

Submission on the Climate Change Bill 2022

Senate Environment & Communications
Legislation Committee

10 August 2022

About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metro, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable, and resilient; and communities that are just, peaceful and inclusive.

Recommendations

Recommendation 1 Insert at clause 12 of the Climate Change Bill 2022, a requirement for the Minister to report on the social, employment and economic impacts and benefits of the Commonwealth climate change policies, in the annual climate change statement.

Recommendation 2 Insert in the objectives of the Climate Change Bill 2022, a recognition that in developing policies, programs, or processes to achieve Australia's greenhouse gas emissions reduction targets, a range of principles must be considered, including principles relating to equity and inclusion.

Recommendation 3 Amend clause 5 of the Climate Change Bill 2022 to insert "preferably exceed" the greenhouse gas reduction targets.

Recommendation 4 Ensure that increases to Australia's Nationally Determined Indicators (NDC) are reflected back into the Climate Change Bill 2022, so that all of the provisions in the future Climate Change Act 2022 and the Climate Change (Consequential Amendments) Bill 2022, remain connected to the enhanced targets under the Paris Agreement. To maintain Parliamentary

scrutiny this could be via legislative instrument, or by updating the current Bill to have this effect.

Recommendation 5 Either the Climate Change Bill 2022 or the Climate Change (Consequential Amendments) Bill 2022 be amended to include either a ex ante or ex post analysis of budget measures on achieving emissions reduction targets.

Discussion

ACOSS welcomes the opportunity to contribute to the Inquiry into the Climate Change Bill 2022 and the Climate Change (Consequential Amendments) Bill 2022.

Rapidly worsening climate change is hurting our communities. The community services sector has been on the frontline of helping communities respond to the impacts of more intense and frequent bushfires, drought, floods, storms, and heatwaves.

Our sector has seen firsthand the devastation of increasing extreme weather events, made worse by climate change, on communities in which they work. This has affected people's mental and physical health, homes, jobs, quality of life, and in some cases, resulted in loss of life. The destruction caused by extreme weather events hits people experiencing financial and social disadvantage first, worst and longest, because they have fewer resources to cope, adapt or recover.

It is already exposing them to greater levels of harm and disadvantage, and is posing a particular threat to First Nations communities and to the future of our young people.

We are also seeing the impacts of poor policy design. Poorly targeted and inequitable policies to reduce emissions are disproportionately benefiting people with wealth, choice and control. People on low incomes are paying disproportionately more towards the clean energy transition and are missing out on the benefits being created like more energy efficient homes, rooftop solar, electric vehicles and potential new jobs.

It's clear climate change impacts and a slow, poorly managed transition to zero emissions are a major threat to ending poverty and reducing inequality, and to our sector's ability to support our communities.

Without rapid, fair and inclusive action on climate change, these threats will continue to worsen.

However, a fair, fast and inclusive plan to address climate change has the ability to improve the lives of people facing disadvantage, from the cities to the outback. It creates opportunities for more affordable, healthier and reliable energy, housing and transport suited to a changing environment as well as access to jobs in the new energy economy.

Despite being one of the wealthiest developed nations, Australia is currently not on track to do our fair share to achieve the international goal of limiting global temperature increases to well below 2 degrees Celsius and pursue a limit of 1.5 degrees Celsius. According to the science, this would require Australia to reduce emissions by 75% by 2030 and achieve net zero by 2035.

Further, the reliance on markets, fossil fuel subsidies, and poorly designed incentives has meant the transition has been slow, wasteful, and inequitable to date.

Delaying action will heighten the risk of more dangerous climate change. Failure to cut emissions this decade and to build climate resilience will cost the economy and society more and make poverty and inequality in Australia worse.

Through a well-planned transition that is fast, fair and inclusive, putting people experiencing disadvantage, impacted workers, young people and communities first, we can create a safer, more prosperous, sustainable and fairer society and economy.

