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Rudd playing hard ball with US

BYLINE: Matthew Franklin, Chief political correspondent

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KEVIN Rudd has demanded the US join the rest of the developed world in embracing
targets to slash carbon emissions, insisting all developed nations must accept
their responsibility for fighting climate change.

The Prime Minister told the UN climate change conference in Bali that global
warming was threatening Australian natural wonders such as the Great Barrier
Reef, Kakadu and rainforests, killing rivers and exposing people to more
frequent and ferocious bushfires.

Mr Rudd's comments yesterday came as the US became a focus of increasing
criticism at the conference, with Indonesian President Susilo Bambang Yudhoyono
warning that the push to tackle climate change would fail without a greater
commitment from the world's richest nation, which is the only developed country
yet to ratify the Kyoto Protocol for cutting carbon emissions.

Mr Rudd, whose cabinet ratified Kyoto last week in its first decision after its
victory in last month's election, did not mention the US by name yesterday but
left no doubt as to his expectations of the world's largest carbon emitter.

``We need all developed nations -- all developed nations -- those within the
framework of Kyoto and those outside that framework -- to embrace comparable
efforts in order to bring about the global outcomes the world now expects of
us,'' Mr Rudd said.

``We expect all developed countries to embrace a further set of binding
emissions targets and we need this meeting at Balito map out the process
andtimeline in which this will happen.''

Hundreds of delegates from around the world are meeting in Bali to establish a
road map for the negotiation of a new emissions reduction deal, which will take
effect after the Kyoto Protocol expires in 2012.

Negotiations must be complete by 2009.

Mr Rudd, in his first international outing as Prime Minister, continued to
refuse to quantify his preferred targets yesterday, despite a push within the
conference for participants to agree to adopt emission reduction targets of
between 25 per cent and 40 per cent by 2020.

A reference to this medium-term target is likely to removed from a statement
being negotiated at the conference after pressure from the US, Japan and Russia.

Mr Rudd has committed to only a 60 per cent reduction by 2050, but has reserved
the right to delay a decision on short- and medium-term action until he receives
a report from economist Ross Garnaut next year.

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However, Mr Rudd significantly hardened his climate-change rhetoric, leaving no
doubt he will embrace further cuts and warning that the consequences of inaction
on climate change would be more serious than the cost of action.

``For Australians, climate change is no longer a distant threat, it's no longer
a scientific theory,'' Mr Rudd said.

``Its an emerging reality. Our rivers are dying, bushfires are more ferocious
and more frequent, our unique natural wonders -- the Great Barrier Reef, Kakadu,
our rainforests -- are now at risk.''

He said the challenges of climate change transcended ``the old ideological,
political and developmental divide'' and demanded global action.

``The community of nations must reach agreement. There is no plan B. There is no
other planet that we can escape to. We only have this one,'' he said.

He also acknowledged the legitimacy of the aspirations of developing nations to
improve the lives of their citizens, committing his Government to fighting
global poverty and assisting the developing world on climate change with
financial incentives and sharing of new technologies.

After warm applause from the conference in recognition of his decision to
reverse the Howard government's refusal to ratify the Kyoto Protocol, Mr Rudd
said his Government would revive Australia's long tradition of involvement in
multilateral engagement.

``In the past we've been willing to put our shoulder to the wheel,'' Mr Rudd
said. ``What I say to this conference is that under the Government that I lead,
we are doing so again.''

Dr Yudhoyono, host of the conference, said all developed countries must be
involved in the post-Kyoto framework.

``We must ensure that the United States of America, as the world's biggest
economy ... and the world leader in technology is part of such a post-2012
arrangement,'' Dr Yudhoyono said.

``Because, otherwise we will not be able to effectively address the
climate-change issue.''

He also called on developed nations to accept that poorer nations must continue
to develop.

While developing nations had to do their part in tackling climate change,
advanced nations needed to understand their difficulty, he said. ``We must keep
in mind that many in developing countries worry not about cars, airconditioning
or cell phones, but whether they will have food on their plates,'' he said. ``We
must all do something differently and do something more.''

Dr Yudhoyono said Indonesia was devoting its efforts to preserving 22 million
hectares of rainforest to provide carbon sinks. It had planted 89 million trees
this year and was cracking down on illegal logging.

Modern Power System

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**Carbon pricing kick start needed.**
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As his Combat Climate Change (3C) initiative gathers momentum, Vattenfall chief
executive Lars Josefsson has called on business leaders and governments around
the world to develop a global policy framework to combat climate change.

Participating in a major round table session at the World Energy Congress in
Rome in November, Josefsson outlined 3C's recently launched roadmap, which
recommends specific action steps that world governments should make a priority
in order to overcome the global climate problem.

The 3C initiative was founded by Josefsson earlier this year and now consists of
46 international companies including ABB, Alstom, Centrica, Dong Energy, Fortum,
NRG Energy, Siemens, GE, Enel and E.ON.

In advance of the upcoming climate change negotiations in Bali, Indonesia, 3C is
calling on governments to commit to a series of concrete steps such as the
setting of a global goal of a maximum acceptable temperature increase and the
creation of a stable global market for emissions trading. The recommendations
are based on thorough analysis of how to reduce global emissions
cost-effectively, says 3C.

In its roadmap, 3C says that although further research is necessary to
understand the mechanisms and impacts of climate change, the science is
sufficiently clear for industry, governments and society to take immediate
action. Its key recommendation is that the international community must agree on
a global goal to limit the world's temperature increase, and to define emission
reduction targets for 2030 and 2050 on that goal.

The Intergovernmental Panel on Climate Change (IPCC) states that in order to
avoid severe environmental impacts, the mean surface temperature rise should be
limited to less than 2 deg C over pre-industrial levels. This is an achieveable
goal, says 3C, but is one which will require a switch to a low-emitting economy.

3C believes this limit is achievable because significant emissions abatement can
be achieved at low cost and with technology that is commercially available today
- the so called 'low hanging fruit'. It warns, however, that no sector or
abatement opportunity should be ignored.

The greatest opportunity for low-cost emission abatement lies in establishing a
stable, long-term market for carbon, backed by supporting policies to overcome
market imperfections. A credible, global emissions trading system is therefore
required as a carbon price mechanism to promote abatement measures.

The sooner that governments introduce a global emissions trading system the
better, says 3C, but it recognises that such a wide-ranging international system
would have to be introduced in small steps, and that while such a system would
help to achieve emission reduction targets, no market is perfect and it would
have to be backed by a number of policies. Minimum requirements for energy
efficiency and CO2 equivalent (CO2e) efficiency should therefore be set.

Critically, 3C recognises the importance of technology development in overcoming
climate change. While current technology can meet current needs, new technology
is required to meet future abatement targets and economic growth, and although
the carbon price should incentivise industry to invest in developing technology,
supporting mechanisms are required to ensure that a technology 'push' is
achieved. 3C has therefore recommended that public support be aimed at a number
of key, emerging technologies such as carbon capture and storage, offshore wind,
secondgeneration biofuels and solar photovoltaics.