Climate change is a serious problem. We are particularly sensitive to this in Australia. As the world’s driest inhabited continent with a highly variable climate and susceptibility to drought, we are particularly vulnerable to any impacts of a changing climate.

The key issue facing us is how we can most effectively address climate change.

There is no easy answer. We can’t see the Kyoto Protocol, under which we will see global emissions rise by 40 per cent to 2012, as a global panacea. Unfortunately, the reality is more complex. No one energy source, no one country, no one sector, no one international agreement, is going to completely address climate change.

We need a concerted and broad international effort. All key emitters will need to play a role. We need to exploit technological advances that allow us to produce cleaner energy and manage emissions. And we all need to continue our broad range of domestic and regional efforts.

If we are to be successful in addressing climate change we need to be prepared to explore new and innovative approaches. So I would like to begin by discussing a recent positive development in the climate change world – the Asia-Pacific Partnership on Clean Development and Climate.

The Asia-Pacific Partnership on Clean Development and Climate is a groundbreaking approach to addressing climate change.

It is an approach grounded in global realities. The Partners have come to the table acknowledging that energy needs will continue to grow. On present trends the International Energy Agency expects energy demand to grow by over 50 per cent by 2030, driven largely by growth in developing countries. Partners also recognise and support the legitimate goal of countries, particularly developing countries, to continue to develop economically.
And so we are working together to address climate change while supporting energy security and economic development. Too often we are asked to make an artificial choice between “clean” versus “prosperity”. The Partnership is working towards us being both clean and prosperous.

Under the Partnership we have established eight public-private taskforces in sectors of the economy where the Partners believe we can make a difference. Australia for example is chairing the Cleaner Fossil Energy Taskforce and the Aluminium Taskforce and we co-chair with the Republic of Korea the Renewable Energy and Distributed Generation Taskforce. This sectoral approach will drive practical climate responses from the ground up.

These taskforces will help promote the cleaner use of existing fuel sources, improve energy efficiency and assist in the development and deployment of breakthrough greenhouse technologies. Taskforces are now in the process of developing practical workplans.

The Partnership is a significant grouping. It has key developing and developed country emitters working together. The Partners; China, India, Japan, the Republic of Korea, the United States and Australia, together account for around half the global population, half global GDP and half global emissions. This is a group that can make a difference.

The fact that the Partnership is a voluntary effort has allowed us to maintain a very clear focus on positive and practical action rather than on regulation.

Australia has clearly demonstrated our commitment to this process. When opening the inaugural Ministerial meeting of the Partnership in Sydney this year Australia’s Prime Minister, John Howard, announced an AUD 100 million commitment to the first five years’ work of the Partnership.

The Asia-Pacific Partnership is also groundbreaking in its approach to industry. Often industry is cast as “the problem” when we discuss climate change. We see instead, that industry is a key part of the solution. The business community has responded emphatically. They are key drivers of the practical workplans being developed by
the taskforces. And they will play a vital role in the development and deployment of the breakthrough technologies we need to address climate change.

We hope the innovative approach of the Asia-Pacific Partnership can be a model or provide impetus for other efforts.

There is of course a lot of work to be done elsewhere. Australia remains committed to working towards a more effective multilateral framework to address climate change. Close watchers of the current multilateral process will know that this may be a long time coming – but we all must show perseverance and flexibility in pushing for a better international response. I can assure you that Australia, as the chair of the Umbrella Group of countries, will continue to play a positive and practical role in the ongoing work of the UN Framework Convention on Climate Change.

For a multilateral response to be truly effective it has to engage all the key emitters. For us to be able to engage all major emitters we have to develop a regime that is equitable and makes economic as well as environmental sense. All Parties need to bring a flexible approach to these discussions and a willingness to look at new base models for any future regime.

While we work towards a more effective international regime it is also important that all countries continue to work domestically to manage their emissions. Australia is getting on with the job at home.

The latest figures show that Australia is on track to meet the target we would have faced under the Kyoto Protocol. We are one of the few countries that can say that. We have done this through promoting energy efficiency, managing land-use, promoting the use of cleaner and renewable energy and working with industry.

A key feature of our response is that we have succeeded in decoupling our greenhouse gas emissions from our economic development. Since 1990 we have reduced emissions per dollar of GDP by 35 per cent. Emissions per capita have fallen by 13 per cent. We have done this by supporting positive efforts and encouraging, not restricting, business.
We are pleased with the results being achieved by Australian industry working in partnership with the Government, through the very successful Greenhouse Challenge initiative. The Australian aluminium industry recorded a 75.1 per cent reduction in direct greenhouse emissions between 1990 and 1999, despite an increase in aluminium production of 38.4 per cent. That means that emissions per tonne of aluminium produced had been reduced by 82 per cent. The industry is more efficient, and the air is cleaner.

Australia is taking a very strategic approach in our domestic efforts to address climate change. Along with our work on energy efficiency and renewable energy, we know that the use of fossil fuels, particularly coal will continue to be essential to meet growing energy demand. So the Government is making significant investments to support the development and deployment of low emission technologies to make these traditional energy sources cleaner. Part of this effort is the Government’s AUD 500 million low-emission technology development fund to demonstrate the commercial viability of new energy technologies.

Australian industry sees the sense of this as well. The Australian coal industry recently announced a AUD 300 million fund to demonstrate technologies for reducing greenhouse gas emissions from coal-fired power stations. These are positive steps.

I began by noting what a serious issue climate change is. This means we have to be serious and committed about our response. We need to focus on practical and realistic responses. I have highlighted some of the positive initiatives Australia is involved in, as well as our mutual need to build international cooperation on reducing emissions and on adapting to climate change, including through new technologies.