



Waiting For Garnaut, No More

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The long awaited [Garnaut report](#) (pdf) is out at last, prompting an explosion of media analysis.

This post is a roundup of selected articles - I encourage you all to share your thoughts in the comments.

SMH - [Climate crisis 'diabolical'](#)

An effective response to climate change must take shape and be in place in the next few years, the federal government's top climate change adviser says. Professor Ross Garnaut 600-page draft report on climate change, of which the make-up of an emissions trading scheme (ETS) is a major focus, was released today.

Speaking at the report's launch in Canberra, Prof Garnaut said climate change was a "diabolical" policy problem. "While an effective response to the challenge would play out over the many decades, it must take shape and be in place over the next few years," he said. "Without early and strong action, some time before 2020 we will realise we have indelibly surrendered to forces that have moved beyond our control."

Prof Garnaut said climate change was the hardest policy problem in living memory. "Climate change presents a new kind of challenge," he said. "It is uncertain in its form and extent, rather than drawn in clear lines. It is insidious, rather than directly confrontational. It is long term, rather than immediate in both its impacts and its remedies. Remedies will require global co-operation of unprecedented complexity and dimension".

"We have much to contribute and much to lose as we face the diabolical policy challenge of climate change," Prof Garnaut said. "The most inappropriate response would be to delude ourselves, taking small actions that create an appearance of action, but which do not solve the problem. Such an approach would risk the integrity of our market economy and political processes to no good effect."

The report says Australia would be deluding itself if it used scientific uncertainties as a cause for delay. "Delaying now will eliminate attractive lower-cost options. To delay is to deliberately choose to avoid effective steps to reduce the risks of climate change to acceptable levels."

The draft report recommends the emissions trading scheme issues permits for greenhouse gas emissions up to limits and release them in line with the scheme's carbon

reduction trajectories. Trade will move permits to entities for whom they have most value.

The draft report says while there are advantages in moving directly to an unconstrained scheme, "2010-12 could be a transition period. If there were a transition period, the Kyoto Protocol would define Australia's emissions reduction trajectory and permits would be sold at a low fixed price. These years would be used to pursue effective international sectoral agreements, en route to a global agreement."

Unlimited hoarding of permits will be allowed and an independent regulator would be able to lend permits within five-year periods.

The Australian - [Garnaut climate change report rejects emissions trade delay](#)

Professor Garnaut has released his landmark Garnaut climate change report today, suggesting tax cuts and welfare reform to compensate business and families for the impact of the new scheme. However, he has conceded that a second-best solution might be to put a fixed price on permits in the early years to reduce volatile and unstable prices.

He rejected suggestions of putting off an emissions trading scheme until 2012. "I think the critical question is, would it actually help to delay?" he told the National Press Club today.

On the issue of superannuation and whether people should be compensated for the deterioration in their funds, Professor Garnaut said there were safety nets available to prevent a financial fallout. "If the Government is disciplined in selling permits, it will have a substantial amount of revenue," he said. "We've suggested in the report that half that revenue should be returned to households in one way or another. It could be through tax cuts, it could be through social security adjustments."

Earlier today, the Prime Minister said the Government would not accept all the recommendations in the report. "There is no dispute about the science - that it is happening," he said. "The practical question becomes one of, first of all, what are the economic costs of not acting as opposed to the economic costs of acting."

ABC - [Govt urged to act swiftly on Garnaut findings](#)

Environmental and industry groups have urged the Federal Government to act on climate change findings in a draft report presented by Professor Ross Garnaut. Mr Garnaut called for an emissions trading scheme for Australia without delay as the best of the possible options for cutting greenhouse gas output.

Crikey - [Keane: Garnaut paints disturbing future for Australia](#)

Ross Garnaut's draft report paints a disturbing picture of the potentially immense costs of climate change for Australia, and the difficulties of getting the right policy response. Describing climate change in his Press Club speech today as a "diabolical policy problem"

that is "uncertain", "insidious", "long-term in both effects and solutions" and requires international action, Garnaut suggests there is a need for early, strong mitigation before the problem gets beyond human control.

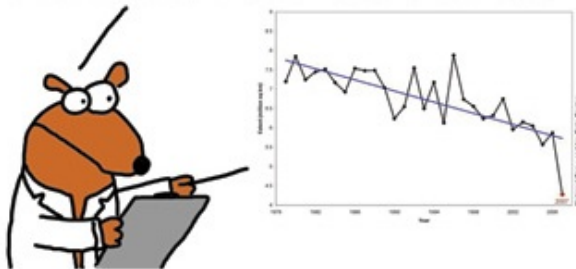
However, the report stresses that Australia, even if it is exposed to climate change more than any other developed country, has never been better placed to take action, given the continuing resources boom and the benefits of the economic reforms of the 1980s – indeed, Garnaut stresses, there are potential opportunities for Australian industry.

An emissions trading scheme is obviously the centrepiece of Garnaut's proposed response, but the report also flags the need to undertake massive investment in low emissions technologies – up to \$3b a year, improve the capacity of network infrastructure (such as electricity transmission grids) to complement carbon mitigation activities, and address information problems to enable Australians to improve the efficiency of their energy usage.

