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Minister for Climate Change and Water

Speech to the Institute of Public Administration WA

Sheraton Hotel, Perth

Wednesday 30 September 2009

'The Australian Government's climate change and water agenda'

Check against delivery

Introduction

I would like to thank the Institute of Public Administration for hosting this event and for their contribution to public debate in Western Australia.

I have just returned from Climate Change Week in New York, the highlight of which was the United Nations Secretary General's Summit on Climate Change.

Today I would like to update you on the current state of play in the international negotiations leading up to Copenhagen, but first I think it is important to talk a little about what climate change means for Western Australia and some of the things we are doing here to tackle the dual challenge of climate change and water security.

As the driest inhabited continent on earth, Australia is particularly vulnerable to climate change.

In Western Australia, it is projected that if current climate trends continue, there will be up to 80 per cent more droughts in south-western Australia by 2070.

The significant reduction in flows to the dams that provide water to Perth that has occurred over the last 34 years indicates that climate change is already having an effect here.

As many people here would be aware, since 1975, there has been a significant reduction in rainfall in south-west Western Australia. An average rainfall decline of 10 to 20 per cent has caused a 40 to 50 per cent decline in dam inflows.

In terms of WA's agriculture industry, a failure to take action on climate change could result in a significant decline in production. By 2050, Western Australian wheat production could decline by 13.4 per cent, the sheep industry could decline by 13.2 per cent and beef cattle by 5.7 per cent.

And finally, sea level rise could threaten housing and infrastructure in Western Australia. There are over 90,000 houses in low lying areas on the Perth coastal plain which are potentially prone to erosion from storm surge, the risk of which would increase with climate change.

The Australian Government is supporting Western Australia to deal with the impacts of climate change that we cannot avoid through our investment in water infrastructure and climate change adaptation.

As part of the Federal Government's National Coastal Vulnerability Assessment, work is underway to develop a tool to visualise inundation from sea level rise and storm surge in the Perth region. This work will help us better understand which areas are most at risk from inundation and inform planning and risk management into the future.

In water, our \$35 million commitment to the Harvey Water Savings Project has delivered water savings amounting to nearly 12 billion litres annually. These water savings are to be transferred to the WA Water Corporation to help to secure Perth's water supplies – a particularly important project given the downturn we have seen in rainfall and stream flows in Perth.

We have also committed \$6.6 million to the Gascoyne Irrigation Pipeline project to upgrade the Carnarvon Irrigation Area. I am now looking forward to receiving a detailed proposal from the WA Government that will take this project forward.

And finally, the Rudd Government's \$20 million Centre of Excellence in Desalination, which was established at Murdoch University in May of this year, will support high quality science, research and development in desalination technology. All our major cities either have or are building desalination plants and this Centre of Excellence will help Australia lead the way on desalination technologies into the future.

Forging a new global agreement on climate change

While efforts to manage the impacts of climate change that we cannot avoid are incredibly important, it is essential that all nations work together to deliver a global agreement if we are going to halt climate change in its tracks.

This December, we have our greatest opportunity to act.

Small steps won't be enough. We need to be going flat out - at full throttle - all the way to Copenhagen.

As President Obama said last week:

No nation, however large or small, wealthy or poor, can escape the impact of climate change.

And while no nation can solve this problem on its own, equally there can be no global solution without individual nations stepping up to the plate.

All nations must keep moving forward because despite what some people say, what each country does at home matters.

Australian action on climate change

Australia is determined to play its full and fair part on climate change.

In May, the Prime Minister and I announced a new, ambitious target to reduce our emissions by 25 per cent by 2020, if the world can reach an ambitious global agreement capable of stabilising greenhouse gas concentrations at 450ppm CO₂-e or lower.

To match our ambitious targets, we have a serious and credible plan to ensure they are delivered.

Principally, we are legislating the Carbon Pollution Reduction Scheme, a cap and trade emissions trading scheme that covers around 75 per cent of Australia's emissions.

We have already passed laws to increase our renewable energy by four times over the next decade, so that by 2020, 20 per cent of our electricity will come from renewable sources.

To put it another way, the equivalent of all current household electricity will come from clean, renewable energy within just ten years.

In WA, there are a number of projects ready to benefit from the new Renewable Energy Target.

For example, I understand construction is expected to commence later this year on Investec's and Windlab Systems' planned Collgar wind farm project, approximately 250 kilometres from Perth. The project will provide up to 230 megawatts of capacity and is planned to begin generating renewable electricity in 2011.

Around 200 kilometres north of Perth, near Cervantes, Griffin Energy and Stanwell Corporation are planning the Badgingarra wind farm project of up to 130 megawatts capacity. This project is planned to commence during 2010.

So we have a plan to cap and reduce our ever-rising emissions through the Carbon Pollution Reduction Scheme that will come back to the Parliament later this year, and a legislated four-fold increase in renewable energy by 2020.

On top of that, we have embarked on the biggest investment in energy efficiency in the nation's history.

