Kyoto Protocol Ratification Bill 2003



A submission
to the
Senate Environment, Communications, Information
Technology and the Arts Committee
from the
Australian Council of Building Design Professions.

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Background

The Kyoto Protocol is a multilateral international agreement that addresses the issue of global climate change. The Protocol sets up a framework for global reductions in greenhouse gas emissions.

The text of the Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) was adopted at the third session of the Conference of the Parties to the UNFCCC in Kyoto, Japan, on 11 December 1997; it was open for signature from 16 March 1998 to 15 March 1999 at United Nations Headquarters, New York. By that date the Protocol had received 84 signatures.

The Protocol is subject to ratification, acceptance, approval or accession by Parties to the Convention. It shall enter into force on the ninetieth day after the date on which not less than 55 Parties to the Convention, incorporating Annex I Parties which accounted in total for at least 55 % of the total carbon dioxide emissions for 1990 from that group, have deposited their instruments of ratification, acceptance, approval or accession.

Australia, while being a signatory, has been reticent in ratifying the Protocol.

The Kyoto Protocol Ratification Bill requires the Australian Government to effect Australia's obligations arising from the Framework Convention on Climate Change by ratifying the Kyoto Protocol.

This submission outlines the position of the Australian Council of Building Design Professions (BDP) and its support of the Bill as a means to ensure that Australia honours its domestic and international obligations to achieving a substantial reduction in greenhouse gas emissions

By ratifying the Protocol, Australia can address the impact of climate change and can further contribute to the development of the Australian economy through participation in emissions trading along with the global market in renewable energy.

The Australian Council of Building Design Professions

The Australian Council of Building Design Professions (BDP) is the peak body of professional associations united to achieve better practices, policies, legislation and regulation for the design of the built environment.

The constituent professions comprise -

- **Architects** represented by the Royal Australian Institute of Architects (RAIA) and the Association of Consulting Architects Australia (ACA);
- **Engineers** represented by the Institution of Engineers Australia (Engineers Australia) and the Association of Consulting Engineers Australia (ACEA);
- Quantity surveyors represented by the Australian Institute of Quantity Surveyors (AIQS)
- Landscape Architects represented by the Australian Institute of Landscape Architects (AILA),
- Planners represented by the Planning Institute of Australia (PIA).

Member organisations retain their individual identities, policies and positions but are able to promote a unified position through BDP. This combination exerts a powerful influence for the design professions because it presents a united approach and substantial membership within the design professions¹.

The quality of the environment, and the built environment in particular, is of increasing concern to the Australian community.

BDP has identified 15 key issues and has published these as the organisation's 'Public Policy Statements'. The Policy Statements document the position of the BDP on major industry issues that are vital to the integrity of the built environment and the cultural heritage contained within the built environment.

The BDP Policy Statements are aimed at ensuring the maintenance of standards and to provide world's best practice within the design sector of the building and construction industry.

BDP Policy Statement 8 addresses Environmentally Sustainable Development to provide a better understanding of the environment and the sustainable management of our natural resources. *This submission is based on BDP Policy Statement 8.*

BDP is a co-operative partner with the Australian Government in the Greenhouse Challenge and publishes the BDP Environment Design Guide.

BDP Mission Statement

BDP's mission is to ensure a better built environment for Australians by the effective use of the design professions in achieving better planning, building and infrastructure, sustainable use of resources and more affordable housing. To achieve this, BDP will operate as a recognised authority on professional standards, conduct and practice in relation to the design of the Australian built environment.

¹ Member associations, which comprise BDP, have a total membership in excess of 85,000 members.

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Discussion

The BDP Position

BDP members have been strong in their support for Australia ratifying the Kyoto Protocol and meeting its 2008 target emissions. Australia must be environmentally responsible for the benefit of future generations and must be seen to be a credible member of the international community in terms of the environment.

The ecological integrity and productive value of Australia's land resource is running down. There is a clear need for a better understanding of the environment and the sustainable management of natural resources.

Agricultural and mineral exports, energy use and the form and structure of Australian communities have placed a combined reliance on the consumption of natural resources. This situation, along with global warming, forest management, water and air quality, demands that government continues to commit itself to leading edge initiatives in environment and resource management.

BDP believes that if the Australian government does not ratify Kyoto we will also lose the opportunities available in emissions trading and the international market in renewable energy.

