



LEADER OF THE OPPOSITION THE HON KIM C BEAZLEY MP

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EMBARGOED UNTIL DELIVERY

PROTECTING AUSTRALIA FROM THE THREAT OF CLIMATE CHANGE BLUEPRINT NUMBER SIX

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It's a great pleasure to be here today - in a building with such a fine environmental pedigree.

The first commercial office building to achieve a 5 Star Australian Building Greenhouse Rating - producing 60 per cent less greenhouse gases than the average Sydney office building. Harvesting storm water for landscape irrigation to the green roof and using fresh air ventilation.

A great example of Australian innovation and ingenuity translated into bricks and mortar – setting the standard for green office buildings and the perfect place to talk about climate change and the type of future I want to build for our nation.

In my series of Blueprint speeches, I've been confronting the big issues facing our country's future head on. The threat of terrorism; the skills crisis; dependence on foreign oil; our crumbling infrastructure; the failing health of our children. And now, climate change.

The climate change threat is one of the biggest issues confronting Australia and the climate change solution is one of the biggest differences between a complacent Howard Government and the forward-looking Labor Party I lead.

So I begin by asking: What do the Governor General Michael Jeffery, respected British economist, Sir Nicolas Stern, California Governor, Arnold Schwarzenegger, Westpac CEO, David Morgan, and Collingwood coach, Mick Malthouse, have in common?

What they have in common is that, in the space of the last six months, each of them has publicly called for urgent action on climate change.

None of them environmental advocates – but all agreeing that climate change can no longer be denied and action can no longer be delayed.

They are at odds, of course, with the Prime Minister who'd prefer Australia didn't join in the climate change debate.

Whose Industry Minister, Ian Macfarlane, denies climate change even exists claiming: *"carbon dioxide levels go up and down and global warming comes and goes"*.

Whose Environment Minister, Ian Campbell, wants to delay taking action: imply bleating that something should be done but *"not yet"*.

And whose Treasurer, Peter Costello, said in a speech in Los Angeles this year that he supports carbon trading – but stands idly by and does nothing about it.

Across the world, leaders are taking a very different view from the Howard Government about what needs to be done about climate change. British Prime Minister, Tony Blair, last month warned that the world has seven years to take vital decisions and implement measures to curb greenhouse gas emissions or it could be too late.

Japan's Prime Minister, Junichiro Koizumi, wants his country to take a leading role in the race against climate change; newly elected German Chancellor, Angela Merkel, has promised to canvass strongly for climate projection projects in line with the Kyoto Protocol.

All around us, other governments and business are taking the lead, while the Howard Government complacently relegates us to a back seat.

And I ask you this question. Does anyone here today seriously doubt that if the American President ticked off on Kyoto tomorrow, John Howard would do it on Thursday?

In fact he'd probably use the same pen.

Why a Climate Change Blueprint?

No one can deny that Australia is a dry continent, hostage to extraordinary climate variability. As Australians, we've learnt to live with this – year in, year out coping with droughts, water shortages, bushfires, floods and cyclones.

We've learnt to adapt to the excesses of our environment. And, very sensibly, we are fearful of the extremes that climate change will inflict.

No surprise then that Australians want a government that takes responsibility and does something now to avoid dangerous climate change. A government that puts the national interest before its own political interests.

We need a government that puts the preservation of our environment before its own political self-preservation. Action. Not denial. Not delay.

To deny climate change threatens the survival of Australia's environmental heritage - the Great Barrier Reef, the Wet Tropics rainforests and Kakadu.

Within 25 years, the Reef could be devastated by the regular coral bleaching caused by rising water temperatures. Half North Queensland's highland tropical forests could disappear over this century. If global temperatures rise by a further two degrees, half of Kakadu's majestic wetlands will be flooded and wiped off the map. And the Torres Strait Islands will come under enormous threat from rising sea levels.