We are supporting the creation of green jobs and the development of skills for the low carbon economy.

We are investing billions directly in new, low carbon energy technology, ranging from solar and wind and wave to geothermal and, of course, clean coal.

And we have established a Global Carbon Capture and Storage Institute, a 'one-stop shop' for expertise to help realise the goal of 20 large-scale carbon capture and storage projects in operation by 2020.

National schedules and common but differentiated responsibilities

Beyond our targets and domestic policies to deliver them, one of the key ways Australia is contributing to the international negotiations is with a proposal on how we actually form an agreement where individual countries sign up to deliver action on climate change.

Australia's approach is premised on our strong belief that in Copenhagen this year, we must reach an effective international political agreement to tackle climate change. We need all countries, whether developed or developing, playing their full and fair part.

To get to this point will be extremely hard. We are a long way off still. We are trying to bring the world together in a way it simply has never come together before.

Our proposal of national schedules is designed to help find common ground between developed and developing countries – the traditional divide in these negotiations.

This approach builds on lessons learned from the Kyoto Protocol, where countries had to commit to strict economy wide targets.

Taking on an economy wide target can be daunting. It sets a high bar for developing countries, meaning they have not taken on commitments - yet we need developing countries to be part of the solution.

National schedules are designed to encourage greater participation by developing countries to allow any new global agreement to include binding commitments from both developed and developing countries.

This differs from the Kyoto Protocol which focused solely on commitments from developed countries – with no commitments from developing countries.

This is an idea – a starting point, rather than a finished product - that will be the subject of debate and discussion.

While we are at an early stage of discussion, there is potential for this idea to help encourage progress. We've been heartened by the discussion this idea and ideas put forward by other nations has generated.

REDD

There are a number of activities that could potentially be included in a schedule. One such activity is efforts to reduce emissions from deforestation and forest degradation – usually known by its acronym, REDD.

Efforts in this area can also help developing countries to grow their economies while tackling climate change.

Indeed, one of the keys to reducing emissions in developing countries is to ensure there is reward for avoiding deforestation. To put it another way, instead of an economic imperative to remove forests, we need an economic incentive to preserve them.

Australian modeling shows that the inclusion of forest-related activities in a future global agreement has the potential to reduce global mitigation costs by around 20-25 per cent.

The environmental motivation, of course, is beyond doubt.

Emissions from deforestation and forest degradation represent around 20 per cent of global emissions – more even than from transport – meaning that our stabilization goal of 450 parts per million is next to impossible without REDD.

This of course says nothing of other environmental benefits, like protecting biodiversity.

For these reasons, Australia is working hard to see that emissions reductions from the forest sector in developing countries can be included in a future international climate change agreement.

We are putting forward proposals through the UN and working in partnership on practical projects such as in Indonesia – and as with our work on national schedules, one of our key objectives is to bring developed and developing countries together.

Finance

Another central element of bringing developed and developing countries together in an international agreement will be financing.

Indeed, it is clear that without a robust package on financing, we won't get the deal we need.

The magnitude of the financing effort means contributions will need to come from the broadest range of sources possible – domestic and international, public and private.

Navigating this terrain will require difficult discussions, about how much money needs to be raised, where it will come from, and how to manage it. The G20 Leaders' decision to direct Finance Ministers to present options on these issues will be important to help make progress in the broader UN negotiations.

Next steps

So clearly there are a number of pieces of the puzzle that must come together if we are to reach an effective political agreement at Copenhagen.

But we are a long way from where we need to be.

The world took a small step forward at last week's summit.

The leadership of Japanese Prime Minister Hatoyama on climate change will provide a welcome boost to negotiations.

We applaud the new Japanese Government's commitment to an emissions reduction target of 25 per cent below 1990 levels by 2020.

Prime Minister Hatoyama also outlined his resolve to implement this target through measures including the introduction of a domestic emissions trading mechanism.

And – quite significantly in my view - we heard a very positive statement from President Hu Jintao of China which demonstrated China's willingness to contribute to finding a solution to climate change.

His comments highlighted the need for developed and developing countries to work together. He also spoke of the need for developing countries to “avoid the old path of “polluting first and cleaning up later””.

China, as the largest emitter of greenhouse gases, will be critical to efforts to reduce emissions, so their statement, and their commitments, including to a reduction in CO2 emissions per unit of GDP, are welcome.

We will need more examples of this kind of political will to get us on the path for success at Copenhagen.

Conclusion

So I'd like to thank you once again for the opportunity to join you this afternoon.

An effective response to climate change is critical to Australia's future, and to the future of a state like Western Australia that is vulnerable to the impacts of climate change.

Clearly there is much to do over the next 80 days.

At home, we will be pressing forward with our election commitment to put in place an emissions trading scheme through the Carbon Pollution Reduction Scheme.

Internationally, we will be continuing our efforts to move negotiations forward and bridge the gap between developed and developing countries.

Climate change poses a great challenge to us all, but it is squarely in Australia's national interest to face up to this challenge and play our part in reaching a global agreement.