To this end, ACOSS has long advocated for a national framework, via a Climate Change Act, to guide fast, fair and inclusive action on climate change mitigation and build community resilience.¹ We have argued the Act should be guided by principles of inclusiveness, participation, equity and sustainability. It should acknowledge the duty of care to protect children from climate change and require consultation with impacted groups including vulnerable and marginalised communities, First Nations peoples, people with disabilities, people experiencing poverty, elderly people, children and women.

While not as comprehensive as we would like, ACOSS welcomes the introduction by the Labor Government of the climate change bills, as a start.

The climate change bills sets out Australia's greenhouse gas emissions reduction targets, provides for annual climate change statements, reviews to update targets, confers advisory functions on the Climate Change Authority, and requires a range of agencies to have regard to the emissions reduction targets.

We welcome the amendments by the Greens and the Independents in the House of Representative which we believe improve the original bills. In particular, the amendments to ensure the target is a floor and strengthen processes to increase the targets in line with the science, and to report on the impact and benefits of Commonwealth climate change policies or future targets on rural and regional Australia.

We believe the climate change bills can be further strengthened in four areas. The bills should:

¹ <https://www.acoss.org.au/wp-content/uploads/2022/05/ACOSS-Climate-Change-and-Resilience-Election-Priorities-2022-Final.pdf>

- Require Government and agencies to have regard to social and economic equity and inclusion in developing policies, procedures and processes to achieve the emissions reductions targets.
- Make explicit the Government's ability to exceed the minimum legislated target.
- Ensure that increases to Australia's Nationally Determined Contribution (NDC) are reflected back into the Climate Change Act 2022; and
- Require delivery of a regular budgetary impact statement on emissions.

Have regard to equity and inclusion when achieving emissions reductions.

The Climate Change (Consequential Amendment Bill) requires a range of agencies to have regard to the emissions reduction targets set out in the Climate Change Bill 2022.

However, neither bill sets out important considerations that the government and agencies listed in the consequential amendments bill, should **also** have regard to in developing policies, programs or processes to achieve the emission reduction targets.

This is a problem because it could lead to unintended consequences. ACOSS and our members are particularly concerned that we will see increasing inequality in Australia if we do not have a clear framework and principles to guide the development of emission reduction policies, programs or processes to put people with the least resources front and centre.

As mentioned above, poorly designed emissions reduction policy risks disproportionately benefit people with wealth, choice and control, while those on low incomes miss out on benefits and may be materially worse off.

Whereas people on low incomes are paying disproportionately more towards the transition and are missing out on the benefits being created from accessing more energy efficient homes, rooftop solar, electric vehicles and potential new jobs.

The Climate Change Bill 2022 was amended in the House of Representatives to include a requirement for the Minister to report on the impact of Commonwealth climate change policies on social, employment and economic benefits to rural and regional Australia in the annual climate change statement. This should be extended to all of Australia, not just rural and regional Australia.

Recommendation 1 Insert at clause 12 of the Climate Change Bill 2022, a requirement for the Minister to report on the social, employment and

economic impact and benefits of the Commonwealth climate change policies, in the annual climate change statement.

The Bill was also amended to require the Climate Change Authority to provide advice on the social, employment and economic benefits of any new or adjusted emissions reduction targets and associated policies.

While we support these additions, they do not require policies, procedures, and processes to actually take into account social, employment or economic benefits when achieving the emissions reduction targets.

ACOSS believes a simple and effective solution is to insert a new clause into the Bill's objectives that frames and provides context to the Climate Change Bill 2022.

A copy of our proposed amendment can be found in the appendix. The amendment goes further than inserting a requirement for policies, procedures, and processes to achieve emissions reduction in an equitable and inclusive way. We propose using slightly modified text from that proposed in the Climate Change (National Framework for Adaptation and Mitigation) Bill 2021 put forward by independent MP Zali Stegall, in the Objective and Principles section. The private members Bill underwent significant consultation and had broad support from business, environment, and social sectors. We therefore believe there would be broad support for our proposed amendment to the Climate Change Bill 2022.

