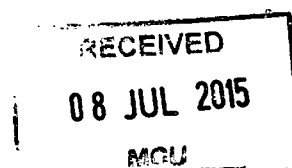




2 July 2015

The Hon. Tony Abbott  
Prime Minister  
Parliament House  
Canberra ACT



Dear Prime Minister

I write to outline the minerals industry's perspective on Australia's approach to a national emissions reduction target ahead of global climate change negotiations to be held in Paris in November 2015.

The Minerals Council of Australia (MCA) supports the Australian Government taking a forward-leaning and ambitious approach to these negotiations. Australia is a significant middle power and has a responsibility to contribute strongly to a genuinely global effort to address climate change.

This decision is one of the most consequential the government will make in this term of parliament, not just because it will have significant economic consequences over coming decades but also because Australian governments have a strong record of honouring (or bettering) their international commitments.

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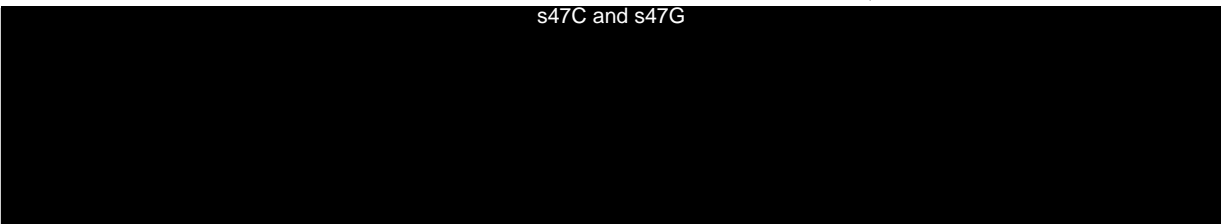
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The government's long standing concerns about the quality of many international permits are well understood and recognised. The MCA believes, however, that the less top-down, more decentralised nature of the emerging global climate accord will enable nations to work directly with like-minded nations to develop genuine high-quality and lasting CO<sub>2</sub> abatement. In particular we see great scope for Australia to work with trading partners in the region, including Japan, Korea, China, India and the ASEAN nations to identify high standard abatement. In our own sector, for example, we see scope for a 'virtuous circle' that would harness Japan's state-of-the-art coal fired generation technologies, Australia's high-quality, high-energy coal and India's demand for low cost, low emissions energy for its hundreds of millions of people currently without access to energy. In short, lower emissions, stronger economic growth and enhanced security in our region.

A new regional approach to co-operation on international abatement would lower the overall cost of Australia's emission targets and thus enable Australia to be more ambitious in its medium-term target. Closer regional co-operation on abatement would also add a much needed counter balance to the US

and European influence on climate negotiations which in turn reflects their perspectives as low growth, post-industrial economies.

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We would be happy to provide any additional information you may require.

Yours sincerely

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**BRENDAN PEARSON**  
**CHIEF EXECUTIVE**





PRIME MINISTER

Reference: C15/64038

4 AUG 2015

Mr Brendan Pearson  
Chief Executive  
Minerals Council of Australia  
PO Box 4497  
KINGSTON ACT 2604

Dear Mr Pearson

Thank you for your letter dated 2 July 2015

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As always, you have made a constructive contribution to the development of Commonwealth Government policy.

I expect to announce the new target in August.

The Government will consult further with business and the community before taking further decisions on policies to achieve Australia's post-2020 target.

Yours sincerely

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TONY ABBOTT