

# MEDIA RELEASE

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## **GARNAUT REVIEW RELEASES INTERIM REPORT ON CLIMATE CHANGE: STRONG GLOBAL ACTION WILL BENEFIT AUSTRALIA'S ECONOMY**

Australia is relatively well placed to do well in a world of comprehensive global efforts to reduce greenhouse gas emissions, Professor Ross Garnaut said today.

Releasing his Interim Report in Adelaide today, Professor Garnaut said that Australia should promote strong global action on climate change and be prepared to match the commitments of other developed nations.

“Contrary to the conventional wisdom which has dominated Australian debate over the past decade, comprehensive global efforts to reduce emissions will play to Australia’s strengths,” said Professor Garnaut.

“It is in Australia’s interests for the world to adopt a strong and effective position on climate change mitigation.”

The Interim Report provides early insights from the Garnaut Climate Change Review’s work to date as a basis for community discussion, before recommendations are finalised for the final reports later in the year.

The Report states that Australia’s interest in strong global action stems from its “exceptional sensitivity to climate change”, and its “exceptional opportunity to do well in a world of effective global mitigation”.

“We have many resources and skills that will allow us to convert strong global action into an economic opportunity,” said Professor Garnaut.

“We have a first-rate skills base in areas related to innovation, management and financial services. We have rich renewable energy resources. We are among the world’s largest exporters of uranium and natural gas which can benefit from the low-emissions’ efforts of other nations. And our agricultural sector emits less than other developed countries.

“By contrast, Australia would be a big loser – possibly the biggest loser among developed nations – from unmitigated climate change.

“Australia is more vulnerable to climate change than most other developed nations as we are highly sensitive to climate variation, and we are surrounded by mostly developing nations, which are likely to be adversely affected by rising temperatures,” he said.

The Review has been commissioned by Australia’s Federal, State and Territory Governments to examine the impacts and opportunities of climate change. It will put forward a national framework for action, with recommendations for medium to long-term policy options to minimise the environmental and economic impacts of climate change.

...2

Professor Garnaut said that due to a sustained period of high economic growth – led by China and India – the world was moving towards high risks of dangerous climate change more rapidly than had been generally understood.

“Faster emissions growth makes mitigation more urgent and more costly. The challenge is to end the linkage between economic growth and emissions of greenhouse gases,” he said.

The Interim Report states that Australia should make firm commitments this year to both 2020 and 2050 targets that reflected “similar adjustment cost to that accepted by other developed countries”.

“Australia should be ready to go beyond its stated 60 per cent reduction target by 2050 in an effective global agreement that includes developing nations,” said Professor Garnaut.

The Report also supports the development of bilateral and regional agreements to accelerate domestic and international action.

“Unilateral and regional efforts under way in parallel [to global efforts] might make for a ‘messy’ process, but it is one which has the highest chance of success in the short time available,” the Report says.

The Interim Report sets out some initial considerations for the design of Australia’s emissions trading scheme (ETS), due to come into effect in 2010. Further detail on the Review’s proposals for ETS design will be released in a discussion paper in mid March 2008.

“The emissions trading scheme will need to be supported by measures to correct market failures or weaknesses related to innovation, research and development, to information, and to network infrastructure,” the Report says.

“Steady, long-term policies are what Australia needs in order to provide the market certainty for making appropriately large reductions in emissions at the lowest possible costs to Australians’ standards of living,” said Professor Garnaut.

Submissions are invited on the Interim Report and any issues related to the Review by 11 April 2008.

The Interim Report is available at [www.garnautreview.org.au](http://www.garnautreview.org.au)

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