CC economic policies must be a government responsibility
4. Policy streams;
 - a. Economic management
 - b. Environmental management

Slide 4; Policy Measure (a); Economic Management Policy

1. Stable sustainable long term policies
2. Economic diversification to build resilience(3)
3. Sustainable enterprises
4. Protect the ability for private sector provision of goods and services
5. Employment strategies
6. Education and training to ensure skills are maintained.
7. Involvement in global market place

Slide5; Funding (for adaptation, mitigation and technology)

1. International- UNFCCC (3), World Bank, etc
2. National
 - a. Governments;
 - i. drawing down reserves,
 - ii. borrowing,
 - iii. underwriting private sector borrowing
 - iv. insulating domestic sector borrowing, mortgage protection
 - v. development subsidies

Note; interfering in the market by fixing exchange rates, fixing interest rates and introducing taxes to be avoided as not economically sustainable and potentially stifle investment and growth

- b. Banks;
 - i. tailored lending facilities
 - ii. loan restructuring
 - iii. review client risk analysis

Note; Banks are not charitable institutions, nor do we want them to be.

Slide 6; The Role for Business in climate change and government policy

1. In the economy;
 - a. Investment
 - b. Employment
 - c. Skills development
 - d. Technology
 - e. Taxes

2. In climate change and government policy.
 - a. Accepts a shared responsibility to adapt
 - b. Must survive, must remain relevant to the market and financially viable
 - c. Must be part of the decision making process
 - d. Must manage the impact of change with its clients, its workforce.
 - e. Must continue to meet its other statutory responsibilities

Slide 7; Policy Measure (b); Environmental Management Policy

Issues to be considered

1. Third party commitments; Kyoto, Bali road map, EU targets
2. Existing policy measures eg residential energy efficiency requirements
3. Source of emissions
4. Effect of policy on economy
4. Ability to measure effectiveness of strategy
5. Cost
 - Impact-industry or plant closures/new industries/skills migration

Slide 8; Government Options

- Information and education campaigns
- Regulation or standards
- Fiscal measures (eg, grants, subsidies, rebates and taxes)
- Market mechanisms
- Sectoral campaigns

The options with the most direct impact are;

- Carbon tax (fiscal measure)
- Emissions trading system (market mechanism)

Another Option; target Sectoral Emissions,

- Eg Building sector 33% of global CO₂ emissions

Case Study;

- Investment in home improvements to reduce GHG emissions

- Cost; 197b rand over 7 years

Est 840,000 jobs

Note; CO2 (least potent but by far the most plentiful GHG)

Slide 9; Australian emissions (anthropogenic GHG emissions)

Energy 36%

Manufacturing 12%

Mining 8%

Agriculture, forestry and fishing 23%

Residential 10%

Services, communication and transport 11%

New Zealand emissions

Agriculture 48.5%

Energy 43.45

Industrial processes 5.6%

Other 2.5%

The point; CC management strategy must be tailored to the domestic situation. One size does not fall all.

Slide 10; Australian government suite of measures(2);

1. National abatement measures
 - a. National greenhouse and energy reporting act-regulatory
 - b. Greenhouse gas abatement program-grant program
 - c. Coal mine methane reduction program-grant program
 - d. Mandatory renewable energy target-mandatory
 - e. Alternative fuels conservation-grant program
 - f. Greenhouse challenge plus-voluntary
2. National measures supporting research and development for low emission technologies
 - a. Asia-pacific partnership on clean development and climate-voluntary
 - b. Low emissions technology demonstration fund-grant program
 - c. Renewable energy development initiative-grant program
 - d. Low emission technology and abatement-grant program
 - e. Co-operative research centre-CRC
 - f. Renewable energy equity fund-grant program
 - g. Advanced electricity storage technology-grant program
 - h. CRC for greenhouse gas technologies-CRC
 - i. CRC for coal and sustainable development-CRC
3. National measures to improve energy efficiency
 - a. Phase out of inefficient light bulbs-mandatory phase out
 - b. Energy efficiency opportunities-mandatory for corp that are large users
4. National measures supporting households and communities reduce emissions
 - a. Green vouchers for schools-grant program
 - b. Photovoltaic rebates-rebate program
 - c. Solar hot water rebates-rebate program
 - d. Local greenhouse action-grant program
 - e. Greenhouse action to enhance sustainability in regional Australia-partnership program
 - f. Renewable remote power generation programme-rebate program

- g. Solar cities-partnership program
- 5. National measures to support adaptation and science
 - a. National climate change adaptation programme-partnership program
 - b. Climate change science programme-research
 - c. Australian centre for climate change adaptation-partnership program
 - d. CSIRO prediction and adaptation flagship-partnership program

Slide 11; Carbon tax vs emissions trading; arguments for and against

1. Carbon Tax (1); sets the price of greenhouse gases and emitters can then determine the quantity of their emissions.
 - a. Lends predictability to energy prices
 - b. Easy to implement
 - c. Transparent and easily understandable
 - d. Far less opportunity for manipulation
 - e. Address emissions from every sector
 - f. Revenues can be returned to the public
2. Emissions trading(2); imposes a limit on the total quantity of emissions, and lets the market determine the price per unit of emissions
 - a. Direct link between the policy instrument and the environmental outcome
 - b. Greater potential for international linkages
 - c. Provides governments a simple tool to indicate future emissions

Slide 12; Summary

1. all policy must be part of a long term strategy
2. all countries have different economic pressures, no one model fits all
3. the responsibility must be shared
4. climate change is now an economic issue! It needs to shift from the environment portfolio to the economic portfolio in Government
5. optimum is probably a mix of interventionist and market mechanisms
6. don't interfere too much in the market

Slide 13; References

1. Carbon tax; Carbon Tax Centre, New York
2. Emissions trading; CPA Australia, emissions trading and other related policy initiatives, march 2008.
3. Bali Action Plan, decision CP 13 Dec 2007