

# Submission on setting, tracking and achieving Australia's emissions reduction targets: Issues Paper

Climate Change Authority

July 7 2023

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## 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 welfare sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metropolitan, 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.

Climate change impacts and a poorly managed transition to net zero economy disproportionately impacts people who face disadvantage including people on low income, unemployed, frail older people, Aboriginal and Torres Strait Islander peoples, single parents and their children, newly arrived migrants and refugees, people with disability and their carers, people experiencing homelessness, women and children at risk of family violence, and young people.

A rapid transition to net zero emissions, consistent with limiting global warming to 1.5 degrees C, is therefore critical to reducing the impact on people facing disadvantage. This will require Australia prioritising emission reductions this decade and aim for net zero emissions by 2035.

However, to achieve benefits for everybody, the transition to net zero emissions must be fair and inclusive. Putting people with the least at the centre of policy design means we can rapidly reduce emissions, poverty, and inequality in Australia.

## Summary

ACOSS welcomes the opportunity to make a submission to the Climate Change Authority on setting, tracking, and achieving Australia's emissions reduction targets.

Rapidly worsening climate change is creating more extreme temperatures, severe events and sea level rise.<sup>1</sup> People experiencing poverty and disadvantage are impacted first, worst and longest because they have fewer resources to cope, adapt and recover from impacts.

We need a fast transition to a clean economy to limit impacts and avoid worsening inequality. However, people with the least are also worse off if the transition is not fair and inclusive. This is because they pay disproportionately more of their incomes on essential services and have less choice and control to reduce costs.

To date, action on climate change has not been fair, fast or inclusive enough. This threatens our ability to end poverty, create fair, sustainable and resilient economies, and peaceful and inclusive communities.

Currently, there is no federal policy framework in place to justly plan and manage adaptation and the impact of this transition on people experiencing poverty and disadvantage. Those with the most to lose are the least heard and opportunities to address climate change, poverty and inequality are being missed.

If we get the policy settings right, we have the opportunity to make people's lives better. We can reduce the impacts of climate change. We could cut emissions and relieve the suffering of millions of people living in inefficient housing; help close the gap with First Nations communities front and centre of a transition plan; give fossil fuel workers and communities certainty; create new and sustainable jobs and cut cost of living pressures.

If we don't get it right, climate action will either come too late or come at the expense of people experiencing disadvantage, leaving behind millions of people in the transition and further entrenching poverty and inequality in Australia.

The CCA should ensure that advice consistently reflects the scale of action required, the science, and the many co-benefits for health, equality, security, and future prosperity that stronger, fairer and more inclusive action on climate change can provide.

## Recommendations

### *Strategic framework*

**Recommendation 1:** The CCA add fair and inclusive transformation as an enabler to their strategic framework to guide climate change mitigation and adaptation actions.

**Recommendation 2:** The CCA recommends the Federal Government implement a fair and inclusive transformation framework, including legislating objectives,

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<sup>1</sup> International Panel on Climate Change 2023, [AR6 Synthesis Report: Climate Change 2023](#)

principles and establishing appropriate coordination and accountability mechanisms, preferably be amending the Climate Change Act 2022.

**Recommendation 3:** The CCA endorses the inclusion of *Rights to a Healthy Environment* and recommend the Federal Government include it in the development of a national Human Rights Act and the Climate Change Act 2022.

**Recommendation 4:** The CCA include best available science; research and development; and measurement and evaluation; to the strategic framework to guide the climate change mitigation and adaptation actions.

*Help people experiencing disadvantage adapt and build resilience to climate change and benefit from the transition to net zero emissions.*

**Recommendation 5:** The CCA recommends the Federal Government implement a range of policies set out in the ACOSS submission, including to:

- Empower communities to build their resilience and manage recovery, investing in local community resilience hubs, local council community resilience committees, and vulnerability data.
- Better meet the needs of people impacted by climate change, including increase in financial, housing, food, and other essential supports to better meet the needs of people impact by disasters.
- Support the provision of affordable and accessible insurance, especially for people on low incomes.
- Strengthen the capability of community sector to adapt, be better prepared and resilient to climate change and extreme weather disasters.

**Recommendation 6:** The CCA recommends the Federal Government implement a range of policies to help people experiencing disadvantage benefit from the net zero transition as set out in the ACOSS submission, including to:

- Provide homes that are healthy, affordable, energy efficient and climate resilient.
- Transport that is accessible, clean and affordable
- Ensure everyone has equitable access to affordable, clean and reliable energy to meet their needs.
- Ensure First Nations people have access to essential services, exercise self-determination over their territories, benefit from the transition and build climate resilience.
- A fair and inclusive transition for impacted workers and communities, including people within those communities experiencing disadvantage.
- Create sustainable employment and workforce in zero emissions economy.
- Ensure the essentials, including adequate income and affordable housing, are met to enable people to build resilience and benefit from the zero transition.
- Support the community sector to reduce its carbon footprint.