Just as importantly protecting Australia from the threat of climate change also protects Australia's future prosperity.

You see, the Prime Minister's failure of leadership means a failure to address the threat to our economy posed by climate change.

Destroy the Great Barrier Reef and you destroy an industry employing 200,000 people and generating an estimated \$4.3 billion for Queensland.

Yesterday's choice between sustainability and prosperity is a false one.

Reforming our economy to protect it from climate change will be of enormous economic benefit to Australia.

New research and development – new export products and technologies – new skills for our people.

The story of Australian prosperity over the last 25 years is the story of Labor Governments leading nation-building reforms. Globalising our economy in the 1980s. Opening up our domestic economy to competition in the 1990s.

The next big nation-building reform is to transform today's energy industry into tomorrow's energy economy. It's a transformation only Labor can lead.

We can seize the economic benefits of the worldwide push to cleaner energy and more renewable energy.

We can break into the trillion dollar industry in carbon-friendly technologies that's emerging globally.

Last year the total world carbon trade was worth 9.4 billion euros - 7.2 billion euros came from the EU Emission Trading Scheme. And it's just getting started. Think of the opportunities a scheme like that holds for Australia.

We can't afford Australian companies and scientists to miss out entirely on this booming new business.

But I'd have to say that the record of 10 long years of the Howard Government makes me think we could miss out.

Already, much of our best technology and many of our brightest ideas are heading offshore.

Take the solar hot water systems developed at the University of Sydney – technology to absorb sunlight very efficiently and work in below freezing temperatures.

The Chinese saw its commercial potential and grabbed it. It's a huge part of China's booming solar market – a market which accounts for 80 per cent of the world's new solar water heater installations and an even larger proportion of the world's production. Invented in Australia – made in China. It's a national disgrace.

Australia once led the world in solar water heater technology but we faltered and failed to commercialise our technologies. Now we lag behind manufacturers in both China and Europe in technical sophistication and account for only a tiny proportion of world production and installations.

We could have been the Silicon Valley of solar. But when we needed national leadership we didn't get it.

The kind of leadership being shown by state and local government and many large corporations.

Corporate giants like BP, Shell, Du Pont, General Electric, Whirlpool, Toyota, AMP, Boeing, and insurance companies like IAG and Swiss Re are taking action on climate change.

Make no mistake, for these companies with a combined annual income of 800 billion dollars, it's the bottom line that counts. They know only too well their shareholders expect them to prepare for changes that will affect their financial viability; they understand their responsibility to take pre-emptive action to minimise these effects.

What's more, Australia's energy intensive industries already produce and export products which are driving down greenhouse gas emissions around the world.

Liquefied Natural Gas produced in Western Australia and the Northern Territory and used in power plants overseas is making electricity more greenhouse friendly and helping our trading partners meet their emissions commitments.

And at the big new Gorgon project the company plans on its own initiative to dispose of carbon emissions underground rather than into the atmosphere.

Now I know there are still some hold outs who question the existence and impact of climate change.

But to demonstrate how moribund that debate is, consider this. ALCOA has recently said, and I quote:

Based on available evidence, greenhouse gas emissions from human activities affect the climate.

This shows that debate is over.

And once you accept climate change is real you have to accept responsibility to act.

The effects

Climate change is real and is already its affecting the global environment.

Senior NASA scientist James Hansen warns that an increase of about two to three degrees will bring “changes that constitute practically a different planet.”

The US National Oceanic and Atmospheric Administration reports: “Human activity is increasing the concentration of greenhouse gases in the environment – and, as a result, temperatures have risen by between point two and point three degrees over the past 25 years.”

The World Meteorological Organisation points out that “the 1990s were the warmest decade on record – and the projected rise in temperatures by the end of the century is between one point four and five point eight degrees.”

And here in Australia, the CSIRO says climate change means more hot days, fewer frosts, more floods, increased bushfire risk – as well as longer droughts, lower soil moisture, lower yields and poorer crop quality for our farmers.