Recommendation 2 Insert in the objectives of the Climate Change Bill 2022, a recognition that in developing policies, programs, or processes to achieve Australia's greenhouse gas emissions reduction targets, a range of principles must be taken into account, including principles relating to equity and inclusion (see the appendix for draft wording).

Make explicit the ability to exceed minimum legislated targets

Climate change hits people experiencing social and financial disadvantage first and hardest.² They have the fewest protections from climate change impacts and often live in the most affected places. People with fewer resources and capabilities have less money, choice, power and connections to cope, adapt or recover. Failing to halt climate change will cause greater poverty and inequality in the future.

The Intergovernmental Panel on Climate Change (IPCC) argues that limiting global warming to 1.5 degrees Celsius compared to 2 degrees Celsius could

² https://www.un.org/esa/desa/papers/2017/wp152_2017.pdf

significantly reduce the number of people both exposed to climate risk and susceptible to poverty.³

Scientists warn that overshooting 1.5°C of warming rapidly increases the risk of triggering abrupt changes – such as the release of vast amounts of greenhouse gases from thawing permafrost – that would greatly accelerate warming and tip our planet towards much harsher, potentially irreversible conditions

While limiting warming to 1.5°C without overshoot and drawdown is now out of reach due to past inaction, we can limit the amount of overshoot and drawdown if we take immediate, deep and sustained emissions reduction where *global* emissions are cut in half this decade and reach net zero by 2040.

But scientists⁴ and the United Nations⁵ warn the window for action is closing, action must be taken this decade.

Taking action would deliver profound economic,⁶ social and environmental benefits, including saving lives and creating jobs. The longer we delay and avoid emissions reductions the greater the risks and costs.^{7, 8 and 9}

In January 2021, the [Climate Targets Panel](#) a group of senior academic experts in climate budget modelling, climate science and economics,¹⁰ updated the Climate Change Authority 2014 modelling.

In updating the modelling, the Climate Targets Panel concluded:

- To be consistent with the Paris Agreement goal of **limiting global warming to well below 2°C**, Australia's 2030 emissions reduction target must be 50% below 2005 levels. A 2035 target would need to be 67% below 2005 levels. Net-zero emissions would need to be reached by 2045.
- To be consistent with the Paris Agreement goal of **limiting global warming to 1.5°C**, Australia's 2030 emissions reduction target must be 74% below 2005 levels, with net-zero emissions reached by 2035.

³ <https://www.ipcc.ch/sr15/chapter/spm/>

⁴ <https://www.climatecouncil.org.au/wp-content/uploads/2021/04/aim-high-go-fast-why-emissions-must-plummet-climate-council-report-210421.pdf>

⁵ <https://www.un.org/press/en/2019/ga12131.doc.htm>

⁶ Deloitte has found that if action is taken in line with a target of net zero emissions by 2050, 250,000 jobs will be created and \$680 billion added to the economy.

⁷ <https://www.airclim.org/acidnews/ipcc-warns-delaying-action-implies-higher-costs>

⁸ <https://www.lse.ac.uk/granthaminstitute/news/researchers-warn-of-big-increase-in-economic-costs-if-cuts-in-greenhouse-gas-emissions-are-delayed/>

⁹ <https://www.wwf.org.au/ArticleDocuments/353/pub-delaying-climate-action-would-be-costly-for-australia-and-the-world-25may15.pdf.aspx?Embed=Y>

¹⁰ Associate Professor [Malte Meinshausen](#) (A.Prof in Climate Science and Earth Science at University of Melbourne and one of the lead authors of the IPCC 6th Assessment Report); Professor [Lesley Hughes](#) (Professor of Biology and Deputy Vice-Chancellor of Research at Macquarie University and lead author on IPCC 4th and 5th Assessment Reports); Professor [Will Stephen](#) (Emeritus Professor in the Fenner School of Environment Science at ANU and author and reviewer to five IPCC assessments and special reports between 2000 and 2018); Dr [John Hewson](#) (Professor in the Crawford School of Public Policy at ANU and previously Professor and Head of School of Economics at UNSW)

- A simple 'net-zero emissions by 2050' target for Australia is not sufficient for the Paris Agreement goal of limiting global warming to well below 2°C (nor 1.5°C).