*Progress and wellbeing framework*

**Recommendation 7:** The CCA expand its well-being framework to include a broader range of circumstances that lead to increased vulnerability to climate

change and climate change responses (including people on low income, unemployed, frail older people, First Nations people, newly arrived migrants and refugees, single parents and their children, people with disabilities and their careers, people experiencing homelessness, women and children at risk of violence, young people) and issues that cut across the circumstances to amplify vulnerability and disadvantage (including living in regional and remote areas, renting, language and cultural diversity, and gender).

**Recommendation 8:** The CCA make the following amendments to its key dimensions of wellbeing:

- Expand 'health' dimension to explicitly mention mental and physical health.
- Include a dimension on 'utilities' - energy, water, and digital inclusion.
- Include a dimension on 'affordable and accessible transport'.

**Recommendations 9:** The CCA undertakes broad and deep community engagement process, to ask communities what is important to their wellbeing, including listening to First Nations Australians about First Nations perspectives of wellbeing.

### *Emissions Reductions Targets*

**Recommendation 10:** The CCA should recommend the Federal Government strengthen Australia's emissions reduction targets to reduce emissions to 75% below 2005 levels by 2030, and achieve net-zero emissions by 2035. This goal should be revised as new scientific data and understanding of the climate risk become available.

**Recommendation 11:** International carbon offsets markets should have a minimal role in meeting Australia's emissions reduction goals, used only if and when options for domestic abatement have been exhausted.

**Recommendation 12:** In addition to an economy wide target, ACOSS:

- Supports the use of a range of target types, including emissions budgets, net zero targets, sectoral targets, adaption targets, climate finance and conservation targets.
- Calls for caution in using target bands and technology targets.
- Calls for social and sustainability targets along the lines of the [sustainable development goals](#) to be measured, including poverty reduction; reducing inequality; gender equality; good health and wellbeing; decent work and inclusive and sustained economic growth; and sustainable cities and communities.

**Recommendation 13:** In developing targets the CCA and the Government must have regard to the principle of equity and common but differentiated responsibilities and respective capabilities of nations, and fairness and inclusion transformation framework.

**Recommendation 14:** The CCA should draw on experts, the community services sector and people directly affected by climate change impacts, in developing targets.

**Recommendation 15:** The CCA should recommend the Federal Government aim to achieve rapid decarbonisation in all sectors, prioritising some sectors like stationary energy for faster and early emissions reductions.

**Recommendation 16:** The CCA should recommend the Federal Government prioritise genuine emissions reductions, with use of offsets minimised and accounted for separately. In its advice on targets, the Authority should specify the amount by which emissions need to be concretely reduced, place a strict limit on what can be offset, and set separate targets for carbon removals.

**Recommendation 17:** Inclusion and measurement of the co-benefits of prioritising fast and early emissions reductions in some sectors should be considered, including reducing inflation, job creation, cost savings for people, reduction in health costs, improved health and well-being and reduction in poverty and inequality.

### *International contributions*

**Recommendation 18:** The CCA should recommend to the Federal Government to increase Australia's current climate finance to \$3 billion over 2020-2025 and scale up Australia's contributions to global climate finance to provide a fair share by 2030.

**Recommendations 19:** The CCA should consult on level of funding Australia should contribute to the international loss and damage fund.

**Recommendation 20:** The CCA should recommend to the Federal Government that it influences multilateral development banks to shift their lending toward Paris Agreement alignment by developing and implementing strong and transparent policies on overseas fossil fuel financing. This starts with Australia signing up to the Statement on International Public Support for the Clean Energy Transition (the Glasgow Statement) and developing clear policies to implement the Statement – including by ruling out investments in fossil fuels through the multilateral development banks.

**Recommendation 21:** The CCA should recommend the Federal Government plan for and develop policies to support domestic and international climate change refugees.

### *End Fossil Fuel production and supports.*

**Recommendation 22:** The CCA should recommend the Federal Government ban new and expanded fossil fuel projects.

**Recommendation 23:** The CCA should recommend the Federal Government phase out existing fossil fuel projects at a pace consistent with limiting global warming to 1.5°C.

**Recommendation 24:** The CCA should recommend the Federal Government rapidly phase out all fossil fuel subsidies, rebates and tax credits, and repurpose revenue to help industries and people experiencing financial and social disadvantage transition to renewable energy sources and more efficient operations.

### *Other matters*

**Recommendation 25:** The CCA recommend the Federal Government apply a fair, fast and inclusive climate change mitigation and adaptation lens across a range of government social, health and employment reform and policy development agendas.

**Recommendation 26:** The CCA recommend the Federal Government establish a Treasury review of how Australia's tax settings align with its climate change goals. This includes eliminating tax settings that perversely disincentivise a reduction in emissions, and progressive and equitable tax options to fund climate change mitigation and adaptation.

**Recommendation 27:** The CCA should ensure that advice consistently reflects the scale of action required, the science, and the many co-benefits for health, equality, security, and future prosperity that stronger, fairer and more inclusive action on climate change can provide.

**Recommendation 28:** The CCA recommend the Federal Government put in place processes to ensure continued work with the states, territories and local councils to progress strong action on climate change mitigation and adaptation.

