

## EBA's initial response to the Garnaut Review Draft Report

A very clear message from Professor Garnaut's address to the National Press Club on the Draft Report is that society has to get to grips with valuing what really matters. We must then be prepared to pay to protect the context for our food and commodities, our health and wellbeing, and our amenities.

Environment Business Australia CEO Fiona Wain said "In addition to climate change there is a fresh imperative for action. Fossil fuel prices are rising rapidly (even without including the collateral damage costs of climate change and other environmental degradation). With the price of oil reaching \$145 a barrel overnight and oil stocks peaking; coal on a steady price rise (export prices for black thermal coal have risen from \$20 to \$120-\$140 in the past year); and gas prices also increasing, action to tackle climate change may turn out to be a cost saver as well as a strategic investment. It is time for planning, architecture and strategy to address the bigger picture and we must stop tinkering at the edges of the problems we face. The Garnaut Report is a big step in the right direction."

Australia's traditional low energy prices are disappearing fast in the face of peak oil and energy security. These new costs will seep into all commodities and no part of the supply chain will remain unaffected. Smart action today can help buffer these prices and reduce the amount of climate change damage.

Investments into energy efficiency and renewable energy in particular will help save money, bring new technologies down their cost curve, and develop the new cleantech or environment industry as an integral part of the economy and a key player in Australia's next competitive edge.

As an energy intensive country and one that is so vulnerable to climate change, Australia has a vested interest in demonstrating that prosperity can be maintained by being smarter and more efficient at speed. This is the key contribution we can make to international action.

As Ross Garnaut rightly said in his address to the National Press Club today "if we do our part well we won't be on our own."

The national emissions trading scheme will put a price on carbon, but it will also begin the process of galvanising the next great technological era. For this to happen quickly enough to avert the worst climate change outcomes a suite of complementary measures are required and these include:

- . Clear target, trajectory and milestones for greenhouse gas (GHG) emissions reductions
- . Inclusion of all key sectors
- . Strong regulatory framework (harmonised across all sectors and levels of government)
- . Targets for energy efficiency, renewable energy, low emissions energy

- . Investments into R&D and commercialisation of energy efficiency, renewable energy, low emissions energy
- . Investments into national and regional infrastructure (including agricultural and forestry offsets)