



Australian Government

Minister for the Environment and Water Resources
Senator for Western Australia
Senator the Hon. Ian Campbell

Transcript

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Address by Senator the Hon Ian Campbell to the National Press Club

SPEAKER:

Today at the National Press Club, the Minister for the Environment and Heritage, Ian Campbell. With the environment now judged to be the number one issue by a majority of Australians, Senator Campbell has today tabled the State of the Environment Report for 2006 - an independent stocktake of the environment and its management over the past five years. Ian Campbell with today's National Press Club address.

KEN RANDALL:

Ladies and gentleman, welcome to the National Press Club and the National Australia Bank address today, and it's a great pleasure to welcome back Senator Ian Campbell. I must say I'm a bit mortified to realise it's ten years since he was last here. He was then Shadow Minister, he reminds, me, for Sport.

That's a constant preoccupation with Australians, but he's now Minister for Environment and Heritage, of course, and the environment in particular part of that portfolio has now become one of the other great preoccupations of Australians.

It's almost the end of the parliamentary year, one more day to go, and it could hardly be a more timely, hardly be better timing to welcome him back today. Please welcome Ian Campbell.

IAN CAMPBELL:

Thank you, thank you very much Ken. It's good to be back. I was reminded at the launch of the State of the Environment Report shortly, a little while ago at Parliament House, that on Boxing Day last year we inscribed the Melbourne Cricket Ground onto Australia's National Heritage Register and I think after yesterday's brilliant performance by the Australian team, that it'll be the Adelaide oval that is listed very shortly, if not this afternoon.

Could I say at the outset, it's my strong belief in the State of the Environment Report, independently chaired by Professor Bob Beeton, confirms this, so it's not just a politician trying to spin something for his own good, but this Government is in fact the best friend the environment of Australia has ever had.

We're investing \$3.9 billion a year in the environment - that is unrivalled. Earlier today in the State of the Environment Report, Bob and his committee have measured our performance - not just politicians talking about what we're doing or planting a certain number of trees or coming up with a stunt just before an election to list a new national park - but we are now measuring very accurately with an expert scientific committee the progress we're making. It's not all good news, but there is some in it and we don't often hear the good news.

Can I report on land clearing, for example? Ten years ago we were taking away forests at a more rapid rate than we were replacing them. Back in 1994 for example, 29% more land was being cleared than was being replanted, whereas in 2003, according to the independent State of the Environment Report, less than 5% more land was being cleared than replanted and today we are on track to in fact move to a net positive of planting over forest destruction, for the first time since white settlement.

As a direct result of the policies of this Government, of the Howard Government, we have planted some 900 million trees across this continent.

In relation to air quality, the report shows that nationally air quality has substantially improved. Concentrations of sulphur dioxide, nitrogen dioxide, carbon monoxide and lead continue to meet new strict national standards. There are some, there are some areas where we need to improve. Indigenous communities and the quality of air in those needs more work, needs to improve, and our biggest capital city, Sydney, needs more work as well.

Put simply though, Australia's skies are clearer as a result of this Government's policies.

Some of the headline achievements of the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality through regional programs include 1,500 kilometres of river banks enhanced and protected by fencing and re-vegetation; 60,000 hectares of rural land revegetated to primarily address the scourge of salinity; 1.2 million hectares of land revegetated and rehabilitated on top of that and 200 million hectares covered by active management plans for pest, plants and animals, for example, the cane toad that now threatens the Kimberley region of Western Australia.

The report isn't all good news. It outlines some significant challenges ahead. I've outlined the air quality challenges in our Indigenous communities and in our biggest capital.

In fisheries, the report shows that in the last 15 years the number of over-fished species in Commonwealth waters has increased alarmingly from five up to 14, which was one of the reasons that this time last year the Cabinet took a decision to invest nearly a quarter of a billion dollars in fisheries adjustment to close many of those

fisheries, to introduce new marine protected areas, to protect the ecosystems and allow those fish stocks to recover - a massive investment, the biggest in fact in fisheries reform in Australian history.

The report also shows the linkages between land management, water management, urban development and the marine environment. In short, it presents the health of this continent in its entirety.

The other clear message in the report is that different levels of government must work with land holders to ensure that restoration efforts are both coordinated, and most importantly, effective. The committee has pointed out that there are signs of progress in this respect.

Finally, it illustrates how it takes time to have an impact. Investments in the environment may be slow to show results. The environment is a complex web of ecosystems. The environment is interconnected and so we will inevitably be surprised in the future by its responses. Let's hope, for example, as we've seen in the Great Barrier Reef, that the surprises are all good surprises and not on the negative side of the ledger.

Our achievements in terms of conservation and biodiversity, which are clearly less prominent in terms of headlines than what we see about climate change, are something that I know all Australians are deeply interested in and should be proud about.

So if you'll indulge me just a few minutes, I'd like to look at where we've come from in terms of both policy and the practical actions that I think Australians most like to focus on, before we take a look at the future, where the challenges of course are big, and probably getting bigger.

The National Reserve System is one of the great untold environmental stories of this country and what a great audience to tell the story to.

Steve Irwin was, as all of you know, one of the world's great conservationists, home grown on the Australian Sunshine Coast. He said in one of his last interviews with Andrew Denton - and it really captured me - he said, Andrew I've figured out that one of the best ways to save the environment and to save Australian wildlife is just to buy it, and if he had enough money, Steve said, he'd buy the whole of Australia.

The great achievement - and I never got to tell Steve this - was that under the Howard Government, with an investment of \$87 million over the past ten years, we have increased the properties in the National Reserve System by 25%.

