

AN OVERVIEW OF CURRENT POLICY ARRANGEMENTS IN RESPONSE TO CLIMATE CHANGE

ROSS GARNAUT, AO

Vice-Chancellor's Fellow and Professorial Fellow in Economics, University of Melbourne

The Productivity Commission's 2011 report to the Multi-Party Committee on Climate Change identified about 200 separate State and Federal policies directed at reduction of greenhouse gas emissions. To these, the carbon pricing policies and associated support for renewable energy that is funded by the carbon price were added in late 2011. This presentation discusses how the new policies will work, and how they complement, supersede or contradict existing

policies. It focuses especially on how carbon pricing with judicious use of the revenues that it generates can allow Australia to meet current or more ambitious mitigation targets at relatively low cost. It notes the importance of several governance mechanisms designed to improve the prospects of continuity in policy over time alongside capacity for Australia to adjust its mitigation effort in line with changes in international mitigation ambition.