## Discussion

ACOSS welcomes the opportunity to provide feedback on the Climate Change Authorities (CCA) [Issues Paper](#) to inform four interrelated projects in 2023 to:

- Advise on emissions reductions targets for Australia's next (2035) Nationally Determined Contribution (NDC) under the Paris Agreement, due 2024.
- Advise the Minister for Climate Change and Energy's Annual Climate Change Statement, i.e. the 2023 Annual Progress Report, due late 2023
- Review of the Carbon Credits (Carbon Farming Initiative) Act 2011 and the National Greenhouse Energy Reporting Act 2007.

To inform the projects, the CCA is seeking general feedback on three conceptual Frameworks:

- Strategic Policy Framework – for informing policy advice
- Progress Framework – for assess and advising on progress towards Australia's targets.
- Target-Setting Framework – for developing advice on Australia's emissions reductions targets.

The CCA is also seeking more detailed input on nine issues that cut across the four interrelated projects:

1. Leading indicators
2. Sectoral pathways
3. Contributions beyond Australia's borders
4. Preparing Australian society
5. Targets
6. Are Kyoto-era schemes fit for the Paris Agreement era?
7. Carbon credit integrity
8. International units
9. Other matters

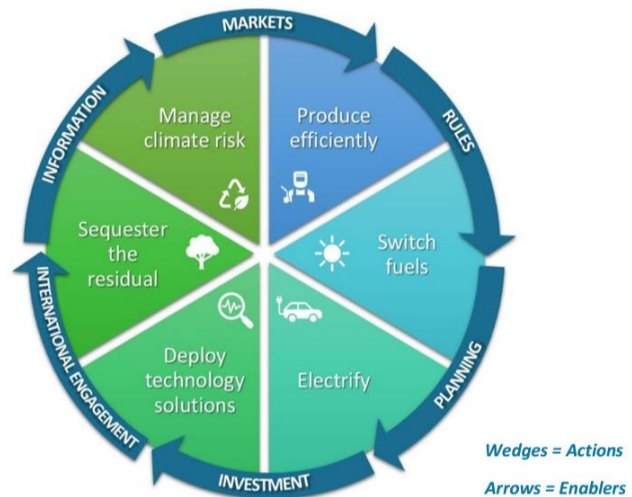
Our submission will focus primarily on the conceptual frameworks and will address some of the questions posed in the section on cross-cutting issues.

## Frameworks

### **Strategic Framework include a fair and inclusive transformation framework.**

The CCA has developed a strategic framework to inform policy advice, including six actions and six enablers that drive the bulk of **mitigation** and **adaptation** changes needed for a prosperous and resilient, net zero emissions Australia. The CCA is seeking feedback on the strategic framework (figure 1).

**Figure 1. CCA’s Strategic Framework of six actions and six enablers of a prosperous resilient net zero Australia.**



### CCA Consultation Questions

1. What actions and enablers beyond those identified in the Strategic Framework could help Australia progress towards a prosperous and resilient net zero future? What are your highest priorities?

### *Include a fair and inclusive transformation as a strategic enabler.*

A critical element missing from the strategic framework and indeed the Federal Government’s framework is an enabler focused on a fair and inclusive transformation.

A fair and inclusive transformation (encompassing the concepts of ‘climate justice’, ‘just transition’ and ‘human rights’) recognises that not everyone contributes equally to or are impacted equally by climate change and the transition to net zero economies. It addresses the need for just division, fair sharing, and equitable distribution of the burdens of climate change and its mitigation and responsibilities to deal with climate change.<sup>2</sup> It is grounded in a human rights-based approach.<sup>3</sup> It aims to ensure environmental sustainability as well as decent work, social inclusion, and poverty eradication.<sup>4</sup>

These concepts are embedded in the Paris Agreement, which calls on States, when taking action to address climate change, to:

- “Emphasise the intrinsic relationship that climate change actions, responses and impacts have with equitable access to sustainable development and eradication of poverty”;<sup>5</sup>

<sup>2</sup> [https://en.wikipedia.org/wiki/Climate\\_justice](https://en.wikipedia.org/wiki/Climate_justice)

<sup>3</sup> <https://www.ohchr.org/en/climate-change/integrating-human-rights-unfccc>

<sup>4</sup> <https://www.oecd.org/environment/cc/q20-climate/collapsecontents/Just-Transition-Centre-report-just-transition.pdf>

<sup>5</sup> [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf), pg. 1.



- “Note the importance for the concept of “climate justice” when taking action to address climate change”;<sup>6</sup>
- “Respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity”;<sup>7</sup> and
- “Taking into account the imperative of a just transition of the workforce and the creation of decent work and quality jobs”.<sup>8</sup>

While the Issues Paper includes the concept of wellbeing assessment framework to “measure progress to achieve a just transition and resilient nation”, we believe this is fraught if there is no actual explicit objective from government or the strategy framework to consider a fair and inclusive transformation.