We have now 81 million hectares of Australia, including 14 million hectares of Indigenous protected areas in the National Reserve System. It's now - and the Director of National Parks, Peter Cochrane is here today, well done to your team, Peter - we now have in excess of 10.5% of the Australian landscape in the National Reserve System. That is a phenomenal achievement. It covers 50 of the 85 bioregions, and we are adding to it every month. Some magnificent properties are being purchased and quite often now by private conservation organisations.

In the past, before ten years ago, it was all done by State authorities, National Parks and Wildlife Services. These days, predominantly the model is for companies like the Australian Wildlife Conservancy, Bush Heritage and the Nature Conservancy, who are owning and managing these properties and building an ecotourism industry while they're at it.

I couldn't talk about the state of the environment without mentioning the Environment Protection and Biodiversity Conservation Act - one of the great legislative achievements for the environment anywhere on this Earth.

Currently, we are debating changes to the Act on the floor of the Senate and we are seeking to make this incredibly successful international model for environmental protection to work even better.

At its heart, Australia's environment law seeks to implement one of the visions I have for environmental protection in Australia - for it to have a long term and sustainable focus. Historically, what's occurred in Australia - and all of us in this room are old enough to remember this, or most of us are - legislation and environmental protection regulation has focused on a project by project focus.

What I'm seeking to do, and one of the great environmental legacies that this Government can hand on to future generations, is to ensure that in future the marina proposals, the mine proposals, proposals that have an impact, are not just assessed one at a time - that in fact, we build a bioregional focus, that we look at entire regions, look at the biodiversity, look at the nationally and internationally significant environmental aspects, and then to plan our developments within a bigger bioregional plan.

Last year - and I think it was actually Glenn Milne who broke the story - I made a statement that said that our coast was being salami-sliced - that the development of the Australian coast had worked for too long on the assumption that it was just an endless resource.

Around 80% of Australians live within just a few kilometres of the coast and that pressure will, as Professor Beeton's report shows, increase over the next 30 years. We cannot continue to use up that limited resource of the Australian coast - one of the things that make us an iconic, environment-loving country around the globe, at the rate we've done it in the last 30 years. That doesn't mean we want to stop development on the coast, but we want to ensure that we don't salami-slice it - that we have an integrated approach, working with the States, working with local governments, but having a long term plan about how we use that vital part of the Australian environment.

Could I just, because it has become again in the news in recent hours, give you an example of the Burrup Peninsula - a magnificent part of the Australian coast up in the Kimberley region of Western Australia, beautiful, beautiful countryside, incredible Aboriginal heritage, with a million pieces of rock art spread across 27,000 hectares of the Dampier Archipelago and the Burrup Peninsula. It also happens, as always seems to occur in this portfolio, that one of Australia's most rich resources resides adjacent to that. Now we always have the best environment and the best heritage exactly where

a developer needs to build a marina, a hotel or a mine, or in this case, a natural gas facility - that is the lot of the Environment Minister.

It is, to quote an anonymous Labor spokesman from the newspaper this morning, the lot of an Environment Minister to balance these things. And what we want to build in the Burrup - and it's one of the reasons I'm redrawing the law and trying to get it through the Parliament by late tomorrow night - is because traditionally, we have this 'one development at a time' way of doing things.

What we need in that part of Australia is a management plan that recognises the fact that developing a natural gas industry is a good thing for Australia and a good thing for the world. When you use natural gas to replace a coal-fired power station or an oil burning power station in China or Korea, or Japan or North America, you reduce greenhouse gas emissions by 50, 60 and up to 70%. It is a transformational part of what we need to do to bring greenhouse gas emissions down.

So we do need it for environmental reasons. We also need it because it underpins about 80,000 jobs and a \$10 billion export industry. So what we want in that region is a regional plan that protects the heritage, protects the beautiful environment of the Kimberley coast, but also ensures that the human population and the development of the gas industry and downstream industries from that also have a future. And that is why you need an environment law that allows you to have that intuitive approach to balancing the environment with our economic, social and cultural needs.

If we look back ten years at the Australian Government's revolution in the way we manage our continent, the work we've been doing to adapt to change and what we have in mind for the future.

Back in 1996, the previous Labor Government was spending less than \$400 (sic) in total on environmental repair across this entire continent. The Howard Government made what was then a controversial decision, but an incredibly important decision for our environment, to link the sale of the first tranche of Telstra to a massive investment in the environment - the establishment of the Natural Heritage Trust. It created the one-off biggest boost to environmental spending ever, and my friends in the Green Movement doubted that we would maintain it.

Well, we have maintained it and we've built on it, so that now the Government of Australia is investing \$3.9 billion a year in environment across this country, and I'm sure there's not a taxpayer out there - maybe one or two - that wouldn't regard that as money well-spent.

The Natural Heritage Trust, and then it was added to by the Prime Minister's pet project, the National Action Plan on Salinity and Water Quality, marked a fundamental change in the way the environment is governed across this country.

For the first time in Australian history, and it's all come together in the last two years, we created a catchment by catchment management approach to the environment. Previously, the grants have gone out to small environmental groups, Landcare groups and so forth, but there wasn't a catchment approach.

This brings together environment groups, landowners, farmers, pastoralists and the three tiers of government in regional management groups, right across the length and breadth of Australia - from the tip of Cape York to the bottom of Bruny Island, out to King Island, out to the coast off Rottnest, off Western Australia, and every part in between.