Globally, the World Health Organisation estimates 150,000 people are dying every year from the effects of the modest climate change of the last two decades.

If we don't protect Australia against the threat of climate change, the Australian Medical Association says temperature-related deaths could more than double by 2020 to 2,500 deaths per year. Flood-related deaths and injuries may increase by 240 per cent in some regions and there'll be an

increase in the intensity and frequency of water-borne diseases like Dengue fever.

We know that last year Australia recorded its hottest year on record; the Government's own experts predict average temperatures will rise by up to two degrees by 2030 and up to six degrees by 2070. By 2030, even under a conservative scenario, water supplies for both Sydney and Melbourne – cities already struggling with water - will drop by 25 per cent.

Rainfall in the Murray Darling basin is expected to fall by 25 per cent and evaporation rates will rise. Think of the impact this will have on Australian agriculture, our domestic food supply and exports. Think of the impact it will have on the supply of drinking water to the city of Adelaide, and on South Australia's economy on the whole.

Quite simply, climate change means more heatwaves, severe storms, floods, stronger cyclonic winds, increased bushfire risk and prolonged droughts.

For our Pacific neighbours and Torres Strait Islanders, climate change is not a future threat – it's happening now with salinity destroying crops and fresh water sources. A sobering and confronting window on our own future.

Howard Government complacency

The Howard Government has left us unprepared for the serious challenges of climate change. There is no national adaptation strategy – no strategy for our future.

After 10 long years of the Howard Government, our greenhouse pollution is spiralling - stationary energy emissions are set to soar by 70 per cent by 2020 and transport emissions by 78 per cent by 2020. And while we contribute only 1.5 per cent of global emissions, on a per capita basis we lead the world on greenhouse pollution.

Obviously this is partly due to Australia's special circumstances. Our dispersed population over a large area, hot climate and energy-intensive economy are all factors. But that's exactly why it's so important we take decisive policy action to protect Australia from the threat of climate change.

Indeed by 2050, our energy appetites are forecast to double at the same time as our emissions need to halve – that's what the experts say. This means we need to be four times as efficient as we are now.

The Howard Government is presiding over an unchecked explosion in carbon pollution that not only threatens our environment, but costs our economy dearly.

John Howard is governing for his mates and special interests, not governing for our country. That's why he says that ratifying Kyoto will suddenly ramp up energy costs and cost jobs. Well nothing will drive up our energy bills like

extreme weather – just ask South Australians in mid-summer. Just ask the people of New Orleans after Hurricane Katrina.

And nothing will destroy jobs like the collapse of the North Queensland tourism industry and widespread drought.

Other costs come in the form of higher insurance premiums, water shortages and restrictions, heavier burdens on the bush as droughts become the norm, rising food prices as a result of the drought and rising oil prices as a result of extreme weather events.

What Labor will do

Labor's Climate Change Blueprint is a plan to protect Australia from the threat of climate change. It is a plan for Australia's energy future and our climate future. To protect our future prosperity we have to guarantee clean energy for a modern economy and society.

As always, I begin with the facts. And the two great facts of Australian energy policy are that we have abundant coal and abundant sunlight.

And I know that the only environmentally sustainable energy policy for Australia is one which makes the tough decisions to invest in two great transformations – transforming the coal industry into a *cleaner* coal industry – and transforming our specialist solar sector into a world beating solar industry as big as coal is today.

Of course, this needs to combine with a portfolio of flexible energy strategies to meet future energy needs while addressing climate change. That means investing in clean coal technology, solar and wind power and research into hydrogen, wave power and geothermal technology. This means not just how to generate renewable energy, but how to store it for effective consumer and industry use.

Labor will put Australia's economy at the forefront of the accelerating global shift to cleaner energy and production.

I am quite prepared to accept that in one respect the Howard Government has taken a step in the right direction. It is undoubtedly true that transforming the coal industry into a cleaner coal industry will require investment in new technology including public sector investment.