Without an explicit focus on a fair and inclusive transformation there is a significant risk we won’t achieve a low-carbon, environmentally and socially sustainable economy that is essential to the wellbeing of future generations. For example, the International Labor Organisation (ILO) argues that if the transition is not carefully managed, changes could result in increased social inequality, worker disillusionment, strikes or civil unrest and reduced productivity, as well as less competitive businesses, sectors and markets.<sup>9</sup> Certainly without a fair and inclusive transformation framework sitting alongside emissions reductions framework, the Federal Government will not have the social license to accelerate climate change action.

Currently, there is no federal policy framework in place to plan and manage adaptation and the impact of the transition on people experiencing poverty and disadvantage, fairly and inclusively. Those with the most to lose are the least heard and opportunities to address climate change, poverty and inequality are being missed.

We can do things differently. If we can get the frameworks and policy settings right to guide adaptation and the transition to net zero emissions, we can accelerate action to mitigate climate change and create a more equitable and sustainable future for everyone.

ACOSS recommends the CCA adds an enabler focused on a fair and inclusive transformation to guide climate change mitigation and adaptation actions of government, business, workers, households and communities.

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<sup>6</sup> [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf), pg. 2.

<sup>7</sup> [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf) , pg. 2.

<sup>8</sup> [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf), pg. 2.

<sup>9</sup> [https://www.ilo.org/global/topics/green-jobs/WCMS\\_824102/lang--en/index.htm](https://www.ilo.org/global/topics/green-jobs/WCMS_824102/lang--en/index.htm)

**Recommendation 1: The CCA add fair and inclusive transformation as an enabler to their strategic framework to guide climate change mitigation and adaptation actions.**

In addition to the CCA including a fair and inclusive transformation as an enabler to their strategic framework, they should recommend the Federal Government implement a fair and inclusive transformation framework.

A fair and inclusive transformation framework would bring a climate justice and just transition lens to all climate change mitigation and adaptation actions to ensure that impacts of climate change and benefits of the transition are fairly distributed across communities and people, and we can create.

Ideally elements of the fair and inclusive transformation framework would be **legislated**, to require all government portfolios and relevant agencies to be guided by fairness and inclusion objectives and principles in developing policies, programs or processes to achieve the emission reduction targets. We would recommend amending the current Climate Change Act 2022 to insert fairness and inclusion objectives and principles.<sup>10</sup>

Legislating would also ensure there would be transparency and accountability around fairness and inclusion, and ensure adequate funding is allocated to achieve the objectives.

A fair and inclusive transformation framework should articulate a **vision**, along the lines of a “future Australia that actively improves outcomes for all people, communities and the environment, reduces inequality and builds resilience to climate change impacts”.

A fair and inclusive transformation framework should be guided by **principles**, that could include:

- Be **just and fair**, recognising that not everyone contributes equally to or are impacted equally by climate change and the transition to net zero economies. Ensure there is just, fair and equitable response to mitigation and adaptation taking into account social, cultural and economic difference and intergenerational equity. Ensure that people who are socially or financially disadvantaged are not worse off, and ideally, are better off.
- Be **inclusive and representative**, by informing and actively engaging people and communities, especially those impacted the most, in developing and implementing climate change strategies (this would include First Nations peoples, people with disabilities, people experiencing poverty, elderly people, children and women, and people in regional and remote areas)
- Foster **self-determination**, by upholding the right of First Nations peoples to exercise self-determination over their lands, territories, resources and cultures, recognising the necessity and benefit of including their knowledge, concerns and needs in climate change assessment and action.

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<sup>10</sup> See for example ACROSS submission to the Climate Change Bill 2020 <https://www.acoss.org.au/wp-content/uploads/2021/08/220810-ACOSS-submission-on-Climate-Change-Bill-2022-Final-2.0.pdf>

- Promote **health and wellbeing**, by identifying and promoting climate mitigation and adaptation actions that produce positive health and wellbeing outcomes, especially for people experiencing poverty and social disadvantage.
- Create **fair and sustainable employment** and economic opportunities and transition, for workers and communities impacted by the transition to net zero.
- **Take early action in line with limiting warning to 1.5 degrees Celsius**, 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.

There should also be a **coordination mechanism** to coordinate action across different government portfolios, different tiers of government and across geographical jurisdictions. The coordination mechanisms could sit within the newly established Net Zero Transition Authority; or within the Department of Climate Change, Energy, Environment and Water; or a new entity.

We note there is likely to be broad support for our proposal. For example, during the debate on the Climate Change Bill 2022, a cross section of business, social, environment and research organisations agreed on and supported the insertion of fairness and inclusion objectives and principles in the Bill.<sup>11</sup>

A fair and inclusive framework should apply to across Australia’s policies on climate change mitigation, adaption and international financing.

**Recommendation 2: The CCA recommends the Federal Government implement a fair and inclusive transformation framework, including legislating objectives, principles and establishing appropriate coordination and accountability mechanisms, preferably be amending the Climate Change Act 2022.**

In July 2022, the United Nations General Assembly declared that everyone on the planet has a right to a healthy environment. The UNDP describes the new right as a powerful tool to address the human rights impacts of climate change, biodiversity loss and pollution and ensure rights-based environmental action. The Australian Human Rights Commission has developed a position paper for a Human Rights Act in Australia<sup>12</sup> which would include the ‘rights to a healthy environment’.