To demonstrate the importance of this, I recently visited Innisfail in North Queensland. I went to the Innisfail High School and they had a project funded under the Community Water Grants Program to rejuvenate a wetland. A very good project in itself, but when you think about the importance of it, it didn't just help save water at that school - and in fact saved a few thousand dollars which they are going to invest in buying new computers - but it also has an impact way down past the coast and 100 miles (sic) off the coast at the Great Barrier Reef, by reducing the amount of nutrients that flows into the reef lagoon and harms the Great Barrier Reef.

It's a tremendous way of demonstrating how a catchment-wide approach is essential for the Australian environment, and for the first time we have 56 of these groups right across the country - never existed before.

The other great thing from a taxpayer's point of view is that for every dollar we're putting into these investments, we're leveraging \$4 from the community and other organisations, including the State Governments.

An example is a recent grant of \$20,000 to the Goulburn Broken Region of Victoria, which will help farmers to build a strategic on-farm, offstream dam to harvest nutrient-rich water coming from dairy farms. This small grant has yielded a total investment of \$200,000.

The network of regional groups is now guiding hundreds of millions of dollars' worth of investment towards actions on the ground, which will change the environment, will make our environment more resilient to the increasing pressures that we'll face.

Can I give you one more example, because I think what Australians want to see more than anything is not rhetoric from politicians about what we promise for the environment, but action on the ground that delivers.

And there can be no better example in my home State of Western Australia in the Collie Catchment, a river that was turning to salt, than \$30 million from the Commonwealth, joint-invested. I went down there with Jeff Gallop just over a year ago, and this will turn the Collie River from saltwater to freshwater by taking away hypersaline water and pumping it into a disused coalmine and increasing the amount of fresh water - in fact, it'll make it drinkable. A transformational, world-class project, made possible through what I've always called in my career 'cooperative federalism' - the Federal Government working with the States, working with local communities to deliver real results.

On the Murray, the biggest achievement with respect to our most iconic river is that the community and governments have accepted the need to manage the river as one system.

The Living Murray Initiative brings together the Australian Government, State Governments and the ACT to effect real environmental approvals on an iconic Australian river. It's been a tough and sometimes challenging job, but the Living Murray process is up and running. We have been working very hard with our colleagues in the States and the community in the Basin to deliver the 500GL for the environment on the Murray.

Despite the drought, we have achieved a small amount of environmental watering this year - about 35GL which has breathed life back into the Chowilla floodplain and the Hatter Lakes.

I attended the most recent meeting of the Community Advisory Committee under the Murray-Darling Basin Initiative, and for the first time, there was unanimous support from that committee, from the people who live within that Basin and derive their income from the Basin, unanimous support from those wonderful Australians for governments to purchase water for environmental use.

If I can tell you about just one project that demonstrates how State Governments, in cooperation with the Australian Government, can work together to deliver environmental dividends, it would be the Sea to Hume Dam Fishways Project - again, not a project that gets a lot of coverage in the media. It's probably such a good story.

The project when completed will provide continuous passage for fish from the Murray Mouth to the Hume Dam near Albury-Wodonga - a distance of about 2,300km. This is the largest project of its kind anywhere in the world. It will allow fish to breed, feed and migrate up and down the length of the river, along a series of purpose-built fish ladders, to overcome the man-made obstacles such as weirs.

And as a consequence, the fish behave in a more natural fashion, as they would have prior to man's impact on the river system. This is good for the health of the river and the health of the Murray's iconic and important fish species.

This is also the government that saved the Tarkine. Conservation groups in Tasmania, in fact, the Tarkine Coalition came to speak to me in November, just after the election, and I asked them, what do you want for the Tarkine? When you save the Tarkine, how much do you want?

And they said to me, well, a bronze medal outcome would be 50,000 hectares - we'd be happy with that. If we got 60,000 hectares, we'd be really happy - we'd call that a silver medal outcome. But for gold, you'd have to get 70,000 hectares.

The Government, under John Howard's leadership and the brilliant leadership of people like Connell O'Connell in my department, delivered 72,500 hectares - a brilliant result for the Tarkine, a brilliant result for Tasmania and Australians across the length and breadth of this country, who care about preserving our forests and doing so in perpetuity.

One of the best known ways to help the environment is something that can be achieved by almost anyone - planting trees. And we've been hard at it on behalf of all Australians.

It was the proceeds of the Telstra 1 sale that kicked off the NHT, as I've said, and among other things gave us the financial resources to support the planting of around half a billion trees. The 2020 Vision for the timber industry builds on that - building on planting another 3 million hectares for commercial plantations before 2020.

The combined effect of those policy measures and some others, means that we have planted around 900 million trees in the last ten years - unprecedented in Australian history. And I expect, and I'm sure I'll invite some of you to the ceremony, to plant the 1 billionth tree sometime early next year. It is a landmark achievement for this Government.

The agriculture, fisheries and forestry industries have already achieved an estimated 40% reduction in emissions since 1990, and the work goes on. They make a valuable contribution to Australia's climate change efforts.

The National Water Initiative brings together water trading, a national water accounting framework, measuring, metering standards, nationally consistent water entitlements, registers and pricing systems. The initiative will increase flexibility and efficiency in the use of water and increase agriculture's ability to adapt to climate change. Water is a headline issue these days, and to ensure that Australia maintains water security into the future, practical, responsible solutions are needed, and the States must play their part.

And Australian communities are responding. I've just announced Round 2 of the very popular Community Water Grants Program, which will save 10,000ML of water each year - the equivalent of around a third of the City of Canberra's entire water use. We're extending our world-leading approach to natural resource management to marine management. This Government has declared two of the largest marine parks in the world.

The Great Barrier Reef is well-known, now over 30% of it protected - from 4% under the previous Government, I might add - and now with the massive South East Marine Park, it stretches from Eden in New South Wales right around to 200 miles (sic) off the Tasmanian coast and right out to the West of Kangaroo Island in South Australia - the third biggest marine park in the world.

