



THE HON PETER GARRETT AM MP
MINISTER FOR THE ENVIRONMENT, HERITAGE AND THE ARTS

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[CHECK AGAINST DELIVERY]

Mr Chair [Mr Francisco NUNES CORREIA, Minister for Environment, Spatial Planning and Regional Development, Portugal], fellow ministers, Ambassadors, Secretary-General, ladies and gentlemen:

It is a great pleasure for me to be here today to join ministerial colleagues from 40 countries and representatives of business, trade unions, non-governmental and multilateral organisations.

I want to address biodiversity loss - a “red light” issue identified in the *OECD Environmental Outlook to 2030* report. In doing so, I want to highlight four key points.

1. Biodiversity loss is not just an environmental issue.

Biodiversity values extend well beyond the environmental domain. These values underpin our economic systems, our culture and our quality of life.

Australia has recognised this by reconfiguring our delivery of natural resource management across our continent. The major delivery of natural resource management is through our \$2.25 billion “Caring for Our Country” initiative - an integrated approach to ensure a healthy, better-protected, well-managed, and resilient environment. The program will invest in six priority areas:

- a national reserve system,
- biodiversity and natural icons,
- coastal environments and critical aquatic habitats,
- sustainable farm practices,
- natural resource management in remote and northern Australia, and
- community skills, knowledge and engagement.

Our experience shows that if this community sector is ignored, our hopes of delivering lasting change are doomed.

Under “Caring for Our Country”, an additional 300 Indigenous Rangers will be employed and the Indigenous Protected Area network expanded. Many of these areas are culturally important to Indigenous Australians so that environmental and cultural benefits will arise, as well as opportunities for ecotourism and cultural tourism.

2. Economic instruments can play a key role.

Valuing biodiversity and the services it provides, continues to be a major challenge, so creative approaches are needed.

Australia has recently launched an Environmental Stewardship Program which focuses on the long-term protection, rehabilitation and improvement of targeted environmental assets on private land.

The program offers contracted payments to landholders who can provide environmental services on a cost-effective basis. Contract lengths may be up to 15 years to allow for the time required by ecological processes to produce an outcome. Land managers are selected through auction, tender and other market-based mechanisms. We expect significant private investment to emerge from this initiative, engaging in partnerships with Governments, NGOs and landholders.

3. Policy tools to address biodiversity loss are available and affordable.

The bottom line is that policy-makers have a range of existing and affordable instruments – regulatory, economic, informational – upon which to draw. The establishment of representative systems of protected areas of habitat is recognised as one of the most efficient mechanisms for protecting biodiversity.

The Australian Government is investing \$180 million over five years to extend the national reserve system. This funding will be used to help buy high conservation value land for new reserves in partnerships with the private sector, NGOs, indigenous communities and State Governments. It will also be used to support the establishment of conservation covenants to protect important habitat on private properties.

In short, the policy tools are available and their cost is affordable. As an economic organisation the OECD is perfectly placed to demonstrate the value of economic instruments to turn back the projected trends in biodiversity loss.

But I sense we may need more than this. In the same way that Nicholas Stern turned the debate on climate change from one of primarily environmental/scientific focus to an economic issue, the OECD could better define the costs and benefits of action and inaction on biodiversity conservation. This would give us, as Ministers, the information and policy options that we need to argue around our Cabinet tables for urgent and cost effective action on biodiversity loss.

4. Political will and leadership is vital.

The OECD's Environmental Outlook 2030 report is crystal clear: between now and 2030 biodiversity loss is one of the four highest priority environmental challenges we face.

And the OECD Outlook supports the UN Millennium Ecosystem Assessment report on biodiversity: namely, that population and economic growth will lead to further extinctions and a decline in the capacity of the Earth to provide valuable ecosystem services. The two reports also agree that a wide range of possible futures remains within our gift. More robust political leadership is necessary to ensure futures that are genuinely sustainable.

A new OECD Environmental Strategy for the Second Decade of the 21st Century

So, let me congratulate the OECD Secretariat for producing a first rate environmental outlook report. The Outlook notes that failure to halt biodiversity loss will lead to further losses in essential ecosystem services such as carbon sequestration, water purification, protection from extreme weather events and vital genetic material. In a world adapting to climate change shocks, the loss of those services will have enormous economic consequences.

So I want to stress that it is now time to make best use of that report as the basis to develop a new OECD environmental strategy for the second decade of the 21st Century. The report shows that the task is urgent.

To conclude, much has changed since the first environmental strategy was prepared. But one thing has not changed: good strategy is informed by sound data and

analysis. For that reason, I believe it is necessary for the OECD to develop a new environmental strategy in parallel with preparing a new environmental outlook - Australia stands ready to contribute.

Thank you Chair.

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