**Recommendation 3: The CCA endorses the inclusion of *Rights to a Healthy Environment* and recommend the Federal Government include it in the**

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<sup>11</sup> <https://www.acoss.org.au/wp-content/uploads/2022/09/Joint-Statement-of-Support-for-an-amendment-to-insert-principles-in-Climate-Change-Bill-2022.pdf>

<sup>12</sup> [https://humanrights.gov.au/sites/default/files/free\\_equal\\_hra\\_2022\\_-\\_main\\_report\\_rgb\\_0\\_0.pdf](https://humanrights.gov.au/sites/default/files/free_equal_hra_2022_-_main_report_rgb_0_0.pdf)

**development of a national Human Rights Act and the Climate Change Act 2022.**

*Include science, research and development and measurement as strategic enablers.*

The strategic planning framework should also be informed by the best available science; research and development; and measurement and evaluation.

**Recommendation 4: The CCA include best available science; research and development; and measurement and evaluation; to the strategic framework to guide the climate change mitigation and adaptation actions.**

**Progress framework and preparing for change.**

For its first Annual Progress Report released in 2022, the Authority developed the Progress Framework (Figure 2) for assessing and advising on Australia’s progress towards a prosperous and resilient net zero nation. The Authority is seeking feedback on this framework and whether improvements can be made that support the tracking of progress, other issues relevant to assessing climate policy progress, and on measurable data which could provide early indications (leading indicators) of whether the economy is transitioning to net zero fast enough.

**Figure 2. CCA’s progress Framework used for annual progress reports showing relevant sections of the Climate Change Act 2022.**

WELLBEING	s 12(1)l, s 12(1)f	Progress towards a just transition and resilient nation			
		Economic impacts and opportunities	Physical impacts and adaptation	First Nations	Regional and rural Australia
EMISSIONS	s 12(1)a	Progress towards national greenhouse emissions reduction targets			
		Leading indicators of change	Point target compliance	Emissions budget tracking	Emissions sectoral trends
POLICIES	s 12(1)c, s 12(1)d	Progress in implementing policies			
		Mitigation and adaptation policy stocktake	Policy gap analysis	Indicators of direct effectiveness	Indicators of indirect effectiveness
CONTEXT	s 12(1)b	Developments in the broader operating environment			
		Climate science and global impacts	Geopolitics	International ambition and policies	Voluntary corporate action

The Authority is also “keen to hear views on how Australia can transition to a low-emissions society and adapt to climate change while minimising social inequities. This is important for providing advice to Government on how to prepare and work with households, business, workers and communities”.

CCA Consultation Questions:

2. How are you and the people around you impacted by or preparing for the net zero transition and Australia’s climate future? How can governments better support you to prepare for or respond to the impacts?

18. What risks and opportunities do you (including your household, business, workers and communities) face as the world decarbonises and as Australia responds to the impacts of climate change?

19. What could governments do to help prepare for change?

*People experiencing financial or social disadvantage are impacted by climate change first, worse, and longest due to multiple risks and barriers.*

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

We have seen firsthand the increasing devastation of climate change impacts on communities, to their mental and physical health, homes, jobs, general quality of life and sadly loss of life.

While climate change will impact everyone, people experiencing financial or social disadvantage are impacted by climate change first, worse, and longest because they:

- Live in areas at greater risk to extreme weather like floods, fires, and storms often because housing is more affordable and available in disaster prone areas.
- Live in housing that is at greater exposure to extreme weather such as heat, floods, fires and storms because the housing has poor energy performance and not constructed to reduce the risks from flood, fires and storms.
- Lack access to affordable, accessible and safe transport, which can make response to extreme weather events inequitable.
- Lack resources, choice or control to reduce to reduce risk, respond, recover and build resilience.
- Lack of access to linguistically and culturally appropriate education and information.
- Lack of access to services, supports and social networks.

Climate change impacts increase financial stress, can lead to loss of employment, homelessness, increase risk of domestic violence, negative physical health, and worsens long-term mental health, deepening disadvantage. For example:

- Lack of or under-insurance and the rejection of insurance claims, leave people unable to live in or to repair their homes, loss of vehicles, content leading to long-term financial loss.
- Closures of local businesses affected by extreme weather or forced relocation due to lack of housing can lead to loss of employment.
- Impact on habitable housing can result in housing shortages, leading to increase in rent, forced relocation, people forced into inadequate accommodation (tents).
- Increased living costs due to the rise in the costs of food and other essential services also affected by the natural disaster.
- Heatwaves are responsible for more deaths than all other extreme weather events combined,<sup>13</sup> with an estimated 36,000 deaths associated with the heat between 2006 and 2017. People experiencing disadvantage are over-represented.

Circumstances' such as income, ethnicity, nationality, age, culture, disability and gender can contribute to experiencing great vulnerability to climate change impacts, overlaid with multiple circumstances and cross cutting issues like geographical location, housing ownership, linguistic and cultural diversity, and gender can amplify disadvantage.