Since the introduction of the Oceans Policy, the world's first oceans policy, by the Howard Government in 1998, we have built a sustainability and management framework for our marine resources. The policy forms the framework for the Marine Bioregional Planning Process, to create a network of marine reserves around the Australian coast.

Can I mention briefly whales - and I will then get onto climate change. The Australian Government has shown strong leadership on whales, which particularly in recent years has helped to maintain the moratorium on commercial whaling which was agreed at the IWC back in 1986. I'm particularly proud to have played a role, along with a group of dedicated public officials from my department and from the Department of Foreign Affairs, who worked very hard on this issue, and we have created a substantial new network of pro-conservation nations around the world.

We have been successful at the Whaling Commission meeting in Korea, to hold off a strong push by countries like Norway, and Iceland and Japan to reopen commercial whaling. We were successful again at the Caribbean this year, and in just five months' time we'll be back at Anchorage, Alaska, trying to hold the line.

Japan has just announced that it's going to hold a normalisation meeting in Tokyo in February this year, that's going to get a group of countries together to say that it is now normal to kill whales. And I remind you that to kill a whale it takes roughly 10 to 13 minutes - sticking a harpoon in it, dragging it backwards through the water and making it die of drowning. That is a practice that they, and the Norwegians, and the Icelandics and all of the people who vote for them regard as normal. That conference will take place in February.

It will be a big challenge to hold onto the moratorium in Anchorage, but it's an important achievement. It's one of the few environmental achievements that the global community has ever achieved, and it's at risk.

Climate change challenges the world as well. If we can get an achievement like the moratorium on climate change, it will be transformational. It's an issue that is on the front page of most papers in any given week. The recent Lowy Institute research findings confirm that greenhouse and climate change have become issues of great concerns for Australians, up there with water and other important issues.

It is a very serious issue. In the next 50 years, it's estimated that the cumulative global carbon dioxide emissions will double to about 2 trillion tonnes. To put that in perspective, we've pumped about a trillion tonnes of carbon dioxide and other greenhouse gas emissions into the atmosphere over the past 150 years, and if we don't change what we're doing, we will do that again in just the next 50 years. So it is a phenomenal challenge.

It's a challenge that generates passionate debate, both here in Australia and around the world. What we need are practical solutions to solve it, both here in Australia, but also around the world.

Despite the complexity of the issues, the Australian Government's policy approach is based on three, I think, easily understandable constructs.

Firstly, climate change is a global problem and it demands a global solution. And quite frankly, the Kyoto Protocol, as it's currently written, simply won't get us there. It only constrains the emissions in 35 countries, representing only 30% of the world's emissions, and has no pathway to reductions for the most rapidly industrialising countries on this planet. During the first commitment phase of Kyoto, global emissions will actually increase by 40%.

The second construct is this - while we are a relatively small emitter of greenhouse gas, Australia does have a responsibility to take strong world-leading action.

We produce under 1.5% of the world's emissions, and to put that into perspective, China's emissions are growing at a faster rate than that every 10½ months. It's one of

the reasons we're investing \$2 billion dollars of taxpayers' funds on climate change action, and why I expect we'll be investing a lot more in the future.

Australia is in favour - and this is the third construct - of a multi-track approach, not a one-size-fits-all, silver bullet approach. Some sections of the Labor Party and the Deep Greens tell us that you can't have nuclear as part of your response. Some of them also tell us that clean coal and coal should be ruled out as part of the response. And recently we've had the Greens and some members of Rudd Labor tell us that you can't exploit liquefied natural gas from the Burrup Peninsula.

The Government strongly believes that a multi-track approach is what is demanded, and government and political leaders of all persuasions should leave their ideological baggage at the door when they're dealing with such a serious issue. The sort of 'flowers in the hair', 1960s ideological prescriptions simply are not appropriate in this decade, in this millennium.

The responses must include serious investments in renewables; serious investments in energy efficiency; serious investments in research, development and deployment of the technologies that will capture the carbon from burning fossil fuels and stop them going into the atmosphere; carbon capture and storage, or if you want to use the boffins' language, geosequestration - burying the carbon back under the ground, back under the sea, where it's been for thousands of years and where I say it belongs.

Making vehicles more efficient - moving to hybrids, using more efficient vehicles. Fuel switching - moving to natural gas. Forests and soils - stopping deforestation, planting more trees and changing to low tillage techniques. And nuclear power is part of the option. We will need to see more and more nuclear power stations across the world, and Australia has a serious role to play in that industry. Whether it's popular or not, the problem is so serious, we've got to address it with all the technologies.

We are leading the world in the development and deployment of the many of these technologies. But is Australia, as our critics often complain, out of step with the rest of the world on climate change? Is Australia really some form of international pariah on greenhouse?

Australia hasn't signed, hasn't ratified the Kyoto Protocol, yet we are one of the few nations on Earth who will either make our greenhouse target, or to use the Prime Minister's language, "near as damn it, make it".

Importantly, we'll do it without putting in jeopardy Australia's unique economic advantages - the very advantages that secure our capacity to invest in the technologies that are required to address climate change. The problem is complex, the problem is serious, and anyone who tells you that signing Kyoto is the solution is making themselves part of the problem and not part of the answer. It has become a slogan.

The reality, as highlighted in the recent release of the Stern Report, has accelerated acceptance of the view that a whole range of investments need to be made, and that there is no simple one-size-fits-all response. We need to ensure that we get it right on this. We need to ensure that we are part of designing a new Kyoto - an agreement that involves all of the world's emitters.