In 2020, ClimateWorks modelled a scenario of what would need to happen across the economy for Australia to reduce emissions in line with 1.5 C as part of the [Decarbonisation Futures report](#). In that scenario they found Australia would need to **and can reach** net zero emissions by 2035 and reduce emissions by 74% below 2005 levels by 2030. They noted the improvements and growth in clean technology has been achieved often faster than expected. The report also noted that the years before 2030 offer a window for action that will not stay open.

While the Climate Change Bill 2022 has been amended to clearly state the 43% target by 2030 is a floor, as suggested by others, this could be further strengthened to explicitly state the preference is to "exceed" the floor (i.e., that the Australian Government and relevant statutory authorities are working to 'meet and (preferably) exceed' the targets). Explicitly stating that the 'target' is to 'preferably exceed' the Nationally Determined Contribution (NDC) would give relevant statutory authorities a clear mandate to seek to exceed those reductions even if the federal government (or a future government) did not increase the target.

Recommendation 3 Amend clause 5 of the Climate Change Bill 2022 to insert "preferably exceed" the greenhouse gas reduction targets.

Reflect updated NDCs back into the Climate Change Act 2022

The greenhouse gas emissions reduction targets that will be enshrined in the legislated Climate Change Act 2022, will not automatically get updated when Australia increases its National Determined Contribution (NDC)¹¹ directly under the Paris Agreement. Nor is there a mechanism by which the targets may be updated through a legislative instrument.

This is problematic as the remainder of the clauses including the progress reports delivered in annual climate change statements and the actions of the agencies covered under the Climate Change (Consequential Amendments) Bill 2022, will remain connected to the legislated target. Any new or updated targets via the NDC process will require an amendment to the existing legislation.

¹¹ Nationally Determined Contribution, is a climate action plan to cut emissions and adapt to climate impacts. Each Party to the Paris Agreement is required to establish an NDC and update it every five years

Recommendation 4 Ensure that increases to Australia’s NDC are reflected back into the Climate Change Bill 2022, so that all of the provisions in the future Climate Change Act 2022 and the Climate Change (Consequential Amendments) Act 2022, remain connected to the enhanced targets under the Paris Agreement. To maintain Parliamentary scrutiny this could be via legislative instrument, or by updating the current Climate Change Bill 2022 to have this effect.

Budgetary impact statement with respect to greenhouse gas emissions

ACOSS supports calls by Independents in the Senate to include an analysis of budget measures on achieving emissions reduction targets.

We note that the OECD has encouraged members states to do “green” budgeting and use assessment tools to measure and prioritise budget options against climate and environmental goals.¹²

The OECD note that impact assessments can be conducted *ex ante* in relation to proposed projects or policies to help to inform budget decisions before a policy is implemented or *ex post* impact assessments to inform decisions about the continuation of specific policies, or adjustments to them.

France has recently begun classifying budget lines according to their impact (either positive or negative) on six environmental objectives: climate change adaptation, climate change mitigation, biodiversity and sustainable land use, circular economy and risk prevention, water resources management and pollution abatement. The analysis was presented for the first time as part of France’s Budget for 2021.¹³

There are a few ways to include an analysis of budget measures on achieving emissions reduction targets in the Australian context with respect to the current climate change bills.

The Climate Change (Consequential Amendments) Bill 2022 could be amendment to require all government agencies to do an emission impact assessment on major budget lines. Or, be amended to require Treasury to provide an Emissions Reduction budget impact statement.

Alternatively, the Climate Change Bill 2022 could be amended to require the Climate Change Authority to do a budgetary impact assessment on achieving emissions reductions target.

¹² <https://www.oecd.org/coronavirus/policy-responses/green-budgeting-and-tax-policy-tools-to-support-a-green-recovery-bd02ea23/>

¹³ <https://www.oecd.org/coronavirus/policy-responses/green-budgeting-and-tax-policy-tools-to-support-a-green-recovery-bd02ea23/>

Recommendation 5 Either the Climate Change Bill 2022 or the Climate Change (Consequential Amendments) Bill 2022 be amended to include either a ex ante or ex post analysis of budget measures on achieving emissions reduction targets.