The level of capacity and preparedness of the community services sector can also impact on a person's vulnerability to climate change and how well they respond, recover and build resilience. Responding to disasters being made worse by climate change is now a core responsibility for community services. Community services organisations provide food, goods, equipment, clothing, shelter, care provision, financial support, counselling and advisory services for people navigating trauma. Demand for these services remains high and not just in the initial aftermath of an event, but for months and years after.

The sector's core services, which enable it to respond to emergencies and disasters, are badly under-funded. Organisations are also directly affected by disasters, with workers and volunteers themselves being survivors (or disaster-impacted) and local offices suffering damage.

*People experiencing financial or social disadvantage are being left behind in the transition because of multiple risks and barriers.*

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

People experiencing financial and social disadvantage:

- Pay disproportionately more for essentials services like housing, energy, transport, food, medical and insurance. This currently being exacerbated by

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<sup>13</sup> L Coates et al., 'Exploring 167 years of vulnerability: an examination of extreme heat events in Australia 1844–2010', in *Environmental Science & Policy*, vol. 42, 2014, 33–44

inflation high energy prices, high housing prices and other cost of living pressures.

- Less likely to live in energy efficient homes, have energy efficient appliances and less likely to own rooftop solar, batteries, smart meters, and electric vehicles, which could reduce costs. Are unable to afford, or if they rent, have no choice to access clean and cost saving technologies.
- Less likely to be able to disconnect from gas and electrify to reduce network and appliance operating costs because they are unable to afford, or if they rent, have no choice.
- More likely to be impacted by transport inequality. They are more likely to live farther from public transport and community hubs, more likely to be time-poor, more likely to travel outside of peak hours and more likely to rely on private transport. This inequality is being exacerbated by the current fuel crisis with people on low-fixed incomes struggling to afford fuel and reporting difficulties affording to travel to work, medical appointments, and other commitments.
- Some policies and energy market rules exacerbate the problem. For example:
  - Most subsidies for clean and cost saving technology are poorly targeted favouring people who have assets (i.e. rooftop solar subsidies) or have higher disposable incomes (i.e. fringe benefit tax on electric vehicles)
  - Some subsidies are funded through energy bills like small scale renewable energy scheme (SRES), which means people on low incomes contribute disproportionately more towards the subsidy (because they pay disproportionately more of their income on energy bills) and they benefit the least from the subsidy.
  - Pay more for electricity and gas network costs due higher energy consumption (because they live in an inefficient housing or do not have solar).
- Often lack access to transparent and cultural appropriate information and education.

As with vulnerability to climate change impacts, circumstances' such as income, ethnicity, nationality, age, culture, disability and gender can contribute to experiencing great vulnerability to climate change impacts, overlaid with multiple circumstances and cross cutting issues like geographical location, housing ownership and linguistic and cultural diversity, can amplify disadvantage.

*If we get the settings right there are opportunities to reduce poverty and inequality and create more sustainable and fairer society.*

A fair, fast and inclusive plan to address climate change mitigation and adaptation has the ability to improve the lives of people facing poverty and inequality, from the cities to the outback. It creates opportunities for more affordable, health and reliable energy, housing and transport suited to a changing environment, and access to jobs in the new energy economy.

With the right framework in place, we could, for example:

- improve energy efficiency and access to rooftop solar for 1.8 million low-income homes that would cut power bills, improve health outcomes, improve



resilience to climate change, cut emissions, create more than 23,800 local jobs and add \$4.9 billion to GDP;

- empower and support First Nations communities to access and manage renewable energy farms, carbon offset projects, manage country and make housing efficient, electric and self-sufficient.
- ensure workers and communities impacted by the transition get a say in transition plans and transforming their community in an equitable and sustainable way.

If we don't get it right, climate action will either come too late or come at the expense of people experiencing disadvantage, leaving millions of people behind in the transition and further entrenching inequality.

### *What Government can do to help people experiencing disadvantage adapt and build resilience to climate change?*

In addition to implementing a fair and inclusive transformation framework, including legislating objectives, principles and establishing appropriate coordination and accountability mechanisms, there are a range of things the government can do help people experiencing disadvantage adapt to and build resilience to climate change.

- **Empower communities to build their resilience and manage recovery investing in local community resilience hubs, local council community resilience committees, and vulnerability data.** Including by:
  - Creating and funding local Community Resilience Hubs which are community-led, engage in building community resilience and assist the community in planning, response and recovery.
  - Funding local councils to form local community resilience committees to support the development and implementation of resilience plans, and to promote collaboration and joint planning between government, community organisations and local businesses.
  - Supporting the development of an online tool that includes a social vulnerability index (such as the Australian Natural Disaster Resilience Index) and mapping feature to help identify where communities may need additional support to build resilience, prepare, respond and recover from disasters.
  - Providing funding to support First Nations Peoples and communities to participate in whole-of-community responses to build climate resilience



and to better prepare for, respond to and recover from disasters, that builds on traditional and local knowledge.