BDP sees the downside to the Australian economy of not ratifying the Kyoto protocol includes:

- Exclusion from business opportunities.
- Higher costs to reach mandatory emissions targets.
- Potential loss of investment opportunities.
- Creation of a poor negotiating position for future Protocol rounds.

On the upside the benefits of ratifying include:

- Reduced atmospheric pollution
- Reduced risk of climate change in Australia and the Pacific.
- An impetus to the development of a sustainable energy industry in Australia.
- Improvment in Australia's global competitiveness.
- New export markets.
- Greater access to technological improvements
- Access to more cost effective renewable energy.

Australia's Opportunity

Australia is in a key position to be a leader in sustainable energy and environmental protection. In Australia we have a great opportunity by way of professional knowledge and skills to develop major new industries in renewable energy technologies both for grid connected and remote area power supplies and in environmental protection and remediation technologies. We should be recognised as a lead country in applying solar power technologies, energy efficiency and water conservation.

Ratification does not immediately translate into emission reduction obligations for the private sector. Ratification only commits Australia to the Kyoto Protocol. Those commitments must then be converted by the federal government into domestic regulation and policy, binding within Australia, and aimed at achieving Australia's compliance with the Kyoto Protocol.

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In signing the Protocol, the Commonwealth Government has shown that it recognises the need to address climate change. However there is general concern over its intention to achieve Australia's Kyoto Protocol target as a non-participant in the treaty.

BDP, however, is of the opinion that the Kyoto targets and mechanisms provide a far superior set of drivers for encouraging uptake of low emissions technologies and achieving a set level of reductions than domestic action taken outside the Kyoto framework can possibly achieve.

This is evidenced in the report of the Kyoto Protocol Ratification Advisory Group (KPRAG), prepared in response to a request from the Premiers of New South Wales, South Australia and Victoria and published by the Cabinet Office of New South Wales in 2003.

On the issue of the benefits or working within or outside the Protocol framework, the report states; "Economic modeling commissioned for this Report suggests that the cost of meeting Australia's target for the first commitment period would be low whether or not Australia ratifies.

"However, if Australia ratifies the Protocol, economic costs associated with meeting the target are estimated to be less than half of the costs that would be incurred if Australia takes action to meet the target from outside the treaty framework.

Sensitivity analysis that incorporates, inter alia, the likelihood of more foreign investment in forestry sinks and significant earnings through CDM if Australia ratifies the Protocol, strengthens this conclusion. Because of these low costs, the risk of carbon leakage and trade impacts for Australia during the first Protocol target period is estimated to be low even though developing countries in the Asia Pacific region do not have targets."

Ratification of the Kyoto Protocol would benefit Australian-based businesses because they would be able to access two of the Protocol's flexibility mechanisms, namely the Clean Development Mechanisms (CDM) and Joint Implementation (JI). There is a strong view that Australian businesses are well placed to earn a considerable number of credits under CDM and JI, and this would have the potential to reduce substantially the burden of adjustment under the ratification scenarios.

KPRAG offers the conclusion that the inclusion of CDM and JI credits would reduce the cost of meeting the Kyoto target under the ratification scenario.

A legacy from the Year of the Built Environment

In launching the Year of the Built Environment (YBE 2004), the Minister for the Environment and Heritage, The Hon Dr David Kemp, MP said that the YBE 2004 will be celebrated with a program of events and activities to encourage the community to appreciate and achieve built environments that are sustainable, are practical and provide us with an improved lifestyle.

The Minister added that the idea of celebrating our built environment has been endorsed by all state and territory governments, peak building and construction industry organisations, professional bodies and a wide range of interest groups and individuals within our community.

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He said that the Year of the Built Environment aims to embrace all members of the community, from those in the planning, design and building professions, to community leaders and anyone who lives, works and plays in the built environment.

Achieving a sustainable built environment will require an effective partnership between governments, architects, engineers, landscape architects, planners, builders and developers and their clients in the general community.

It is important to note Minister Kemp's statement that YBE 2004 "needs to be focused on outcomes for the community, and specifically to address the challenges of achieving sustainable development, energy efficiency and public amenity."

