



THE HON PETER GARRETT AM MP

MINISTER FOR THE ENVIRONMENT, HERITAGE AND THE ARTS

SPEECH

E&OE

**3RD INTERNATIONAL SOLAR CITIES CONGRESS
ADELAIDE CONVENTION CENTRE
TUESDAY 19 FEBRUARY 2008**

I would like to acknowledge the traditional owners of the land on which we meet, the Kurna people. Tony Mooney, Mayor of Townsville, the Hon Jane Lomax-Smith Minister for the City of Adelaide, delegates, distinguished guests, ladies and gentlemen.

It gives me very real pleasure to speak to you today in a state that has an abundant supply of sunshine, at a time when the immensity of dangerous climate change presents real challenges for our economy and future way of life.

And at a time, in the midst of these challenges, when we have the opportunity, skills and capacity to build an industrial and technological platform to address climate change - when we have, at last, the political will at a national level to rise to the occasion and to provide a sure footing for those who succeed us.

And here, Solar Cities represent a major part of our future, drawing on the renewable energy of the sun, generating sustainable industries and lessening the carbon load on an already overburdened atmosphere.

For those of you who witnessed the recent election, you will know that throughout last year, I talked extensively about what a Federal Labor Government would do to bring on a 'Solar Australia' if we were granted that opportunity:

How we would harness the tremendous enthusiasm of the Australian community to create a more sustainable future.

How we would mobilise the readiness of households, schools and communities to take practical action to tackle climate change.

How we would tap into the abundance of clean and renewable energy sources in this country, especially the power of the sun.

And how Australia would once again make best use of the talents of our top scientists, researchers and leaders of business and industry, so often dismissed over the past 11 years.

What makes today different is I'm not here to tell you what we - the government - *would do* if we had the opportunity; I'm here to tell you what we're now *doing*.

What we're doing to create sustainable communities, to accelerate energy and water efficiency, and what we're doing to build a 'Solar Australia'.

I am genuinely excited to be with you giving my first major address on this topic since my appointment two months ago as Environment Minister. I'm excited because the Rudd Labor Government has a huge opportunity to make a real difference in fighting climate change - and I'm determined to do everything I can to work with many of you, driving policies that get states, industry, councils, communities and households working together.

So far, with the help of state governments like South Australia, *you* have done all the work. Change has been driven from the ground up – with the Federal Government struggling to catch up. And now the time for catch-up is over.

Building a Solar Australia

For a long time, Australia was ahead of the game on solar research and development.

Our immediate challenge is to close the gap between where we find ourselves now and where we were only a decade ago.

Not only has investment in clean technology left our shores, so has a critical mass of scientific and entrepreneurial know-how. Leading experts like Dr Zhengrong Shi and David Mills have gone to China and the United States respectively to create new wealth and deliver climate change solutions.

I well appreciate that the task is not only to provide an environment conducive to incubating knowledge and expertise – but to deploy the fruits of this research on-scale, ensuring Australia maximises its share of the clean technology boom.

We shouldn't have to go to China to see evacuated tube solar collectors from Sydney University, or to Spain to see buried contact solar cells from the University of New South Wales. To visit some of our best and brightest PV solar research graduates, we shouldn't have to go to Germany - a European solar powerhouse where the best areas for sunlight are equivalent to the worst on this continent.

We've got the raw ingredients here in Australia – we always have. We just need the right mix of policy settings to deliver on our competitive advantages.

That's why this Government is committed to investing \$150 million in clean energy technology research under a new Energy Innovation Fund, including \$50 million for solar thermal research and \$50 million for PV solar research and development.

This is an important commitment which my colleague the Minister for Resources and Energy will detail further in the weeks and months ahead.

Coober Pedy Solar Power Station

Now, not all our governments have been asleep at the wheel for 11 years. I want to acknowledge the efforts of South Australia, a place where renewable energy and sustainability has a significant and growing profile - a state with 45 per cent of the nation's grid-connected solar power.

