



# MEDIA RELEASE

## MINERALS COUNCIL OF AUSTRALIA

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### **GARNAUT REVIEW CAPTURES THE THREE KEY PILLARS OF CLIMATE CHANGE POLICY**

Statement by Minerals Council of Australia, Chief Executive Officer Mitchell H Hooke

Professor Ross Garnaut's final Climate Change Review report clearly identifies the three critical features of an effective national and global response to climate change - an efficient and effective Emissions Trading System; a credible global agreement that covers all major emitters; and "breakthrough" technologies that can lower the emissions of existing energy sources.

The Minerals Council of Australia has consistently advocated the critical necessity for Australia's policy approach to managing climate change to calibrate and align these three pillars to ensure we are able to make meaningful emissions cuts without undermining the economy. If any of these three pillars are out of alignment in a comprehensive policy response, it is a recipe for self-induced market failure.

Professor Garnaut's conclusion that a comprehensive global agreement is needed if meaningful cuts are to be made to global greenhouse gas emissions is also strongly supported by the MCA. We have consistently argued there a few, if any, prizes for acting in advance of a binding global agreement.

It is also a compelling case for a measured transition to an Emissions Trading Scheme. If there is no global agreement in place when the Australian ETS is projected to begin in 2010, then a full-scale start to emissions trading in the form of 100 per cent auctioning of permits from day one, will cause economic uncertainty - and be environmentally ineffective and socially disruptive.

No other ETS [in the world] has ever embraced full auctioning of permits, let alone from the start of any scheme.

Measured transitional arrangements will be the key to ensuring the proposed ETS achieves its environmental objectives without compromising economic growth, community living standards and the competitiveness of Australian industry.

Professor Garnaut's conclusion that clean coal technologies, specifically carbon capture and storage, will be central to reducing emissions is welcomed by the MCA. The development, deployment and commercialisation of these technologies is fundamental to Australian and global efforts to significantly reduce emissions.

Given coal will continue to be the world's primary source of energy for the foreseeable future, there will be no global solution to climate change without clean coal technologies.

Professor Garnaut has made a strong contribution to the climate change debate in Australia and his work has added significant value to the ongoing discussion over the introduction of an ETS.

The MCA looks forwards to continuing to work with the Australian Government as it develops its policy response to climate change.

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**Media Contact:**

Director Public Affairs Ben Mitchell

T: 02 6233 0634

M: 0419 850 212

E: [ben.mitchell@minerals.org.au](mailto:ben.mitchell@minerals.org.au)

W: [www.minerals.org.au](http://www.minerals.org.au)

D: 30 September 2008