Garnaut's ETS is a hardline model that will displease energy-intensive sectors. He excludes agriculture until measurement and information problems can be sorted out, and also omits waste and forestry from the initial stages of the scheme. There may be some criticism of this from farming groups, who have argued that agriculture should be included and awarded free permits to cover their past cessation of land clearing, which has been the sole reason Australia has met its Kyoto targets.

Everything else, including transport and energy production, would be included from the get-go.

SATELLITE MEASUREMENTS OF GRAVITATIONAL ANOMALIES OVER THE ICE SHEET POINT TO CORRESPONDING AND SIGNIFICANT OVERALL MASS LOSS. IN OTHER WORDS, WE'RE ALL GOING TO DIE.



The Garnaut Report

The Australian - [No mercy for dirty power, says Garnaut's climate report](#)

REGIONS hardest hit by the new emissions trading regime would win government handouts and industries investing in clean power would be rewarded, but the landmark Garnaut report on climate change rules out compensating coal-fired power stations.

Business Spectator - [KGB INTERROGATION: Wayne Swan](#)

AK: The hot issue at the moment is emissions trading. The Garnaut Review comes out today and the government's Green Paper not long after, so does the government remain committed to an emissions trading scheme as opposed to a carbon tax?

WS: The government is committed to an emissions trading scheme. It's what the Green Paper is about. It will look at all of the issues involved for the construction of an emissions trading scheme. We've got a period of consultation through the second half of the year following which the government will take its decisions after a lot of consultation with both households and the business community and we are committed to, as we committed during the election campaign to the commencement of such a scheme in 2010.

Crikey - [Climate Institute: All eyes on the government now](#)

If the Government responds with the right policies, today, the fourth of July, would mark an important step towards carbon independence day. Professor Garnaut's report adds urgency for Australia's journey away from the fatal shores of our high carbon economy.

Arriving at a low carbon economy will require policies that create powerful low carbon investment engines to grow the economy and jobs. The Government's industry focus needs to be on investment and support, not compensation, to assist the transition of our economy to using clean energy and low carbon technologies.

Any assistance for generators or emissions intensive industries genuinely impacted by emissions trading needs to be connected to supporting a transition to clean energy and low carbon outcomes. We broadly support the draft report's comments in this regard. Any suggestion to put an ETS on training wheels would require ramping up other measures like clean energy incentives, energy efficiency reforms and public transport investments.

Business Spectator - [Garnaut's theorem: E=M-C](#)

The climate change debate is often portrayed as a stark choice between two extremes. Do we try to save the economy or do we try to save the environment? Many in established industries argue vociferously that you need to protect the former to save the latter, or that if we act to protect our environment then we might end up killing the economy.

Ross Garnaut, in his much awaited draft report, seeks to turn that argument on its head: Australia has much to lose from even the mildest impacts of climate change. If we want to save our economy, then we need to save our environment first. ...

It will be interesting to see what the most vocal industry groups have to say in response. So far, we have seen little more than the expression of vested interests.

For instance, Brad Page, the CEO of the Energy Supply Association of Australia, was on the radio this morning claiming that energy generators needed to be protected from a scheme because they were the only ones in a position to invest in new energy technology. Pure hogwash. The flow into new and renewable technologies in places like California, where they have been smart enough to encourage such investment, is just

extraordinary. In Australia, the renewable energy target attracted nearly \$12 billion of investment before grinding to a halt when the Howard Government acceded to lobbying from the likes of the ESAA and decided to can the target.

Crikey - [Milne: Garnaut can't see the forest for the trees](#)

As foreshadowed for some time, the Professor is strongly calling for auctioning of all permits under the scheme. This is excellent news which, if adopted, will avoid one of the largest problems of the EU scheme, when sectoral lobbying and deliberate gaming of the market led to horrible market distortions in the first years thanks to the decision to grandfather permits.

Another issue where we are in complete agreement is on coverage of the scheme. The immediate inclusion of all energy, industrial processes, fugitive emissions and transport, with forestry and waste being brought in as soon as practicable and agriculture dependent on appropriate measurement capability, is exactly what we have been advocating.

It is particularly pleasing to see support for complementary measures such as feed-in laws and MRETS to bring on line the renewable energy technologies that will power our future, as well as the rejection of nuclear power.

However, Garnaut clearly has a blind spot on coal. He has been taken in by "fool's coal" and believes that geosequestration will be the saviour of the Hunter and Latrobe Valleys. If he truly understood the urgency of climate change, Professor Garnaut would not be punting on a technology which is at least a decade from proving itself, if it ever can, and can never be one of the truly zero emissions energy sources we need in order to achieve fast and deep cuts in emissions in coming years. But, like the politicians, he seems incapable of envisioning Australia beyond coal.

More stories :

Crikey - [Keane: Not an easy political sell](#)

John Quiggin - [Garnaut draft report released](#)

ABC - [Garnaut urges emissions trading scheme 'without delay'](#)

ABC - [Swan urges China to act on climate change](#)

Larvatus Prodeo - [Exquisite timing](#)

Larvatus Prodeo - [Open Garnaut Report thread](#)

Public Opinion - [Assessing the commentary on climate change](#)



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