

## **Country Statement – Australia**

Hon Martin Ferguson MP  
Minister for Resources and Energy

Third Ministerial Meeting  
26-27 October 2009, Shanghai, China

Thank you (Mr) Chairman.

Firstly, I would like to thank the Chinese Government for hosting the Third Ministerial Meeting of the Asia-Pacific Partnership on Clean Development and Climate here in Shanghai.

It has been more than two years since the last Ministerial Meeting was held in New Delhi and we have made good progress since then.

In our view, the APP will continue to play a key role in delivering practical solutions to climate change and energy challenges.

From the APP's inception, Australia has been fully engaged and supported the efforts of the partnership. We have provided \$100 million in program funding, co-chaired three Task Forces, as well as sponsored the recent Flagship Review to identify areas for possible expansion. We are keen to work together and continue to move forward.

Australia has been involved in 55 projects across the eight Task Forces. Through this engagement, we have seen elements of excellence and areas with room for improvement. This latter point we see as a learning experience – providing us with an opportunity for expansion with bigger and better projects into the future.

Following agreement at the Policy and Implementation Committee Meeting in May this year, Australia commissioned a review of the partnership's Flagship Projects. This review provided a positive assessment of the program to date. It also provided suggestions for scaling-up the APP in its next phase of project development.

The Flagship Review made several recommendations, of which the key finding was the need for greater access to financing. We in Australia foresee that greater engagement with the private sector is critical to the future of the partnership –the private sector has the skills and the resources we need to ensure the APP achieves its full potential.

The private sector is responsible for over 80 per cent of global investment and financial flows. To ensure the APP identifies projects which not only demonstrate new technologies, but which are also commercially viable and will deliver the most benefit, we need the private sector on board.

Public sector finance will remain essential to creating the conditions for private sector investment where a market may not exist or for addressing market failure. The same can be said for strong regulatory environments - and that is where we within the public sector have shown that we can make a real difference.

Climate change affects us all and does not discriminate according to borders, and nor should we. This is the time to work together towards a global solution. The major climate talks in Copenhagen at the end of the year will set the stage for the post-2012 framework.

Technology cooperation was one of the five building blocks of the Bali Action Plan, and with good reason. It will be essential to a successful post-2012 climate change agreement, which is why our

government continues to support the innovative and collaborative efforts of the Asia Pacific Partnership.

We recognise that the development and dissemination of clean technologies is crucial to our future prosperity.

Development is a key focus of the APP. Advanced economies have the resources and the expertise to make a difference in the types of development taking place globally, and we need to work together to ensure that development is occurring in the least carbon-intensive way possible.

Through the collaborative efforts of the Asia Pacific Partnership, we have undertaken capacity building, knowledge sharing, and ensured the development and diffusion of clean technologies throughout our region.

The APP is a practical initiative that achieves real outcomes. It is complementary to other forums such as the Major Economies Forum, UNFCCC, and the G20. We should explore during this meeting how best the practical work we are undertaking here in the APP can link to the MEF and other forums.

The APP provides a notable example of public-private sector collaboration, and of developed and developing nations working together towards a common goal. It can be done, and we have shown that it can be done particularly well, and we in Australia continue to promote the APP as a regional success story at every opportunity.

Speaking of Australia, a lot has happened domestically since we last met.

Firstly, the Rudd Labor Government was sworn in shortly after the last Ministerial Meeting.

In his first official act as Australian Prime Minister, Kevin Rudd ratified the Kyoto Protocol, demonstrating our government's commitment to addressing what is one of the greatest moral, economic and environmental challenges of our time – responding to climate change.

Since then, the Australian Government has been working hard to develop a credible and constructive climate change policy that addresses the multi-faceted challenges that we face.

The Australian Government is committed to achieving deep cuts in Australia's carbon pollution levels and to supporting ambitious global action to reduce the risk of dangerous climate change.

The Government is committed to reducing national emissions to 25 per cent below 2000 levels by 2020 in the context of a comprehensive global agreement capable of stabilising atmospheric concentrations of greenhouse gases at 450 parts per million (ppm) CO<sub>2</sub>-equivalent or lower.

If global commitments in the next few years fall short of being capable of achieving this stabilisation goal, the Government remains committed to the medium term target range set out in the December 2008 White Paper.

This includes an unconditional commitment to reduce emissions to 5 per cent below 2000 levels by 2020, regardless of the commitments and actions of other nations. It also includes a commitment to reduce emissions by up to 15 per cent on 2000 levels by 2020 in the context of an international agreement where major developing economies commit to substantially restrain emissions, and advanced economies take on commitments comparable to Australia's, but global action falls short of stabilisation at 450 ppm or lower.

Australia's 2020 targets are a credible and constructive contribution to global action. The 25 per cent commitment would involve comparable or more ambitious action than the 2020 targets announced by other nations, taking account of different national circumstances. The 15 per cent reduction is also ambitious, and compares favourably with targets proposed by other nations.

The Government is also committed to reducing Australia's greenhouse gas emissions by at least 60 per cent below 2000 levels by 2050, and to seeking an election mandate for a more ambitious target if this is necessary for Australia to continue playing our full and fair part in global action.

These targets are backed by credible policy mechanisms, such as the *Carbon Pollution Reduction Scheme*, or CPRS.

The CPRS is the cornerstone of our efforts to reduce the carbon intensity of our economy, which will be a mandatory cap-and-trade emissions trading scheme. The Government is committed to seeing legislation to introduce the CPRS passed by the Australian Parliament this year.

In addition to the CPRS, the Government has already taken significant steps to transition Australia towards a low carbon economy. These domestic measures will complement and enhance our international collaborative efforts and demonstrates our commitment to delivering technology solutions.

In May this year, the Government announced a \$4.5 billion *Clean Energy Initiative*, which will support the growth of clean energy generation and new technologies to reduce Australia's carbon emissions.

This commitment includes

- \$2.4 billion towards low emissions coal technologies, including funding of \$2 billion in industrial-scale CCS projects;
- \$1.5 billion for solar power generation through the Solar Flagships Program and \$100 million for the new Australian Solar Institute; and
- \$465 million to establish the *Australian Centre for Renewable Energy (ACRE)* to support leading-edge technology research and bring it to market. This new organisation will promote the development, commercialisation and deployment of renewable technologies. It will operate at arm's length from government, using a strategic investment approach under an expert board.

The *Clean Energy Initiative* is supported by the recently expanded *Renewable Energy Target*, ensuring that a minimum 20 per cent of Australia's electricity comes from renewable sources by 2020.

This means that in ten years time, the amount of electricity coming from sources like solar, wind and geothermal will be approximately equal to Australia's current total household electricity use.

Both the *Clean Energy Initiative* and the *Renewable Energy Target* are providing certainty to investors in the clean development market, and demonstrate our government's commitment to supporting low emission technologies. By providing market surety to investors, we anticipate that future development projects, including those under the APP, will benefit from greater interest from the commercial sector.

Australia remains fully committed to the work of the APP, and foresees the program's work as a key part of our journey to cleaner development and a cleaner future. I look forward to continuing these positive discussions throughout this meeting.

Thank you.