We need to play a role in ensuring that the Europeans, for example, don't expect the rapidly industrialising countries in our region to sign up to the sort of commitments that might suit their economies - you won't get there if you do that. We need to ensure that domestically we continue to develop programs that work for Australia, but which are also able to be replicated around the world.

The Solar Cities Program, which will transform suburbs in Adelaide, Blacktown and Townsville is a world-leading program. Traditionally, photovoltaic cells get rolled out one house at a time. We're doing that - we're doing 12,000 of them. But never before have entire suburbs been transformed as they will be done across Australia under that program.

The Low Emissions Technology Demonstration Fund, which is building the biggest solar-powered power station in the world in Mildura.

The biggest geosequestration, the biggest carbon capture and storage project in the world off the coast of Western Australia. And clean coal and carbon capture projects in Victoria and Queensland. Hundreds and hundreds and hundreds - in fact, billions of dollars' worth of investment on behalf of Australian taxpayers to make a real difference. And if you can get carbon capture and storage, if you can get the biggest solar power station in the world to work here, you can export them all around the world and make a real difference.

We get asked regularly, I get asked regularly - why didn't you sign Kyoto? Can I just give you one stunning example of why it's ineffective.

Canada, for example - and we were there this time last year - is going to overshoot its Kyoto target by 36% - 36%. It's ratified the protocol. What's it going to do to reach its carbon target? One of the options available to Canada is to go into this marvelous international trading scheme set up under the Protocol, and buy credits.

You can buy credits from Russia, because after 1990, the Russian economy collapsed and they've got a lot of hot air to sell. They've got hot air credits under Kyoto, and the going price, the cost for the Canadian Government, would we be at least \$4.2 billion to go and buy a piece of paper from Russia that will level their ledger. All of a sudden they go from 36% over, to level, and meet their target by sending \$4.2 billion to Russia to save carbon that's not emitted, because the Russian economy collapsed after 1990. That is how the Kyoto Protocol works.

It's not to say that everything with the Kyoto Protocol is wrong. Australia is committed to building a new one, and we led the way in trying to get a robust and timely review done of the old Kyoto Protocol, so we can focus on what its deficiencies are, but build a new Kyoto Protocol post-2011/12, working hard on it in the meantime to ensure that we get a Protocol that includes all of the worlds economies in that period. It's a matter of life and death for the world to get this right, and Australia will be a constructive player, has been a constructive player both at Montreal Conference this time year and at Nairobi a couple of weeks ago.

A couple of weeks ago I visited China, and it brings home to you the issue that the world faces - this issue of having a comprehensive agreement.

China is growing its urban population at the rate of a city the size of Brisbane every month. It came home to me that this was not just rhetoric, but a fact, when I drove through Shenzhen down to Hong Kong on my way home, and any of you who've done this would have had a similar experience.

You drive along a six to eight lane freeway, about two or three storeys up in the air, through a city that never seems to end. You drive for two or three or four hours, and on either side of you, as far as the eye can see, there are huge buildings, industrial facilities, commercial buildings. And it told me that if you don't engage China, if you don't engage India in the solution, you are not going to get there. If you ignore them, as the existing Kyoto Protocol does, you won't.

And that's why it is incredibly important that we engage with China and India and Korea and Japan and America, through the Asia-Pacific Partnership. You've got to remember that a year ago, the then Labor Leader described the Asia-Pacific Clean Development and Climate Change Partnership as, to quote Mr Beazley, "just spin".

A year later, we're investing tens of millions of dollars in real projects across all of those countries, that will make a real difference and are making a real difference in a whole range of technologies - in the cement industry, the steel industry, the aluminum industry, the renewables energy industry, and the energy efficiency industry to make a difference.

The most important difference, from my point of view, is that we're actually engaging these governments in a way they've never been engaged before, but even more importantly, engaging the industrial sectors - the business people who make the decisions and the investments. It is a unique partnership that is working really well.

And one of the calls I make today is for the new Labor Leader, who is a China specialist, who has got a strong internationalist credential, who is a former diplomat, to eschew what Mr Beazley said of the Partnership, and make this a bipartisan commitment. Support the Asia-Pacific Partnership, and let's make it work. It's in the interests of Australia, it's in the interests of the international community, for mankind across this country and around the world.

I said at the commencement of this address that this Government is the best friend the environment's ever had, and it's not mere rhetoric.

Increasingly the world view is accepting the Australian Government's view, that the best way to tackle climate change is through strong and robust economies, both here in Australia and around the world.

There are those who would have us trash the economy to meet targets. They have a romantic and deeply flawed desire to return developed Western countries to a 17th century agrarian utopia, and in climate change they found their stalking horse.

The answer to climate change is also the answer to many of the world's ills, and a cure can only be found where economies, particularly in the developing world, are allowed to continue to grow strongly.

In Africa today, around 8,000 children will die, and not many of them think about climate change. But a secure future for the many millions who live in poverty in our region, in Sub-Saharan Africa as well, is to have reticulated power. There are hundreds of millions of people on this planet who don't have reticulated power, and they need it to get reliable medical facilities, to pump their water, to power their homes, so they can actually sit at home at night and read a book, get an education.

It is the height of the developed world arrogance to deny developing countries the ability to claw their way out of poverty, by adhering to a radical climate change agenda that is not good for the environment and no good for mankind. Surely, in anything we do, it is the poor, the disadvantaged and the economically vulnerable that we must protect.

If we are to make a difference to the sustainability of the planet, we cannot use climate change and the environment as blunt objects.