Only last Thursday, the first solar feed-in laws in Australia were passed in the state parliament. And just yesterday, in opening this Congress, South Australia committed to becoming carbon neutral in its operations by 2020. This is truly leadership by example, and it's something you will see a lot more of at the Federal level in the near future.

Earlier this morning I had great pleasure in announcing with South Australia's Premier Mike Rann that the Australian Government will provide \$3.55 million to construct Australia's largest outback solar power station in Coober Pedy.

The 26 dish concentrating photovoltaic power system will be Australia's largest off-grid solar power station. This is great news for South Australia and especially the people of Coober Pedy who have shown a keen interest in solar power generation.

This project also marks a significant milestone in the Rudd Labor Government's commitment to increase renewable energy generation in remote parts of Australia. Coober Pedy's new solar power station will reduce diesel consumption by more than 520,000 litres and greenhouse gas emissions by more than 1,500 tonnes per year.

It's funded under the Australian Government's Renewable Remote Power Generation program which helps Australians who live outside of our major cities and towns and who are not connected to the grid gain access to renewable power supplies.

So there's plenty happening in South Australia – both on and off the grid – to take solar power where it belongs, into the mainstream. But there's also plenty to be done if we're going to take the opportunities in front of us – to seize the day and build a 'Solar Australia', achieving world's best practice in energy and water efficiency.

The Challenge of Climate Change

We are by now fully aware that climate change is the greatest challenge this and subsequent generations face. For most people, that's not news. What is news is Australia now has a government that's doing something about it.

That's why the first official act of the Rudd Labor Government was for the Prime Minister to sign the official document for Australia to ratify the Kyoto Protocol.

That's why we have committed to reducing greenhouse gas emissions by 60 per cent on 2000 levels by 2050, and to setting a medium term target after we've done the necessary modelling and analysis.

That's why we're also committed to ensuring at least 20 per cent of Australia's electricity supply comes from renewable energy by 2020.

The Government understands climate change is a challenge that doesn't stop at borders and it doesn't stop at portfolios – it's a whole-of-planet challenge that requires a whole-of-government response.

That response will be led and coordinated by Australia's first Federal Minister for Climate Change and Water, Penny Wong, and the first Federal Department of Climate Change.

Our response is genuinely 'whole of government'. Kevin Rudd not only ratified Kyoto, but one week into the new government, he travelled to Bali to let the world know that Australia is now an active player in addressing climate change.

Treasurer Wayne Swan is overseeing detailed modelling on the costs of reducing emissions. Minister Martin Ferguson - as I've said – is driving critical clean energy research and technology development. Minister Kim Carr is delivering a range of innovation measures, including our \$500

million Green Car Innovation Fund, and Minister Tony Burke has responsibility for our substantial climate change and primary industries policy.

And I am working with my Environment Department on a comprehensive agenda on energy efficiency, renewable energy, greenhouse gas abatement and community and household climate actions.

You could have no clearer sign that this Government is serious about taking responsibility and rising to the climate change challenge.

The Energy and Water Efficiency Opportunity

The Government has made it clear that emissions trading is no magic bullet - that least-cost emissions reductions will require a range of complementary measures to address market failures.

Identifying and accelerating some of these complementary measures is a primary reason for gathering here at the 3rd International Solar Cities Congress.

It's about practical actions in our homes and communities, from our schools to surf-clubs, and from our factories to our shopping centres.

It's about deploying technologies that are already proven, like energy-efficient lighting, photovoltaic solar power, solar, heat-pump and high-efficiency gas hot water systems, low-flow showerheads and rainwater tanks.

It's also about being smarter in the way we build our homes and communities – the orientation of our homes, passive solar design, energy-efficient insulation and window products.

And of course it's about the big picture of urban planning: the cities so many of us live in need to be places that invite us to walk, ride bikes and take public transport. We need to encourage developments where energy and water efficiency is a first principle, not something we bolt on after the fact.

There's a growing body of evidence that suggests how important these measures will be in the context of the climate change challenge.

