

**Welcome to Senator the Hon Penny Wong
by Ai Group Chief Executive, Heather Ridout
The Park Hyatt Melbourne – Wednesday 6 February 2008**

- Welcome to this very important event – the first major Ministerial address by the Minister for Climate Change and Water, Senator Penny Wong.
- It is a real pleasure for Ai Group to have the opportunity to host today's luncheon.
- We had a very positive association with Senator Wong during her time in Opposition and we congratulate her on her Cabinet appointment. Congratulations and it's great to have you with us today (pause).
- A special welcome also to:
 - The Victorian Minister for the Environment and Climate Change, The Hon Gavin Jennings; and
 - The Secretary of the Commonwealth Department of Climate Change, Martin Parkinson (another old friend from his Treasury days).
 - Welcome also to our Ai Group members and friends, business leaders, and corporate and union representatives who at very short notice were able to be here today.
- Senator Wong's responsibilities cover two of the most substantial and challenging areas of public policy facing the new Government – areas which are of particular importance for the business community.
- She's had a flying start with the Portfolio going to Bali in her first days for the Kyoto talks and Australia's ratification of the protocol which was supported by Ai Group.
- Today, she'll be speaking on the Climate Change dimension of her portfolio and will outline the Government's domestic strategy on climate change for the coming year.

- The business community in particular is very keen to get a clearer picture of the direction of domestic climate change policy and how that will shape their investment planning.
- We know, of course, that in a few short years Australia will introduce an emissions trading system. While there is very strong support for this, I am sure that no one in this room would underestimate the challenges in getting Australia's approach right in what will be a very tight timeframe.
- We believe that a central feature of the Australian approach should be a very firm commitment to least cost abatement. We are facing a considerable adjustment process and this should not be made more severe than it needs to be.
- In this context we were very interested in Ross Garnaut's recent comments about the interactions between least cost abatement and shorter-term targets.
- Naturally, we are also very concerned about the implications for trade exposed industries. Those businesses will face costs here that their competitors might not be facing abroad.
- We'll be interested in hearing the Minister's views on these sorts of issues today.
- I would now like to call on Ai Group's Deputy National President, Don Mathews, to introduce the Minister - Please Welcome, Don Mathews.