The global approach to climate change in particular must be a lever by which to dramatically cut the infant mortality rates in Sub-Saharan Africa, to improve the living standards of, for example, of the 300 million people in China who live below the poverty line, who live in abject poverty, and ensure that the economies which can do the heavy lifting achieve these humanitarian ends, and that they remain strong performers to achieve that - and of course, aim for a net reduction in greenhouse emissions while we do that.

The way we'll achieve both of those goals is to achieve substantial increases in the amount of energy the world produces and consumes, but to do so with substantially lower greenhouse gas emissions. You will only do both of those policy ends by having a sensible economic policy that continues to develop the world, delivers strong economic growth and gives you the wherewithal to invest in low emissions technologies, which will save the planet from dangerous climate change.

Ken, thank you for having me.

KEN RANDALL:

Thank you, Minister. As usual we have a questions period, and the first one today is from Simon Grose.

SIMON GROSE, THE CANBERRA TIMES AND SCIENCE MEDIA:

I'd just like to ask you about the new Kyoto agenda, the Government's new Kyoto agenda. You've just said at the end, that well you created the problem - we've got places like China growing at the rate they are, and their emissions are growing to match that.

You've said that the developing countries need to be able to develop and grow their economies, but at the same time we need to lower emissions.

So it seems to me that to get people like China, countries like China and India to sign onto a new Kyoto, it's going to have to be just as rubbery and as toothless as the old Kyoto.

Can you give us a sign that that's not the case?

IAN CAMPBELL:

Look I'd like to be constructive about it. I spoke to a Year 5 and 6 class at a school in Perth a few weeks ago, and when you look into their eyes, you don't want to give the standard climate change doom and gloom scenario. You have to believe in your heart that we can get this right, and I think Australia has the opportunity - without being sort of getting tickets on ourselves too much or overrating what we can do globally - I think, from my experience over the last couple of years of going to climate change conferences around the world, that we can use our special geopolitical circumstances - the fact that we are effectively a European country in Asia; the fact that we have a very good relationship with China; the fact that they are very focused, and I meet with my opposite number in China on a very regular basis, probably every six or eight weeks I meet the Vice-Chairman of the MDRC.

They like their relationship with Australia, because we have a practical focus. They like to see things that they can touch and feel and do. Part of it is this light bulb idea - the Chinese are the biggest manufacturers in the world of these compact fluorescent bulbs.

We realised in Australia, through our climate change partnership with China, that if we had the world going off and developing a whole range of different bulbs, then the uptake of the bulbs would be lower than ideal.

So we sent one of our experts from the Australian Government's Greenhouse Office - the first dedicated climate change office anywhere in the world - we sent him to China, or sent a team headed by a man from the AGO to China, to design the world standard for light bulbs.

That is a practical thing that we can do, and through my latest trip up there, we've now got energy efficiency projects, renewable energy projects. So we've got the relationship with China, we obviously have a strong relationship with the United States.

We also have built more and more trust with the Europeans, particularly at Nairobi. The Prime Minister's announcement about looking into the benefits of a global emissions trading scheme, the Prime Minister's announcement that we are serious about developing a new Kyoto, has certainly endeared us to the Europeans.

And I think that the role Australia can play, I know the role Australia can play, is to be a bridge between our region, where we have these rapidly industrialising economies, and the more, I guess, the flatter economies, the more mature economies of Europe. I think the AP6 is a vehicle that can build that trust, I think linking with Europe.

How will you get to an agreement? The sort of commitments under Kyoto that a country like Finland or Austria or France will sign up to, simply won't be agreed to in our region by most of the major rapidly developing countries.

They resisted strongly any review of the Kyoto Protocol, because they don't want to change it. They like it the way it is, because there's 35 countries in it and there's no pathways to commitment for them, so it suits them.

And we can't begrudge them that. We've actually got to put our heads inside their heads and say, where are they coming from? They don't want the planet to be boiled, but they want to develop their countries so those, for example in China, the 300 million people in poverty, can be brought out of poverty.

That's an entirely appropriate national goal for China - so we have to understand that. So what will China do? They have made as part of their five year plan a policy to improve energy efficiency per unit of GDP by 20%. That is the sort of target they've agreed to and imposed on themselves. So they are perhaps the sort of targets that we need to look at.

Can I just demonstrate - because it's here and I know you're all very, very keen to see what's under here - just how important energy efficiency is?

And it's something that every Australian can do in their own household. On the right, and on the left if you're watching on television, you have a low emission compact fluorescent bulb - that's meant to go on - and on the left, you have an incandescent bulb.

This is the new one - this is the old one. And here you have a meter which shows you how many tonnes or kilograms of carbon dioxide are emitted by each of these bulbs.

Over here the, old bulb - 574kg - so half a tonne of carbon dioxide a year from one bulb. And on the left, with a new compact fluorescent, 107kg. So you're saving in excess of 400kg a year.

And the great thing is - and this is the sort of thing the Chinese are really interested in, because it pays for itself and it has a Greenhouse benefit - but for the Australian audience you have a benefit in your own home.

And there's the cost savings - you're going to save a lot of Greenhouse gas. This one will cost you \$3 a year to run and this one will cost \$16 a year to run, and the cost of these things are \$4, 5, 6. They cost a lot more - you can buy these for 60 cents or so. These are a few dollars, but just by running one for a year, you've paid not only for the bulb, you've paid for two or three bulbs. It's again an energy efficiency measure that we're, through Australian Government action, helping to roll out across the planet, by developing the world standard.

KEN RANDALL:

The next question is from David Denham.