The International Energy Agency released a statement in October 2007 saying: *“Improving energy efficiency is the most cost-effective concrete action governments can take in the short term to address climate change.”*

Analysis commissioned through the Centre for International Economics suggests efficiency gains from Australia's building sector alone could increase GDP by approximately \$38 billion annually by 2050.

And just last week, the McKinsey greenhouse gas cost curve identified a potential orchard of low-hanging fruit - energy efficiency we can all do now - in the residential and commercial sectors.

Opportunities clearly exist, and as I've said, the Government is in the process of undertaking modelling through the Australian Treasury on the costs of reducing emissions. We will also receive a report later this year commissioned through Professor Ross Garnaut. Along with extensive consultations, this is the necessary work – a responsibility, I should add, the former government shirked – to inform our comprehensive response to climate change.

The Solar Cities Program

Our immediate task is to unlock the barriers to taking existing climate-friendly technologies mainstream and deploying them on-scale.

I know this is something you've been discussing in detail here at the Congress – and it's a complex task because the barriers we face are linked.

For example, technologies like solar PV and solar hot water are tried and trusted. They have a significant role to play in our future energy mix. But they're still widely regarded as niche, almost luxury items.

We need to look at the relationships between different barriers:

- Barriers like the upfront costs of a solar hot water system
- The capacity of local manufacturing and of our sustainable tradespeople, for example energy auditors and green plumbers
- The receptiveness of the energy market to new technologies
- And behavioural change, something I know you've been discussing here – something we all have strong interest in.

The Government's Solar Cities program is taking aim at every one of these barriers, combining solar power, energy efficiency and market reform to lay the foundations of a sustainable energy future.

Solar Cities trials aren't about testing solar power (we actually know it works). The trials will:

- Help consumers better manage their energy use and save money - for example, with smart meters and home energy audits
- Help industry to test sustainable energy options in a low-risk environment
- Help electricity companies to better understand the extent of cost savings in servicing peak energy demand periods
- And help governments to develop future energy and greenhouse policy.

That's why the Rudd Labor Government is committed to taking Solar Cities further, as part of our comprehensive approach to achieving significant gains in energy and water efficiency.

That's why we're committed to two new Solar Cities, in Perth Western Australia and Coburg Victoria, to follow the five already announced.

And that's why we're broadening the Solar Cities concept into high-profile Green Precincts around Australia, investing in demonstration projects that ensure water and energy saving measures are in the public eye.

Already the information and data collected through the Solar Cities here in Adelaide, Blacktown in New South Wales, Townsville in Queensland, Alice Springs in the Northern Territory and in Central Victoria will feed into the new projects in Perth and Coburg.

Perth will greatly amplify the Solar Cities program by expanding the types of trials conducted – such as research into the effects of energy efficiency measures on house prices.

The Coburg Solar City will support the region with a solar and gas co-generation power plant, as well as initiatives in energy efficiency for less advantaged households.

These elements will assist in identifying and implementing options to address barriers to distributed solar generation and assist with the development of policies which take into account the needs of all Australians.

And we can see progress already through some impressive work. In Townsville, for instance, they are looking at ways to defer the need to build more electricity infrastructure from the Queensland mainland to Magnetic Island. Magnetic Island is situated in a World Heritage Area, surrounded by the Great Barrier Reef and so warrants special care and consideration.

A few weeks ago, I had the pleasure of launching a solar power highway of photovoltaics at the Cadbury Schweppes factory in Blacktown Solar City - the largest roof installation of a solar system in New South Wales.

These are first steps, and importantly they're marking a path for others to follow towards a sustainable future.

Solar Schools and Homes

I want to say a bit more about this Government's comprehensive approach to energy and water efficiency.

I'm talking to you now following those wonderful school kids who've received awards for some fantastic achievements in sustainability. When we celebrate these achievements - when we encourage thinking and action that takes people on a lifetime's journey - it's an investment in a sustainable future for our kids and grandkids. That's why two weeks ago I finalised the transition to the Government's National Solar Schools Program.

