Thursday, 20 November

Ministerial Statement delivered by Mr John Ryan, Deputy Secretary, Australian Department of Industry, Tourism and Resources on behalf of the Hon Ian Macfarlane MP, Minister for Industry, Tourism and Resources

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On behalf of the Australian Government, I convey an apology from the Honourable Ian Macfarlane, Minister for Industry, Tourism and Resources, who could not be present today.

In his absence, the Minister asked me to pass on his congratulations to the United States Government and to the organiser of the meeting, the USEA, and to pass on his warm regards to all delegations represented here today.

It is a great pleasure to be leading the Australian Government delegation to the inaugural meeting of the International Partnership for the Hydrogen Economy.

The Australian Government recognises the potential of hydrogen to deliver significant economic and environmental benefits, and to reduce our dependence on imported fossil fuels, thereby contributing to increased energy security.

For this reason, it has committed the resources needed to investigate the potential benefits of hydrogen in Australia's long-term energy supply.

This work included a national hydrogen study – this was undertaken by specialist consultants and was completed in September this year - and an international hydrogen conference held in May in Broome, Western Australia. We were especially pleased to welcome a number of eminent international speakers to the conference, including senior representation from the US Department of Energy, notably Larisa Dobriansky and Bob Dixon, and from countries in the European Union.

The study commissioned by the Australian Government assessed the role of hydrogen in the energy system of the future, and contained recommendations that could lay the foundations for participation by Australia and, for that matter, other countries in a hydrogen economy. It explored issues that are especially relevant to Australia, and presented a significant body of knowledge that will assist in the development of an informed view of the importance of hydrogen as an energy carrier.

I emphasise that the report's findings and recommendations have not yet been considered by the Australian Government. This is expected to happen in the first half of 2004. But the direction setting nature of the study and its recommendations mean that they are relevant not just to Australia. The recommendations include – importantly - participation in international research and industrial collaboration programs and action to remove or reduce policies and regulations that represent barriers to a transition to a future hydrogen economy.

Australia's hydrogen study is not an initiative that has been undertaken in isolation. Under COAL21, we are actively exploring the zero emission technologies pathway to the hydrogen economy. COAL21 is a partnership between industry, government and researchers which aims to develop a national clean coal strategy. It covers carbon geo-sequestration and hydrogen production through coal gasification. In a related move, a new 84 million USD ($120 million AUD) co-operative research centre on greenhouse technologies – the CRC CO2 as it is known – has been established to further develop Australia's capabilities in this field.

Australia is also hosting the IEA Asia-Pacific Zero Emissions Technology (ZETS) conference in February 2004 which aims to promote greater understanding of these technologies in the Asia-Pacific region. In September 2004, the World Energy Congress will be held in Sydney, where I expect the hydrogen economy will be the subject of extensive discussion. Immediately after the Congress, we will be hosting the second Ministerial meeting of the Carbon Sequestration Leadership Forum, and this will provide a further opportunity to progress policy and technological co-operation between the participating countries.

I mention these initiatives and events because they show that Australia has a sound basis for its participation in the International Partnership for the Hydrogen Economy. We believe also that we are well placed to contribute to its success through our membership of the Steering Committee and the Implementation and Liaison Committee.

We have reached in-principle agreement on a number of key aspects of the Partnership over the past two days. However, there are many practical issues that still need to be resolved.

In this regard, I would like to put forward the following thoughts for consideration.

- First, it is important that IPHE be a value-adding proposition for all partner countries. The Partnership should help each of us to develop and strengthen relationships in research, technology and capability building in ways that may not be possible elsewhere.
- Second, IPHE should complement what we are doing through other international forums such as the IEA.
- Third, to work well, IPHE must be inclusive, and offer a good return on investment for all participating countries. But we must also show leadership to others, particularly the world's emerging nations who can benefit from our initiatives through a sharing of the results of our work.
- Fourth, the coverage of the Partnership's mission should be broad. And we need to be a 'learning organisation' - open to new ideas, flexible and adaptive in our approach, and responsive to emerging issues, opportunities and challenges.

- Fifth, there is the importance of meetings such as this and less formal avenues for communication. Our work in hydrogen, like other fields of research and technology, will benefit clearly by encouraging personal relationships, synergy and constructive collaboration.

Finally, the Australian Government is strongly committed to ensuring the success of IPHE. We have been inspired by the talent, determination and enthusiasm in evidence this week, and look forward to working closely with you in the future.