

Raft of measures to avert disaster

Global warming is a bigger challenge than the ageing of Australia's population, argues Ian Campbell

CLIMATE change is emerging as one of the greatest global inter-generational issues we face, economically as well as socially. In 2002 the Australian Government released with the budget the first Intergenerational Report, which took a 40-year view of government policy, in particular the financial implications of demographic change.

With the weight of scientific evidence now telling us that dangerous greenhouse gases are being released into the atmosphere at increasing levels, climate change is promising to surpass the long-term social and economic challenges presented by the ageing of our population.

As with any of the key social policy changes implemented by the Australian Government — whether it be workplace reform, expanding access to education or ensuring the sustainability of the Pharmaceutical Benefits Scheme — an effective policy response relies on strong economic management.

Climate change is no exception. It is now a mainstream issue that needs to be handled by strong economic managers.

In his recent report for the British Government, Nicholas Stern said the world would need a portfolio of technologies to adequately address climate change. Any effective international response to climate change must include what is referred to by a Princeton University study as the seven wedges: renewable energy such as solar and wind; energy efficiency measures; carbon capture and storage; more efficient vehicles; the use of alternative fuels; the elimination of deforestation; and an increase in the world's nuclear capacity.

The Australian Government moved early to establish a partnership with governments, industry and communities across the country in response to climate change. Our total commitment to climate change is now more than \$2 billion, leveraging billions more from the private sector.

In the past decade Australian government policy has led to a vast expansion of solar and wind energy, investments in geothermal, carbon capture and storage, clean coal, alternative fuels and energy efficiency measures. It is an impressive start, saving 87 million tonnes of carbon dioxide a year.

Every one of these measures must be part of the answer. But not one of them is possible without a strong economy. It is only because we have strong household and public sector budgets and a healthy corporate balance sheet that we have been able to make the investments necessary to begin addressing the challenge of climate change.

The state and territory governments and industry need also to play a part. The coal industry moved quickly to establish a \$300 million fund to support the development of clean coal technologies. The Queensland Government has also made significant investments. Similar contributions by the West Australian and NSW governments would be very welcome.

Domestic action is important and global engagement vital. The Prime Minister has established a joint government-business task group to advise on the nature and design of a workable global emissions trading system in which Australia would be able to participate.

Australia helped to create the Asia-Pacific Partnership for Clean Devel-

opment and Climate, which includes China, the US, South Korea, India and Japan, countries that represent about half the world's emissions, energy use, gross domestic product and population.

Australia also plays an active role in the UN Framework Convention on Climate Change, working towards building an effective successor to Kyoto: a new Kyoto.

There is no doubting that there is a significant challenge before us: a challenge that, if not addressed as part of an effective global response, will become an even greater problem for future generations. Unlike Labor and the Greens, the Australian Government will not rule out any technologies that might make a significant contribution to addressing climate change.

Although Australia represents only about 1.5 per cent of global greenhouse gas emissions, we have a responsibility to be a constructive part of the solution, not part of the problem. Restricting uranium mining, throwing new hurdles in the way of major gas projects on the Burrup in WA, and putting new federal legislative restrictions on the development and export of coal would only restrict Australia's capacity to respond to climate change.

Climate change requires the Australian Government to invest in new technologies and engage with governments, industry and households, as well as internationally. And, significantly, it is a response that will be possible only if it is coupled with sound economic management.

Senator Ian Campbell is the federal Minister for the Environment and Heritage.

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