From 1 July this year, this new program will allow every school in Australia to install up to \$20,000 worth of solar technology and offer up to \$30,000 worth of energy and water efficiency improvements. With an additional investment of \$153 million on top of the previous government's Green Vouchers program, Solar Schools will provide every school student in Australia with a working example of solar power and energy and water efficiency.

There's a lot of evidence that shows what's learnt at school can translate back into the home. And this Government is committed to helping all Australians turn enthusiasm and growing knowledge into household action on climate change.

We're continuing to offer rebates for household solar PV, along with competitive grants for up to half the cost of a two kilowatt system on community buildings.

We're committed to the Solar Hot Water Rebate Program, which is helping install solar and heat-pump hot water systems in up to 225,000 households as replacements for existing greenhouse-intensive systems.

And importantly, we have a number of major programs in the pipeline for the deployment of energy and water saving technologies in an unprecedented way. They include:

- Low-interest Green Loans for household energy and water efficiency improvements, along with customised home energy audits
- Rebates to install energy efficient insulation in rental properties, tackling the split incentive between tenants and landlords
- Rebates for rainwater tanks and greywater recycling
- And the One-Stop Green Shop, a website that will make it easy for households, schools and businesses to access programs and information about energy, water and greenhouse-efficient actions at a simple and centralised point.

These are programs from a government that understands how important this issue is, programs that will change the way we go about energy and water efficiency in this country. Watch this space as we announce more details about their implementation in the weeks and months ahead.

Action on Energy Efficiency

Before closing, there's another aspect to the Labor Government's approach to energy and water efficiency I want to touch on briefly and that is about putting new and emerging technologies on the fast track.

We are committed to providing Australian households with access to the latest cost-saving technologies in new appliances, and the information to make smart decisions on the shop floor.

- We'll supplement the existing regulatory scheme with new Greenhouse and Energy Minimum Standards – standards based on greenhouse information that will complement an emissions trading scheme
- We're implementing plans to improve the energy label with a 10-star rating - to give manufacturers an incentive to continually improve their products and give consumers accurate information when making purchasing decisions
- Performance standards and labels for home entertainment equipment like televisions and computers will be fast-tracked, making it easier for consumers to choose green products
- And new three-yearly reviews of energy efficiency standards will lead to continuous improvement in equipment performance and will encourage new products into the Australian market.

As with our overall approach to climate change, product standards will be implemented methodically and carefully, working with the states and territories and with industry, ensuring the benefits outweigh the costs to households.

This is the approach we're taking with the gradual phase-out of greenhouse-intensive hot water systems, building on significant progress already underway throughout the states and territories.

Additionally, the Government has initiated a Council Of Australian Governments Working Group on Climate Change and Water expressly tasked with considering ways to further accelerate energy efficiency measures in Australia. This will be reporting back to COAG later in 2008, delivering on our commitment to work cooperatively and quickly with the states and territories on these important issues.

Conclusion – From Solar Cities to a Solar Australia

I trust this shows how genuine and serious the new Labor Government is about the Solar Cities concept. I know it means a great deal to all of you. It does to those driving Australia's five Solar Cities already on the ground and the two more on the way, as it does to this Government.

The signs are positive. I was encouraged a few weeks ago when we paved the solar highway at the Cadbury Schweppes factory in Blacktown Solar City.

And I was further encouraged this morning to announce funding to construct Australia's largest outback solar power station in Coober Pedy – 26 dishes, each 14 metres high, tracking the arc of the sun. It will be a spectacular sight.

These are the building blocks for a 'Solar Australia'. It's a big challenge, but I can assure you this Government has the determination and commitment to get on with the task.

To finish, let's remember that Australia has a long and proud tradition of backyard solar power. It's called the Hills Hoist, a ubiquitous feature of many suburban and country households, and an example of Australian innovation, harnessing our abundant resources of sunlight. I'm confident that in the years ahead solar panels and solar hot water in Solar Cities will become just as much a part of our identity, and provide a foundation for our sustainable living into the future.

Thank you.

ENDS