



Statement to the Fifth Conference of Parties to the Climate Change Convention

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Bonn 2 November 1999

It is two years since the historic decision in Kyoto when industrialised nations agreed to cap and reduce carbon emission levels as a contribution to combating global warming,

It is also two years closer to the first reporting period and thus the time within which to implement domestic changes necessary to achieve savings commitments has been correspondingly reduced.

In this short time frame it is vital that we recommit ourselves to settle the outstanding issues of detail by this time next year and thus enable parties to address the issue of ratification. Final decisions need to be made on the issues of flexibility mechanisms, compliance and sinks at COP6. Sinks, and in particular revegetation, offer within Australia a unique opportunity for net greenhouse gas reductions as well as sustainable land management and biodiversity conservation.

We should also set our goal to achieve the implementation of the Kyoto Protocol as soon as possible after COP6, otherwise achieving the overall target of industrialised countries will become progressively less likely.

Successful implementation of the Kyoto Protocol is but one step on a long road to achieving stabilisation of greenhouse gas emissions. A failure to achieve that first step, however, will be a major failure by the global community in addressing one of the most worrying inadvertent consequences of industrialisation. We will be seen to have badly let down the young people of today and future generations. The full consequences of rapidly rising temperatures are not fully known but the overwhelming advice is that it would be foolish in the extreme to run the risk of severe adverse outcomes when more sustainable options are available.

Having stressed the importance of implementing our collective commitments it is pleasing that progress is being made on the vast array of technical issues which require resolution before final decisions can be reached. Australia appreciates the efforts of so many officials and advisers across the world to assist us in this task. There is still a lot more of a technical nature remaining. But there does not seem to be any insurmountable technical obstacle to final decisions. Thus the real test for COP6 will not be technical but rather political will.

To assist political will, we need a process to facilitate the inevitable difficult negotiations in the latter half of next year – the role of what I refer to as an honest broker. Although that process is not currently on the table it should be a high priority of this meeting.

We are however helped by the fact that as more work is done the clearer it becomes that the mechanisms and sinks can contribute to a better outcome for the environment by lowering the cost of abatement action. Not only that but they can also assist sustainable development by helping to move new technologies to countries and sectors where business as usual would not provide the same opportunities.

But as time goes by it becomes even more apparent that a better global outcome requires not only abatement action by industrialised countries but by developing country emitters as well. Carbon leakage to developing countries does not improve the global outcome nor does it assist in maintaining the commitment of developed countries to show the lead. With this in mind I congratulate Argentina on their target announcement. We hope this will be the first of many such announcements as we move toward a truly global response to climate change.

For countries such as Australia with high costs of abatement it has been important that we not wait for the Kyoto protocol to take effect before we take action. Thus we have embarked on a major package of measures designed both to reduce emissions directly and to foster opportunities for ongoing reductions. That program has been successfully under way now for two years. In June this year, the Australian Government committed to an additional much more far-reaching program. Government expenditure on the two programs will total almost \$1 billion. Key areas for investment include:

- Energy efficiency – We have measures in place to promote energy efficient power generation, building construction, appliances and equipment, and passenger vehicles
- Partnership programs – Australia has one of the largest Cities for Climate Protection programs in the world and our very successful Greenhouse Challenge program has resulted in industry partners saving over 20 million tonnes of greenhouse gas emissions
- Renewable energy – We have committed total direct investment of over \$350 million and will establish a mandatory requirement for electricity generators and large users to source an extra 2% of their electricity from renewable sources by 2010. This target will see renewable energy providing about 12.5% of Australia's electricity, one of the highest totals in Annex1.

Finally, we still need to better understand the science of climate to be confident that at each step we are making the best decisions. I am proud of Australia's contribution in the Southern Hemisphere to the understanding of global climate science and take this opportunity to launch a new publication recording highlights of our more recent work.