However, these great transformations are ultimately economic transformations. They can't be driven only by central command and control and public sector spending. They won't happen without all the economic incentives.

Obviously, one economic incentive is already in place – cost control. And we all know industry responds well to cost control!

However, if we are to transform the coal industry into a cleaner coal industry and to develop solar energy to the scale required, we need a full set of market-based policies and transition arrangements as well as technology.

Consider coal, which will remain a dominant source of power generation for the foreseeable future.

We need to develop the types of clean coal technology which CSIRO scientists believe will make the use of coal compatible with a carbon-constrained future, such as the capture and storage of carbon dioxide emissions produced from coal.

Victoria has vast reserves of brown coal, but new coal drying and coal gasification technology is needed to make this a cleaner energy source in a carbon constrained world.

And gas to liquids (GTL) technology is just as important to clean up coal fired power generation as it is for the natural gas industry.

Arguably the most promising of the new clean coal technologies – Integrated Gasification Combined Cycle or IGCC technology – involves the conversion of coal to gas for direct firing of gas turbines in power stations that are much more efficient than today's.

Using part of the gas stream in GTL technology to make clean transport fuels and chemicals could help commercialise IGCC technology for power generation.

At the same time, it could help Australia reduce its oil import dependency and create a new export industry.

GTL fuels have virtually no sulphur or aromatics, making them far cleaner and less polluting than today's petrol and diesel.

GTL technology has not been used on a global scale before simply because global oil supplies have been so abundant and crude oil refining has been less expensive.

But the cost of the technology today is increasingly competitive with crude oil refining because refining costs for cleaner fuels are rising and because GTL producers can target their product slate to produce diesel and other middle distillates, for which demand growth is highest, particularly in fast growing economies like China and India.

If we can make coal cleaner, the future looks bright – and it's the same for solar.

Consider this. Using existing technology, a single bucket of sand could produce the silicon required for solar panels to generate clean electricity for a

house for 30 years. Today that same house needs over 2000 buckets of coal for the same power. One bucket of sand – 2000 buckets of coal.

Big changes aren't easy. But being a reforming Government is all about putting the national interest first and working through the human and economic costs of transition with honesty and fairness.

Because the longer reform is deferred, the greater the pain when it is finally done.

Which is why Labor's Climate Change Blueprint is all about getting market-based policies in place to make the big changes.

A clean smart future - Labor's policy framework

My Blueprint to protect Australia from climate change has two key elements. There is the big picture – our market reforms to get the long-term economic incentives right and drive the big transformations in our energy and environmental systems. Then there are the innovative practical measures that will make a difference right now.

Let me turn to Labor's market reforms.

A Federal Labor Government will ratify the Kyoto Protocol.

Kyoto is not perfect. We have always said that. But it is the international framework to which 158 countries have agreed. We have to work with the world as it is, not as we wish it might be. And in the real world, the carbon market could be the biggest market in the world by 2020 and Australia should be part of it.

Labor believes the Asia Pacific Climate Change Pact is positive but it is not an alternative to Kyoto; above all, it has no economic mechanisms to drive further change. Without ratifying Kyoto some of our businesses are missing out on effective participation in international schemes that offer substantial financial rewards for greenhouse gas reductions.

We all know that John Howard now refuses to ratify the Protocol – the necessary step to give the Protocol the force of Australian law.

What we sometimes forget is that the Howard Government did *sign* the Protocol – what should have been the first step – way back in 1997.

And when they signed it, John Howard said Kyoto was:

A win for the environment and a win for Australian jobs.

He was right then, but he's wrong now.

By ratifying Kyoto and adopting emission reduction targets, we will not only adapt more quickly to protect ourselves from the risks of climate change – but will also avoid the escalating costs of adapting our economy years from now.

We will set mandated emission reduction targets.