DAVID DENHAM, PREVIEW:

I'd like to go into the carbon geosequestration bit, and I'm not going to call it anymore because that's a terrible word - Storing carbon underground - and first of all I'd like to say that I'm a big advocate of that and I think it's very good that the Government is pursuing policies along those grounds.

But what I question is the \$60 million that you've given essentially to Chevron, to store the CO₂ from the Gorgon gas field beneath Barrow Island.

Because there you've got a company which has last year US\$14 billion profit - a turnover revenue base of over about US\$200 billion, and in actual fact, the bit that you're putting in is less than about 0.5% of the total development cost.

So I would have thought that if you were really serious about cutting down on carbon going into the atmosphere, you would ask the big polluters to actually fix that up in a new big project like that. Now that's the first question.

Now the second one, in the same thing, is that you've already got a CRC on greenhouse gas technologies, and this is doing tests right now in the Otway Basin on the feasibility of storing CO₂ in the Otway Basin there in Victoria.

So the tests for this haven't come out yet, so why are you going ahead approving the Barrow Island one, before the tests have come out? And I would argue that in actual fact, geosequestrations works, because you've got it in the North Sea, you've got it in North Africa, and really it's just putting CO₂ back to where it came from.

So why the emphasis on the test? Why can't we just go straight into the real thing, and any new big power station has to be able to store the CO₂ from it, and it must pay for that because carbon has a price. We know that because of the degradation we're getting with the CO₂ going into the atmosphere. Thank you.

IAN CAMPBELL:

It's an incredibly important question. The reason we're doing it off Western Australia is that we're doing it on a scale that has never been attempted in the world before - capturing millions of tonnes, I think it's 3 million tonnes a year and burying it underground, it's never been attempted, even though it's been done off Norway and it's been done in North Africa.

And of course the Greens and some people in the Labor Party say, it's an unproven technology. We know that you can put carbon under and you know you can store it safely.

And in fact, the Australian Government, at my suggestion, led the international move to change the London Protocol to ensure that you could in fact bury carbon under the sea. So another demonstration of the Government's leadership in doing that.

It's never been attempted on this scale before, and we know that part of the solution to climate change for the world is to do this on a massive scale. We need to do it in a lot of different geological formations.

What applies in the North Sea or in North Africa is very different to what occurs off Western Australia, which is very different to what occurs off Cape Otway, which again is very different to what occurs off Queensland.

We will be progressing carbon capture and storage in all of those places, and my strong prediction is, if the globe is going to succeed in this challenge, which it must

succeed in, we will need to develop through research and development funding, hundreds of millions of dollars, but also in demonstration.

You will only know how applicable these are, you will only know what the economics of it are when you build these big plants. And Australia has a really big comparative advantage in investing heavily in this technology.

The Greens and some parts of the Labor Party say coal's dirty and you can't clean it up and carbon capture and storage is unproven, so look, give it away and you know, put some more wind turbines up.

The reality is, you need to pursue all of those technologies. You have to prove to the public it's safe, and if you say to Chevron or any other developer, look, just, we're going to force you to do it, we're going to regulate you, you will just - it'll cost hundreds and hundreds of millions to do the carbon storage at the Gorgon Project, if it gets the go-ahead, hundreds and hundreds of millions.

If you all of a sudden say to anyone who develops a project in Australia, we're going to immediately - although no other country in the world would do it - add somewhere between \$500 million and \$1 billion to your project costs, again you'll do what Dr Lawrence and Senator Seward want to do, and is you'll just, you'll price us out of the business.

It's an incredibly competitive business. We believe there's a huge public benefit for Australia to invest in getting that right and for testing it off that coast, and that's why we've made what can only be described in the context of the overall investment, a very modest investment, to help prove it up and to get some learnings, as the boffins call them, out of doing that project and having the Australian Government involved.

KEN RANDALL:
Chris Johnson.

CHRIS JOHNSON, THE WEST AUSTRALIAN:
You'd be aware that there there's a lot of talk at the moment about a possible reshuffle on the Government's front bench, and some of the recent speculation has included you.

Now, we have just lost an Opposition Leader this week who hails from the West, and I'm just wondering if you've been given any clue at all as to whether we're going to lose a Cabinet Minister as well.

[Audience laughs]

IAN CAMPBELL:
I'm there for the long haul. I've been representing Western Australia for 17 years and I enjoy doing that. I enjoy being a voice with Julie Bishop and Chris Ellison here, and I look forward to serving for many, many years to come.

KEN RANDALL:
The next question's from Selina Mitchell.

SELINA MITCHELL, THE AUSTRALIAN:

Parliamentary Secretary Greg Hunt said last week that if we're going to introduce clean coal technologies, electricity bills would go up by around or up to 40% in the next decade or so. Do you agree with that figure and should these costs be passed directly onto consumers?

IAN CAMPBELL:

That is the nub of the question, is how do you spread the costs of the technologies you need across the whole community in a fair way? That is why the Prime Minister will announce market-based mechanisms, carbon trading taskforce, jointly between the Australian Government, key agencies and the private sector.

No-one in the world has really got it right yet on getting pricing signals, making sure that you spread the investment fairly across the community, and also do it in a way that doesn't prejudice Australia's economic interests or, more importantly, from an Environment Minister's point of view, create, for example a carbon price, a cost of carbon trading onto Australian enterprises which would make them less competitive than, for example, a similar enterprise located in a jurisdiction where you didn't have that carbon price.

What that creates is, quite simply from an environmental point of view - put aside entirely for the moment the economic problem, and the jobs problem - it will shift the carbon emissions into a jurisdiction where they're not as well regulated.

So there's no great benefit in having a carbon pricing structure or a market mechanism working, if it has the environmental effect of just shifting the carbon emissions overseas.