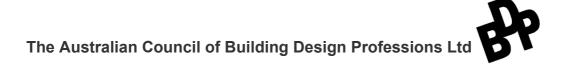
He described YBE 2004 as a "watershed year" that will provide impetus for positive built environment outcomes to flow on to the community for years to come. The BDP believes that Australia's ratification of the Kyoto Protocol would provide a substantial legacy from the YBE 2004 to the Australian and global communities.

The Kyoto legacy from YBE 2004 will address in very real terms the impact our cities have on the environment – particularly in the areas of greenhouse emissions. Working within the Protocol, Australia could achieve significant goals in the reduction of reduce greenhouse emissions in the residential and commercial building sectors.

Recommendations:

It is the confirmed opinion of the Australian Council of Building Design Professions that the Australian Government must:

- 1. Pass the Kyoto Protocol Ratification Bill to ensure that Australia becomes a party to the Protocol.
- 2. Ratify the Kyoto Protocol within 60 days of the commencement of the Bill's enactment.
- 3. Prepare a National Climate Change Action Plan detailing Australia's strategy to meet its obligations under Article 2 of the of the Protocol.
- 4. Ensure that, from 2008 to 2012, Australia's aggregate human induced carbon dioxide equivalent emissions of greenhouse gases do not exceed 108% of Australia's 1990 emission levels.
- 5. Establish a national system for estimation of human induced emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, as required by Article 5 of the Protocol.
- 6. Publish an annual inventory of greenhouse gas emissions and submit a communication, to the conference of the parties to the United Nations Framework Convention on Climate Change, detailing Australia's compliance under the Protocol.
- 7. Develop a system for the international transfer in emission reduction units including the creation of a registry, which outlines the issue, ownership, and transfer of emission reduction units.
- 8. Continue to support the development of environmental industries and new technologies for environmental protection and remediation.



Appendix A: BDP Policy Statement on Environmentally Sustainable Development

The ecological integrity and productive value of Australia's land resource is running down. There is a clear need for a better understanding of the environment and the sustainable management of natural resources.

Agricultural and mineral exports, energy use and the form and structure of Australian communities have placed a combined reliance on the consumption of natural resources. This situation, along with global warming, forest management, water and air quality, demands that government continues to commit itself to leading edge initiatives in environment and resource management.

BDP members have indicated their support for Australia ratifying the Kyoto Protocol and meeting its 2008 target emissions. Australia must be environmentally responsible for the benefit of future generations and must be seen to be a credible member of the international community in terms of the environment.

Australia is in a key position to be a leader in sustainable energy and environmental protection. In Australia we have a great opportunity by way of professional knowledge and skills to develop major new industries in renewable energy technologies both for grid connected and remote area power supplies and in environmental protection and remediation technologies. We should be recognised as a lead country in applying solar power technologies, energy efficiency and water conservation.

Australia faces a potable water crisis, increasing desertification and salination. The reclamation of watercourses in their natural state is essential to reversing this condition.

Responsible management of our water resources should ensure that building developments incorporate systems for rainwater harvesting and the use of grey and black water through dual storage and reticulation systems, along with the establishment of standards in relation to embodied water in building materials.

If we embrace this opportunity early we stand to gain enormously from international trade in intellectual property and the new technologies that will emerge.

Recommendations:

- Ratify the Kyoto Protocol.
- Continue to support the development of environmental industries and new technologies for environmental protection and remediation.
- Take further steps to encourage the use of renewable energy.
- Immediate measures should be taken to better manage Australia's water resources. Particularly in the reclamation of natural water courses, the use of rainwater harvesting, the installation of grey and black water systems in buildings and limiting the amount of embodied water in building materials.



Appendix B: BDP Directors and Executive

Rick McEwen BDP Chair President, Association of Consulting Architects

NSW

John McInerney Deputy Chair, President Planning Institute of Australia

Tony Cox President Australian Institute of Landscape Architects

Paul Costigan Executive Officer, Australian Institute of Landscape Architects

Therese Charles Chief Executive, Association of Consulting Engineers Australia

Barry Neilsen President, Association of Consulting Engineers Australia

Martin Dwyer Director Engineering Practice, Engineers Australia

Ken Mathers National Vice President Engineers Australia

Dianne Jay Chief Executive Officer, Planning Institute of Australia

Terry Sanders General Manager, Australian Institute of Quantity Surveyors

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