Labor's plan is for Australia to be at the table to negotiate a system of global targets after 2012. This includes working with other like-minded countries to make sure the post 2012 system treats Australia fairly, relative to our trading partners, and recognises Australia has a unique role as part of the global climate change solution in providing clean energy.

We know that Kyoto has been generous in its targets for Australia, that the world will be tougher on us post 2012. We have to be at the negotiating table. We can't expect China and India who are battling to lift millions out of poverty to do the right thing if wealthy countries like the United States and Australia don't set an example.

To have a strong international negotiating position we must have a strong domestic agenda. One that includes the market mechanisms and emissions reduction targets to drive further technology take-up and more energy efficient practices.

The domestic agenda includes a long term national target for deep cuts in greenhouse gas emissions.

To help ensure a safe and healthy environment and economy, a Labor Government will work towards a long-term national target of 60 per cent cuts to Australia's year 2000 level of greenhouse emissions by 2050.

Sixty per cent cuts by 2050 is hard. It will take leadership. It will take innovation.

Energy supply is a long-term business. I know that industry will not be driven by government alone and it invests at the top end of the current technology spectrum. But working towards a long-term target also gives these companies an indication of where government is heading in the longer-term. It helps industry make informed decisions about which technologies they should be investing in and allows the economy and society to adjust in a reasonable timeframe.

What would a 60 per cent cut by 2050 deliver? It would help stabilise the level of carbon dioxide in the world's atmosphere. That would mean a good chance of limiting average temperature increases to two degrees which would prevent the worst effects of dangerous climate change.

And we'll establish a national emissions trading system to get there.

Market-based mechanisms such as emissions trading are central to moving to a low-carbon economy. A functioning carbon market will deliver a price

signal, so there is a long-term incentive to cut emissions further, and a mechanism for trading, so that energy can be allocated efficiently in the economy. It will also encourage greater private investment in clean energy technology.

This will also reward the many companies who are already adapting to a carbon constrained world. This includes those global companies in Australia that already operate in emissions trading markets overseas. An effective price signal for carbon in Australia will allow these companies to benefit directly from their good corporate citizenship and long term vision.

In the absence of national leadership, the States and Territories are working together to develop a national “cap and trade” emissions trading scheme. However, all the informed parties – State and Territory governments, businesses and the environmental community – agree that the best way to guarantee an efficient and effective market is for the national government to establish a national emissions trading scheme.

We understand that Australia has some unique considerations regarding emissions trading that can only be addressed nationally. And we know our high energy intensity in the transport and energy intensive export industries means there are specific issues to be resolved in designing such a scheme. I look forward to working with the states and business to develop an agreed national system.

Labor will continue to advocate a “climate change trigger” in the *Environment Protection and Biodiversity Conservation Act*. This will ensure that major new projects are assessed for their climate change impact as part of any environmental assessment process. My Shadow Minister for the Environment and Heritage, Anthony Albanese, has moved a Private Members’ Bill in Federal Parliament which would get this change in place now. Along with the opportunities emissions trading will present for major new projects to buy emissions credits, this will ensure an environmentally and economically sound process for considering energy-intensive investment.

We will deliver a genuine and substantial increase in the percentage of Australia’s energy generated from renewable sources. We believe that the renewable sector needs the incentives the Mandatory Renewable Energy Target delivers to lock in future growth. So we support increasing the MRET and will be announcing details of that increase closer to the next election. This will be an increase over and above our longstanding commitment to lift MRET to at least five per cent. We will be working closely with industry, scientists and NGOs to develop a new target which is real, achievable and provides a genuine boost to the renewable energy industry.

And we will encourage industry, including carbon-based industry, to take up new and cleaner technologies – like clean coal and sequestration, and combined cycle natural gas. Governments should be encouraging technological change, including through public sector investment, especially in

research and development. But, without mandated targets and a system of trading, change will be too slow.