- Better land use planning.
- Resourcing community service organisations to build the resilience of their clients.
- **Better meet the needs of people impacted by climate change including increase in financial, housing, food, and other essential supports to better meet the needs of people impact by disasters.**
  - Increasing the Australian Government Disaster Recovery Payment from \$1,000 to \$3,000, and from \$400 per child to \$1,000 per child. These payments have not been increased since 2006 and the cost of living has increased substantially in that time. The \$20,000 asset limit should be removed.
  - Increasing the amount and duration of Disaster Recovery Allowance to \$73 a day, indexed to wages. The allowance is paid at the same rate as JobSeeker, just \$48 a day for a single person. This is clearly inadequate for anyone, let alone someone who has lost everything in a disaster.
    - Supporting access to affordable housing by:
      - providing rent and relocation assistance for the period of the recovery.
      - assisting with providing and identifying short-term accommodation.
      - developing a national temporary housing program.
      - Expanding mobile recovery centres and outreach clinics.
  - Providing additional funding to meet increased demand for social support services post disaster, including:
    - food relief
    - legal and social support services
    - adequate mental health support over the short, medium and long term
    - specialist domestic and family violence services, particularly in the recovery period after a disaster
    - other additional support tailored and responsive to community needs, particularly in regional and rural areas.
  - Prioritise retrofits to low-income housing to be more resilient to heat, floods, fires and other extreme weather events.
- **Provide access to affordable, accessible insurance.** The Australian Insurance Council has expressed concerns that climate change will lead to increased damage to our infrastructure, property and assets, and that insurance customers will need to make more claims. It is well established that having insurance reduces financial hardship and speeds up recovery when affected by a disaster. However, covering the cost of insurance is becoming more difficult. The Insurance Council notes that insurance premiums have risen because of an increase in catastrophic events. The average home insurance premium now costs almost four times as much as it did in 2004. Scientific research shows every region in Australia will be

affected by more frequent and more extreme weather events, and it is possible some regions will become uninsurable.

A report by the Actuaries Institute on home insurance affordability shows that home insurance is already unaffordable for more than one million households and will become prohibitive because of climate change impacts already locked in. Many studies show people on low incomes have lower take-up of insurance because they cannot afford it. As insurance premiums increase, it is inevitable we will see more people, especially people already experiencing financial hardship, drop or reduce insurance as the costs become prohibitive. This will increase financial disadvantage and inequality in our community and lead to an increase in the need for government support.

The current 'risk pricing' insurance framework is no longer fit-for-purpose. Recent insurance reviews have not adequately addressed the extent of climate change impacts on insurance affordability, especially for people on low incomes. The current Northern Australia Reinsurance Pool is restricted to Northern Australia and focused on cyclones and cyclone related flooding. There has been no consideration of the role of social insurance and forms of targeted subsidies for people on low incomes. All require further examination and action.

- Establishing a comprehensive review of affordable, accessible and quality insurance, having regard to the worsening impacts of climate change. The review must include a focus on specific support for people experiencing financial disadvantage.
- In the short-term, the Government and industry should work together to increase the affordability and accessibility of insurance products for people living on low incomes, including subsidies, expanding the range of low-cost products, payment options and other mechanisms to make premiums easier to manage.
- Collecting data on take-up of insurance, including under-insurance and non-insurance.
- **Strengthen the capability of community sector to adapt and be better prepared and resilient to climate change impacts and extreme weather, including:**
  - Creating a permanent enabling fund - Community Sector Disaster Resilience Fund - to complement or be integrated within the Disaster Ready Fund, so community services have core funding to adapt, improve preparedness and improve response and recovery due to climate change impacts and extreme weather events. This should include funds to participate in planning, response and recovery at appropriate levels; provide training for staff, volunteers, and local communities; undertake risk assessments and service continuity plans; undertake adaptation and preparedness benchmarking;
  - Provide funds to social sector peaks to strengthen the community sector climate change adaptation and disaster management tool, establish a community of practice and provide training to community sector organisations to implement the disaster management tool (to conduct

- sector specific risk assessments and develop disaster management and service continuity plans).
- Strengthen capability of community sector to respond to disasters and better support recovery, by creating a permanent flexible contingency fund - Community Sector Disaster Contingency Fund – complementary to or integrated within the Disaster Recovery Funding Arrangements, so community services in disaster areas can quickly replace equipment, support workforce constraints, and meet increased demand during disaster response and recovery efforts.