No-one else has really got that right yet. The Europeans are struggling like you wouldn't believe. I think the carbon price this time last year in Europe was about 30 euros per tonne. The world got very scared when the market collapsed down to 15 euros a tonne a few months ago, and last - I haven't checked it, I usually check it each day, I haven't checked it today - but the market was around 8 euros a tonne.

That is a Black Tuesday-esque collapse of a market. The Europeans are very worried about driving emissions out of Europe. So we need to learn from what the Europeans are doing, we need to talk to people in our region. I think the taskforce idea is good.

But Greg Hunt is absolutely right. We can invest hundreds of millions of dollars, in fact billions of dollars, in technology upfront to build the infrastructure, but a lot of it will in fact cost more to run.

So you do need to find a market mechanism, you do need to find a pricing signal that is fair to consumers and households, and fair to our industries that employ all of our people.

That is a challenge the world hasn't got right yet, but I think it's great leadership for the Prime Minister to say, right, we want to have a serious look at this, we want to get it right, we want to interact with the rest of the world, we want to develop a global emissions trading system, and that Australia wants to take a leadership role in that.

KEN RANDALL:
Stephanie Peatling.

STEPHANIE PEATLING, THE SYDNEY MORNING HERALD:
From reshuffles on your side of politics to reshuffles on the other side of politics, Kevin Rudd tomorrow is expected to perhaps put Peter Garrett into the Environment Portfolio or some sort of Climate Change Portfolio. If he gains that position, how do you think he will shift the dynamics of the environment debate in Australia?

IAN CAMPBELL:
Well, I think he'll produce some colour and light to it. He strikes me - I haven't met Mr Garrett yet - but he strikes me, from the speeches I've heard him give, to be an intelligent character.

I think the problem for Mr Garrett is that if you're to address climate change and issues like the River Murray seriously, you need to get away from slogans and get to practical policies.

Now that gives me an opportunity, Ken, to grab that microphone and put a challenge out to Peter Garrett and to the world. With the River Murray for example, Mr Garrett and Mark Latham said that they were going to deliver 1,500GL to save the mighty Murray.

And a challenge for all of you is to say to Mr Rudd and Mr Garrett, if he does get the nod for the Environment Portfolio - and I wish him well in that, it's a very exciting portfolio, I think it's the best job in the country - is to say where's the 1,500GL coming from, who are you taking it from and how much are you going to pay for it?

That's the challenge. They've never answered that question and that's a question they should have to answer now. Rather than having a slogan, let's have a policy.

We also need, when we're asking them that question, is to say, where did - when 1,500GL didn't even pour into the entire Murray-Darling Basin this year, how are you going to conjure it up? So there's the challenge.

The other challenge is, and excuse me for wandering around like Oprah, the other challenge is to say, if you want to solve Greenhouse gas emissions and climate change across the world, according to the Princeton University, you've got to do seven things in rather large chunks.

And I'll just define the problem. Here is what will happen to energy production in the world in the next 35, 40 years. We're going to double the amount of energy used in the world, according to the International Energy Organisation (sic), and we need, we know we need to do that to alleviate poverty - we have explained that. We know we need to do that to create job security in Australia.

We also know that we can't allow greenhouse gas emissions to rise, we need to stabilise them. And so we have to achieve this energy expansion, but reduce greenhouse gas emissions while we're doing it.

And this Princeton University study, which I've shamelessly stolen, shows you how you can do it. This gives hope to the Grade 5 and Grade 6s of the schools around our country.

You can do, as Australia has done, and stop deforestation around the world and plant substantially more trees and go to zero tillage across the world.

We know how to do that, and in fact Australia's hosting a global conference on deforestation here early next year at the... in cooperation with the Brazilians and the New Guineans.

We know that you can massively improve energy efficiency. Here's a great example about how you can do it in your own home. You could put in insulation, you could design buildings more efficiently, effectively.

We can move to hybrid vehicles, alternative fuels, more efficient vehicles. We know we can do that. In the last 20 years, vehicles have already become 25% more efficient. We need to do that again and some more.

Each one of these will give you about 1 billion tonnes of carbon dioxide abatement globally. We're emitting 7 billion tonnes a year at the moment, and if we double the energy in the world - which is a good thing, not a bad thing, because all of those people in poverty will have electric light, refrigerators and medical supplies - we will pump, with no action, another 7 billion tonnes of carbon dioxide into the atmosphere.

So you've got to do this, but you've got to save it on the way through. Each one of these wedges, as Professor Socolow at Princeton calls them, is 1 billion tonnes of carbon.

We know we need to do fuel switching, so you need to pump more and more gas out of the Burrup Peninsula and sell it to China, America, Korea or Japan.

Because every time you build a power station run on beautiful clean West Australian gas, and substitute dirty Chinese coal or oil, you're saving 50, 60, 70% greenhouse gas emissions. So we need to do that, we've got to keep pumping it out of the Burrup as quick as we can.

Renewable energy and fuel -we need hundreds of more solar cells across the world and wind turbines and other renewables, geothermal. We need to find about 1 billion dollars' worth of that, 1 billion tonnes' worth of that.

We absolutely have to do carbon capture and storage. It was interesting when Bill Clinton's chief climate change negotiator had breakfast with me in Montreal last year - he'd just completed for the Pew Center a two year study of what the world needs to do.

And she said, look, Ian, we've got all of these technologies and we'll need all of them, but if we don't do this one, we're not going to get there. We have to do that, that's the one you can't do without.

And we know that you will need substantially more nuclear power in the world. And what I say to the Australian Labor Party, what I say to them...

.../ENDS

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