Finally, Labor's clear position is that nuclear power is not appropriate for Australia. The economics of nuclear power simply don't stack up here. Australia is fortunate in having abundant and relatively cheap gas, high quality coal and renewable sources to meet our domestic power needs for decades.

Not every country is as fortunate. And I don't criticise their leaders for considering every option.

However as a nation, Australia still does not have a solution for the disposal of even low level research and medical waste, let alone the high level waste generated by nuclear power stations.

And if we look at the possibility of developing nuclear power now, our regional neighbours could fear that we intend to use it for military purposes. That sort of reaction would be bad for Australia's security.

The fear of nuclear proliferation is real. Just look at India and Pakistan. The truth is the Nuclear Non-Proliferation Treaty is not working as it should be to make the world a safer place.

Just as a number of countries remain outside the NPT, there are other countries not meeting their obligations under it. And it is a real concern to me that the UN failed to strengthen the NPT last year.

Australia is already the world's second largest supplier of mined uranium and we will soon be the biggest. We have an obligation to get the NPT back on track. That's where John Howard's priorities should be, not looking at nuclear power for Australia when it is so unnecessary and so uneconomic. But you mark my words: he is looking at it.

I want to be very clear about this: if John Howard wins the next election he will bring nuclear power to Australia.

Labor's practical measures

Labor's plan for a clean smart Australia is ready to go now.

Practical measures that can be taken up immediately to reduce greenhouse gas emission reductions in the short term and that will assist in achieving deep cuts in the long term.

Short term reductions are most easily and cheaply achieved by using energy efficiency measures.

Energy efficiency is about doing things better, not doing without,

Every Australian and every Australian household can help.

Australians are enthusiastic about recycling and saving water.

In 15 years, I can see us driving hybrid cars, showering in water heated by the sun, reading under light from photovoltaic cells and even selling the solar energy from our roofs back to the grid, remotely switching off appliances using smart meters that help save money and power.

And we'll really be an energy efficient nation if on Australia Day 2020 millions of Aussies are firing up a barbecue with fuel that comes from crop waste – and loading up a beer fridge with a 5 star environmental rating.

We have leadership from the States and Territories, leadership from the business sector, leadership from individuals, but no leadership from our national government.

Labor wants to make it easier for Australians to do the right thing.

With national leadership we can remove the bureaucratic hurdles for Australian households.

But we know Government doesn't own all the solutions.

So first, Labor will harness all the creativity and skills of the private and public sectors to drive improvements in energy efficiency.

For instance, we'll work in partnership with energy utilities so that they don't just sell us electricity and gas – but help us use less energy and cut our bills. For example, the utility might finance the solar water heater or electricity system on the roof – and then it could be paid through the electricity bill.

The utility could negotiate bulk purchase deals with manufacturers, help them ramp up production and bring down costs, and ensure quality for the householder. The utilities might do deals, for example, with white goods manufacturers to bring to market more efficient refrigerators or washing machines. The extra cost of the more efficient, advanced appliance may be paid off through the power bill – and the consumer could pay up front what the appliance would have cost anyway.

We're starting to see water efficient incentives already. Just last week Sydney Water was offering a \$150 cash back on water efficient, front-loading washing machines. If it can be done with water it can be done with energy.

We will examine ways to reconfigure the incentives and disincentives in our tax system to encourage investment in cleaner and renewable energy technologies.

This could include changes in the areas of research and development, depreciation of capital equipment purchases and the provision of a fixed energy research allowance.

And I want this research to have a special focus on developing renewable energy such as solar, wind and geothermal energy – and commercialising them.

We need more research like the University of NSW breakthrough on solar energy from photovoltaic cells.

We need to keep the momentum going on solar-thermal research, one of the most promising near-term solar solutions.

And we need to reap the economic benefits, especially the jobs created, here in Australia. After ten long years of John Howard, we're exporting these jobs. Just this year a pioneering project at CSIRO developing solar-based turbine technology was forced to look overseas for funding.

