

## **Wong Outlines Government's Climate Change Policy**

Reducing Australia's greenhouse gas emissions, adapting to climate change, and helping to shape a global solution are the three pillars of the Federal Government's climate policy, according to Climate Change Minister Penny Wong.

Delivering a keynote address in Melbourne, Wong reiterated the Government's commitment to reducing greenhouse gas emissions by 60 per cent of 2000 levels by 2050, and says the Government is also committed to setting a medium term target.

"In developing its strategy to achieve deep reduction in emissions, the Government will be ever mindful of the economic challenges we face," says Wong, and adds that the Government aims to deliver emissions reductions at least cost.

Wong also highlights the Government's commitment to a global agreement on a post-2012 climate change agreement.

"This will be a hard and long road; my experiences in Bali and Hawaii have made that clear. Any post-2012 approach needs to secure widespread agreement of countries with diverse interests and entrenched positions," Wong says.

Stating the Government's intentions regarding an emissions trading scheme, Wong says "first, it will be a 'cap and trade' scheme... Second, the caps... will be designed to place Australia on a low emission path in a way that best manages the economic impacts of transition, while assuring our ongoing economic prosperity".

Third, adds Wong, the scheme "will have maximal coverage of greenhouse gases and sectors, to the extent that this is practical". Wong says there is "wide agreement" that over 70 per cent of Australia's national emissions can be practically covered by emissions trading and that the government will proceed towards a scheme design on this basis.

Wong says the design will address the competitive challenges facing emission intensive trade-exposed industries in Australia.

In what appears to be a new feature of the Government's policy on emission trading, Wong also indicated that the scheme will address the impact of a carbon price on strongly affected industries that are not trade-exposed. Professor Ross Garnaut, the states and territories, and the COAG Working Group on Climate Change and Water will all be part of the process, which will also be informed by the work already undertaken by the National Emissions Trading Taskforce and the Task Group on Emissions Trading.

Wong also announced that an exposure draft of the legislation to create the emissions trading scheme will be available by the end of 2008 to allow passage of the enabling Act in 2009.

Wong also says the government is committed to its national 20 per cent Renewable Energy Target, with its design work due to be finalised in September and legislation to be introduced in early 2009.

[Source essa news]