



AUSTRALIA

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

CONFERENCE OF THE PARTIES SECOND SESSION

STATEMENT BY SENATOR THE HON ROBERT HILL MINISTER FOR THE ENVIRONMENT

GENEVA

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CHECK AGAINST DELIVERY

Mr Chairman

Climate change is one of the most important international environment issues for the Australian Government.

Australia is committed to fulfilling its obligations under the Framework Convention and to participating actively and constructively in the Berlin Mandate negotiations.

IPCC Second Assessment Report and Its Implications

Australia recognises the importance of the Second Assessment Report and welcomes this latest contribution from the Intergovernmental Panel on Climate Change. The report helps to clarify the risks associated with climate change and confirms the importance and urgency of limiting global greenhouse gas emissions. It gives us all a powerful message about the need for effective and sustainable international action.

The Second Assessment Report provides some important insights about the impacts of increasing atmospheric concentrations of greenhouse gases. However, it does not provide a specific interpretation of what might constitute dangerous human interference with the climate system.

Australia believes it would be premature for this meeting to identify a particular point at which greenhouse gas concentrations might constitute dangerous human interference. We believe that neither the science nor the assessment of impacts are yet sufficiently advanced to nominate a specific level. Nevertheless, we accept there is reason to act in a precautionary way.

Australia continues to support the work of the IPCC. It is vital that the issues addressed there should be progressed scientifically, professionally and dispassionately by some of the world's best experts.

Progress in Implementing Annex I Commitments

Australia is making substantial efforts to limit greenhouse gas emissions, particularly through our national program of cooperative agreements with industry and State and local governments. We are harnessing the capacity of Australian industry to limit greenhouse gas emissions through this program. Recent agreements will see some of our largest companies reduce their emissions substantially, including well into the 21st century.

In addition, my Government is taking action to enhance carbon sinks through the biggest vegetation initiative in our nation's history. It will target land clearance and revegetation.

Our measures have, and will, contribute to a substantially improved performance in emission containment by 2000, which is expected to compare favourably with most

OECD countries. Our achievements in energy efficiency in key industrial sectors rank with the best in the world.

Improved energy efficiency, capture and use of methane from mining and other activities and sustainable energy policies will result in further substantial containment of greenhouse gases.

The Australian Government's approach to greenhouse gas abatement is predicated on delivering achievable environmental outcomes based on industry and community support. The link between achievability and broad-based support for policy action is fundamental.

Australia is committed to intensifying its efforts to limit emissions. However, this needs to be progressed in a balanced way. Countries like Australia which specialise in the production of energy intensive goods may have relatively high emission levels despite using very energy efficient technologies. If that production were made uncompetitive by simplistic abatement policies only to be replaced by less greenhouse efficient production elsewhere, including in non-Annex 1 countries, the desired environmental outcome would not be achieved.

Similarly, new energy projects such as major natural gas export projects in countries like Australia, can lead to an increase in domestic greenhouse gas emissions, but displace less efficient energy production in other countries. The net result can be positive for global greenhouse gas emissions. It is important that we work towards an approach that recognises this.

Parties must also be realistic about the magnitude of the emission reduction task. Demand for energy is continuing to rise strongly in developed, as well as developing countries. There are no easy options for achieving substantial reductions in emissions. Most OECD countries are having difficulty returning to 1990 levels. This reflects the scale and nature of the task.

Maintaining economic growth while reducing greenhouse gas emissions will require economic re-structuring and will depend ultimately on technological change. The process of transformation will require us to be innovative, cooperative and realistic.

Additionally, the task varies greatly from country to country, reflecting substantial differences in their underlying trend in emissions growth. These differences include countries' population and economic growth rates, structural changes over time in their economies, and their options to reduce dependence on fuels with a high carbon content. One consequence of this situation is that countries like Australia face substantially higher marginal costs of abatement than most other developed countries.

The Berlin Mandate Process

The Australian Government is strongly of the view that if climate change mitigation is to be realistic and sustainable, it must deal with the differences that exist among Annex 1 countries. This will require negotiating practical rules to implement the equity principles that are central to the Framework Convention.

Abatement approaches that reflect national capacities and circumstances are more likely to win the commitment and support of all Parties through successive rounds of climate change negotiations.

Approaches that do not do this risk alienating countries from international cooperative action. In this context, the Australian Government, like others, has the obligation to safeguard the economic interests of its citizens and to foster sustainable economic development, as it plays its role in the Convention.

Australia accepts developed country responsibility for leadership conferred under the Convention. Our comprehensive response measures across all sectors of the economy is a demonstration of that acceptance.

However, it is clear that actions by developed countries alone will not be sufficient to mitigate climate change. Over the longer term, all countries will need to contribute to limiting global emissions. This will require effective international partnerships and cooperation.

In this context I take pleasure in announcing an Australian pilot initiative on Activities Implemented Jointly, which will be developed jointly with Australian industry. Its primary focus will be on the Asia-Pacific region. The pilot initiative reflects our view that AIJ is a win-win situation for all countries. At an appropriate time there needs to be a proper international recognition of these mutual benefits.

Conclusion

Australia's commitment to seek responsible, sustainable and effective solutions to climate change led us to be among the first countries to ratify the Climate Change Convention. We will continue our engagement looking for an equitable and effective long term response to this most important global environmental challenge.