We will rebuild the CSIRO and guarantee its integrity.

Unlike the Howard Government's manipulation of CSIRO for its own ends, Labor will restore and maintain scientific integrity as the primary focus of the CSIRO. No more Ministerial gagging of CSIRO scientists; no more appointments to the Board from lobby or interest groups - after all CSIRO scientists like Dr Francis Ratcliffe led the debate on national conservation policy in the 1960s and helped set up the Australian Conservation Foundation. The CSIRO ought to be proud of the outstanding contributions made by its scientists. A Labor Government will work in partnership with the CSIRO to further Australia's national interest and invest in our future.

Labor will also implement policies to ensure every house is a "green" house.

We will work with the States and consider expanding the First Home Owners' Grant with top-up grants for home buyers related to the energy rating of the home. This could include a provision to allow home buyers to install energy efficient or renewable energy products to upgrade the energy rating. In many parts of Australia, just improving housing insulation could make a huge difference. These top-up grants would also help homebuyers to cut their power bills, especially the cost of cooling and heating their homes.

Labor will work with States and Territories and local government to make 5 star energy efficiency provisions mandatory for new homes.

Victoria and the ACT are already at the 5 star standard, and NSW's BASIX program covers much of the same territory.

In Victoria, 5 star homes are using 25 per cent less water and 50 per cent less energy for heating and cooling compared with the average 2 star home built before then.

By moving to the 5 star standard, Victoria has achieved the greenhouse pollution equivalent of taking 150,000 cars off the road over five years.

On present construction trends, Australia has the potential to have 1.5 million solar powered homes by 2015 and 2.25 million by 2020.

And if our houses can be solar powered, why not our schools?

A Federal Labor Government will work to ensure that Australia's ten thousand schools are solar schools. If there's one thing almost every school has, it's a lot of roof space! We will work with the public and private school systems to earmark some of the federal funding for capital works in schools for the installation of solar technology and to improving energy efficiency across the board. This is also a great way of improving the learning environment for teachers and students alike. Cooler classrooms are smarter classrooms.

And today, I'm laying down Labor's Green Car Challenge to industry.

If the Australian car industry can put a competitive, value-for-money green car on the road, a Federal Labor Government will put it in the Commonwealth fleet. You build it, we'll drive it.

I'll work with the States and private fleets to guarantee a market for Australian cars that meet cutting edge environmental standards. We will also work with the States to make sure taxes and charges on new cars encourage the use of green cars.

Australians love to buy Australian made products and the Government should help industry develop a cleaner Aussie car. In this era of rising fuel prices, having an Australian car that's cheaper to run and cheaper to buy just makes sense.

Finally, we recognise the importance of bringing people together to work for climate change solutions as well as wider environmental goals. So I will establish a National Sustainability Council to monitor Australia's performance against sustainability targets.

Conclusion

I leave you with these thoughts.

Climate change is real; a challenge that no responsible government can ignore.

Just as we need to harness the power of our natural resources, so we also need to harness the power of the market to drive us into the new economy.

No government with courage and foresight can turn its back on the threat to our kids and grandkids posed by climate change.

No political leader with courage and foresight can ignore the threat to our future economic prosperity posed by climate change.

No nation with courage and foresight can continue with this disgraceful situation where the environmental technology invented here lies neglected, left for production and sale in China and elsewhere.

John Howard lacks this courage and foresight; I don't.

The contrast between Labor's approach and the Government's could not be starker. Theirs is characterised by complacency, Labor's by urgency and action. Theirs is stuck in the past, ours is geared for the future. Theirs based on self-interest, Labor's on the national interest.

Left unchecked, the complacency and inertia of the Howard Government spells disaster for Australia's environmental and economic future.

I want to build a nation that stands on its own two feet; one worth passing on to our kids and grandkids.

In the national interest, I look forward to leading a debate on these ideas up to the next election and beyond.