

2. Factors Influencing Decisions

Australia is the world's leading exporter of coal, a major exporter of uranium and, since 1989, an exporter of natural gas. Indigenous production of oil currently provides the bulk of domestic requirements. Energy accounts for about 20 per cent of Australia's export income. It is an important source of revenue for both the Commonwealth and state and territorial governments and, consequently, is a significant element of national economic policy. Other sectors of the Australian economy and aspects of Australian life are also very sensitive to the climate change issue. For example, Australia is a significant exporter of alumina and aluminium; the Australian agricultural sector is very vulnerable to changes in rainfall and temperature; a significant part of the Australian population lives in coastal areas which would be threatened by a rise in the sea level; and much of Australia's unique natural flora and fauna would be endangered by climate change.

A critical aspect of Australian energy policy is the respective roles of the Commonwealth and state and territorial governments, as well as the relationships among individual states and territories. The Australian Constitution gives the Commonwealth Government responsibility for taxation, trade, foreign investment, the development of offshore resources, the negotiation and implementation of international agreements and some other areas affecting energy policy; however, authority over many energy-related areas — such as the regulation of electric and gas utilities; development and transport of onshore energy resources and environmental protection — are assigned to the states and territories except in cases where a Commonwealth Government decision is required.

3. Relevant Studies

- Commonwealth Scientific and Industrial Research Organisation, *Greenhouse: Planning for Climate Change* (Canberra: CSIRO, April 1988).
- Prime Minister's Environmental Strategy (July 1989).
- Prime Minister's Science Council, *Global Climate Change: Issues for Australia* (Canberra: October 1989).
- Prime Minister's Working Group on the Greenhouse Effect Report (December 1989).
- Commonwealth Scientific and Industrial Research Organisation, *The Greenhouse Effect: Issues and Directions for Australia* (Canberra: CSIRO, December 1989).