

Speech: Climate Change – speech at Australasian Emissions Reduction Summit 2018

Good afternoon ladies and gentlemen. It's an absolute pleasure to be taking part in this – the 5th Australasian Emissions Reduction Summit. And my thanks go to Andrew Grant for moderating this session and giving me the chance to say a few words.

Today I would like to share with you the UK story, as a country that has been meeting legislated emissions reduction targets over 10 years. And what happens next as we move further along the path towards a low-carbon economy.

First of all, you might say we were an early adopter, as the first country to introduce legally binding emission reduction targets. The Climate Change Act of 2008, passed by a Labour government with cross-party support, introduced our legally binding 2050 target to reduce greenhouse gas emissions by at least 80% relative to 1990 levels.

The Act also introduced carbon budgets which cap emissions over successive 5 year periods and must be set 12 years in advance. These budgets are recommended by the independent UK Committee on Climate Change.

The result is that the UK has been a world leader in cutting emissions while creating wealth. Between 1990 and 2016, the UK reduced its emissions by over 40 per cent while growing the economy by more than two thirds. PwC's Low Carbon Economy Index shows that the UK was the fastest of any country in the G20 to decarbonise in 2016.

But we are not resting on our laurels! We are now looking at the actions needed to meet our fourth and fifth budgets. Our current emissions target is to achieve a 57% reduction of Greenhouse Gas emissions by 2032 (again based on a 1990 baseline).

Clean Growth Strategy

That's where our new Clean Growth Strategy comes in. It sets out our plans to build on the successful decarbonisation of the power sector, while looking further across the whole of the economy to meet our carbon budgets. It includes ambitious proposals on housing, business, transport, the natural environment and green finance.

Our Strategy focuses on areas where we get clear joint benefits – with win/wins for consumers: cleaner air from low emissions vehicles; lower energy bills from improved energy efficiency; reducing waste and using resources efficiently; and a more bio-diverse, resilient natural environment.

Low carbon innovation is at the heart of our approach, with over £2.5 billion

of government investment from 2015 to 2021.

A few examples. On business and industry: We will establish an Industrial Energy Efficiency scheme to help large companies install measures to cut their energy use and their bills.

On residential housing: We are supporting around £3.6 billion of investment to upgrade the energy efficiency of around a million homes.

On: agricultural and Resources: We will establish a new network of forests and we will work towards zero avoidable waste by 2050, with a particular focus on single-use plastics.

In this way, the Clean Growth Strategy will play an integral part in meeting our next carbon budgets and also lays down the foundation of achieving our long-term de-carbonisation goals.

Coal phase-out and the Powering Past Coal Alliance

I want to say a bit more about one of the bigger drivers of emissions: energy policy. It sometimes feels in Australia as if we can only say the word 'coal' with trepidation. But I want to talk about coal – though I'll restrict my comments to what is happening in the UK.

And I talk about this as someone for whom coal is intertwined with my own heritage. My Mum comes from a family of miners from the Rhondda Valley – once part of the great coal-mining valleys of South Wales that at their peak in the early 20th century provided employment for a quarter of a million miners capable of extracting 57 million tons of coal annually – a fifth of Britain's total. My great-grandfather was the manager of Llwynypia mine, and my great-uncle Davy was killed in an accident at the same colliery in the 1930s.

If you had told my Welsh family back then that the last deep coal mine in Britain would close within 100 years, they would never have believed it. Close it did though, in Yorkshire in 2015. And they would have thought you were barking mad if you had said you envisaged wind turbines standing on the hills at the head of the valleys – as they do today.

For the UK has been through a dramatic change in our energy mix. In April last year, we achieved our first 24 hours without coal power for the first time in 135 years. In 2017, coal accounted for just 7% of electricity compared to 22% in 2015 and 39% in 2012. (For interest: in 2017 Gas accounted for 40% of our energy mix, followed by renewables with 29% and Nuclear with 21%.)

There were a number of reasons for this rapid shift. Some market driven, like the emergence of gas and the decreasing cost of renewables. But some were driven by government policies adopted to meet our carbon budgets and long-term targets.

The UK's Carbon Price Support (tax), supplemented by the carbon price from the EU Emissions Trading Scheme, was instrumental in reducing the mix of coal over the last 3-4 years.

And we're going further: in September, following an extensive public consultation, Prime Minister May confirmed that the UK would proceed to phase out unabated coal power generation by 2025.

The UK is proud to be one of the first countries to do this and want other countries to consider similar action.

We know that reducing coal consumption will be vital to helping many countries achieve their NDCs and to achieve our overall goals under the Paris Agreement. It is in this context that the UK and Canada initiated the Powering Past Coal Alliance at COP23 last November. The Alliance is a voluntary coalition of Governments, businesses, and other organisations committed to ending the use of unabated coal power within a timeframe compatible with the Paris Agreement.

As of this month, 28 countries and eight states and cities have signed up to the Powering Past Coal Alliance. A further 28 international organisations including investors, major consumer brands and electricity generators have also signed up.

We hope that the Alliance will continue to grow, working together constructively to achieve our coal phase out targets. This might have some of my family turning in their grave – and I very much recognise there are real social and economic challenges in those communities that coal has left behind.

That's why, as we look to meet our climate change commitments at the lowest possible net cost, we also want to maximise the social and economic benefits to the UK of the transition. So clean growth is at the heart of our modern Industrial Strategy.

There are almost 400,000 UK jobs in low carbon businesses and their supply chains, and it is estimated that the low carbon economy in the UK could grow 11 per cent per year between 2015 and 2030 – four times faster than the rest of the economy.

Combatting transport emissions and the EV Summit

Finally, there is one more area I wanted to touch on: transport sector emissions, which is a complex area for change.

We want a more modern transport system that is clean, affordable and easy to use. A laudable goal, but to meet our long-term emissions target, we believe almost every car and van in the UK will need to be zero emission by 2050. As such UK has announced a suite of policies aiming at providing both the framework and the incentives to achieve this future.

We are committed to ending the sale of all new conventional petrol and diesel cars and vans by 2040.

To support this, the UK will spend £1 billion on incentivising the uptake of ultra-low emissions vehicles, including helping consumers with upfront costs.

We intend to develop one of the best electric vehicle charging networks in the world through investments in charging infrastructure and new legislation aimed at requiring charging points.

At an international level, there is a growing consensus that one of the ways to combat climate change is to transition the world's vehicle fleet to zero emissions.

This is why our Prime Minister announced at the 'One Planet' Summit in Paris that the UK would host a 'Zero Emission Vehicle Summit' in September.

The Summit will aim to provide political impetus and profile to the deployment of Zero Emission Vehicles, helping to accelerate the investment in technology and infrastructure and growth of the global electric vehicle market and help meet the goals of the Paris Agreement.

Ladies and Gentlemen, I hope this has given you an insight into where the UK is today on clean growth, phasing out coal, and leading the international push towards zero emission vehicles. Thank you for listening and I look forward to the discussion.