Contact

Kellie Caught
Program Director - Climate and Energy, ACOSS
E: kellie@acoss.org.au M: 0406383277

Appendix

ACOSS proposes the below amendments to the Climate Change Bill 2022, to insert principles that should be followed in developing policies, procedures and processes to meet emissions reduction targets.

Insert after 3 Objectives:

- (1) This Act recognises:
- (a) that climate change is a serious challenge to Australia’s prosperity and security, and the rights, health and wellbeing of people, communities and the environment. This requires a planned and fair transition towards a net zero emissions economy and the implementation of adaptation measures to protect lives, people’s health and wellbeing, livelihoods, business and the environment; and
 - (b) that decisions under this Act should be consistent with Australia doing its fair share to limit the increase in global warming to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels;
 - (c) that in developing policies, programs or processes to achieve Australia’s greenhouse gas emissions reduction targets, the following principles must also be taken into account:
 - (i) effective, efficient, equitable and early action, including:
 - (A) effective in reducing or adapting to climate change impacts and in supporting an effective global response to climate change;
 - (B) efficient in doing so consistently with Australia’s financial, economic, social, health, environmental, industry, community, human rights and foreign policy objectives;
 - (C) equitable in regard to Australia’s current and future households, business, workers, communities and rural and regional Australia, taking into account intergenerational equity and social, cultural and economic differences; including that people who are socially or financially disadvantaged are not worse off, and ideally, are better off;
 - (D) taking early action to prioritise urgent and deep emissions reductions to reduce risks and future costs, and enable more ambitious targets as circumstances change, including climate science, technology advancement and community expectations.
 - (ii) informed decision making, community engagement and self-determination, including:

- (A) the best available academic peer reviewed research, public reports and international best practice with respect to causes, potential impacts adaptation and mitigation responses to climate change;
 - (B) providing appropriate information to members of affected communities, especially First Nations, vulnerable or marginalised communities; and
 - (C) enabling those communities to participate in policy design and implementation, with adequate public consultation; and
 - (D) seeking from those communities free, prior and informed consent; and
 - (E) undertaking any other type of consultation that is considered necessary.
- (iii) Risk-based, integrated decision-making, including
- (A) assessing the long-term, medium-term and short-term environmental, economic and community consequences relating to climate change; and
 - (B) explicitly addressing the relevant climate change risks; and
 - (C) applying the precautionary principle to prevent likely serious or irreversible loss; and
 - (D) coordinating and aligning adaptation and mitigation actions to the greatest extent possible
- (iv) fiscal responsibility to maintain economic prosperity and public finances over the long-term, including with respect to:
- (A) the direct costs of climate change including damage to property and infrastructure, the disruption of telecommunications, essential services and business supply chains, reduced agricultural and tourism revenue, and increased health, migration and security costs; and
 - (B) the impact of those costs on weakened asset values, corporate profitability, national productivity and public finances; and
 - (C) the high likelihood that those costs are substantially greater than the costs of mitigating climate change; and
 - (D) the high likelihood that the costs of early action to mitigate climate change are substantially lower than the costs of later action; and
 - (E) the growing burden of debt upon future generations which, in failing to act early, will grow significantly.
- (v) fair employment transition for any industry or geographic region where employment is affected by relevant decisions, including:
- (A) applying the principle of community engagement to any affected communities; and
 - (B) pursuing sustainable economic, social and ecological solutions for those communities;
 - (C) prioritising employment transition opportunities to new or existing industries within those communities;
 - (D) offering appropriate education and training for those opportunities;
 - (E) allowing reasonable time for implementation of transition solutions for those communities;
 - (F) for those unable to pursue transition opportunities—without undermining the incentives for transition, providing a mechanism for compensated redundancy or voluntary redeployment of workers to other sites where the workers wish to continue working;
 - (G) maximising economic co-benefits for regional development in Australia.