**Recommendation 5: The CCA recommends the Federal Government implement a range of policies set out in the ACOSS submission, including to:**

- **Empower communities to build their resilience and manage recovery investing in local community resilience hubs, local council community resilience committees, and vulnerability data.**
- **Better meet the needs of people impacted by climate change including increase in financial, housing, food, and other essential supports to better meet the needs of people impact by disasters.**
- **Support the provision of affordable and accessible insurance, especially for people on low incomes.**
- **Strengthen the capability of community sector to adapt, be better prepared and resilient to climate change and extreme weather disasters.**

*What Government can do to help people experiencing disadvantage benefit from the net zero transition.*

In addition to implementing a fair and inclusive transformation framework, including legislating objectives, principles and establishing appropriate coordination and accountability mechanisms, there are a range of things, there are many ways in which Governments could help people experiencing financial and social disadvantage to reduce their carbon footprint and benefit from the net zero transition, including:

- **Homes that are healthy, affordable, energy efficient and climate resilient.** See [ACOSS submission to the National Energy performance Strategy consultation for a range of recommendations, which includes:](#)
  - Increase new build standards to achieve zero-carbon homes by 2025.
  - Introduce mandatory disclosure of building energy performance when sold and leased by 2025.
  - Mandate minimum energy efficiency performance standards for rental properties by 2025.
  - Phase out use of gas and support electrification in existing homes, with support for people on low-incomes and standards for rental properties to make this transition.
  - Fund energy performance retrofits (energy efficiency, electrification and rooftop solar) for low-income housing, prioritising Aboriginal and Torres Strait Islander housing, public and social housing.
  
- **Transport that is accessible, clean and affordable.** See [ACOSS submission to the Electric Vehicles strategy , key recommendations include:](#)
  - Develop national clean transport strategy that should focus on reducing the reliance on privately owned cars by investing in greater access to zero emissions public transport, shared transport, walking, cycling, mode shifting and other transport options.
  - Develop electric vehicle (EV) targets, including for uptake for people on low-income.
  - Provide targeted support to low-income households to access EVs via subsidies, no-interest loans and social leasing schemes.
  - Implement ambitious, mandatory fuel efficiency standards.
  - Accelerate second-hand EV market via:
    - Reducing barriers to EV imports while implementing appropriate safeguards
    - Federal, State and local governments committing to ambitious EV fleet purchase.
    - Support for the community sector to purchase EV fleets.
  
- **Ensure everyone has equitable access to affordable, clean and reliable energy to meet their needs:**
  - Ban prepaid cards for energy supply in remote areas.
  - Reform energy concessions/rebate in each jurisdiction to better meet needs, including shifting to percentage-based energy concession/rebate, expanding eligibility, and improving access.
  - Ban electricity and gas disconnections for consumers who can't pay, extending this protection to new services as they become available.
  - Improve energy hardship and payment difficulties frameworks for retailers to ensure that they provide adequate support to customers before debt is accrued.
  - Improve accessibility of information for consumers about the energy market.
  - Shift subsidies off energy bills.

- **Ensure First Nations people have access to essential services, exercise self-determination over their territories, benefit from the transition and build climate resilience.** Government should engage with First Nations communities and people at all levels of decision making to develop solutions, activities could include:
  - Establish a First Nations Communities Clean Energy Fund to invest in clean, affordable and reliable energy.<sup>14</sup>
  - Federal Government partners with the states and territories to invest in improving the energy performance and resilience of Aboriginal and Torres Strait Islander public and community housing, and Land Council managed housing.<sup>15</sup>
  - Priorities First Nations led land and waterway management, including carbon offset and nature-based projects.
  - Ensure principles of consultation, self-determination and sovereignty with respect to the development of renewable energy, mining and other projects on Aboriginal land.
  - Prioritise funding to support First Nations Peoples and communities to participate in whole-of-community responses using traditional and local knowledge to conduct impact assessment and build climate resilience and mitigation.<sup>16,17</sup>
  - Government works with private interests to invest in Aboriginal and Torres Strait Islander workforce development and culturally appropriate service delivery solutions.
- **A fair and inclusive transition for impacted workers and communities, including people within those communities experiencing disadvantage.** We welcome the establishment of the Net Zero Transition Authority. We recommend the Authority:
  - Undertake regional vulnerability and risk assessments, and co-design plans with a broad range of stakeholders, including workers and communities.
  - Diversify regional economies, promote employment opportunities, and facilitate worker protections.
  - Administer a fund to support people experiencing poverty and disadvantage to benefit from the transition.
  - Promote energy transition and industrial value chains.
- **Create sustainable employment and workforce in zero emissions economy.**
  - Commit to full employment target, integrating climate change and labour related objectives in a legal framework to align employment strategies with climate goals.<sup>18</sup>

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<sup>14</sup> ACOSS [Securing Fair, Fast and Inclusive Climate Action](#)

<sup>15</sup> ACOSS 2023, [Submission to National Energy Performance Strategy](#)

<sup>16</sup> ACOSS 2022 [Fair, Fast and Inclusive Climate Action and Thriving Climate-Resilient Communities](#)

<sup>17</sup> <https://www.closingthegap.gov.au/national-agreement>

<sup>18</sup> ACOSS 2022 Policy Platform, [Supporting people to secure paid employment](#)

- Invest in research and development in industries that reduce emissions and ease climate change impacts on people with the least,<sup>19</sup> (e.g. clean energy industries, energy efficiency retrofits of low-income housing, climate change resilience and adaptation industries, environmental sustainability initiatives).
  - Commit to lifting workforce participation to ease labour shortages and include people still excluded from paid employment.
  - Support Jobs and Skills Australia to lead strategic workforce planning at national, industry and regional levels.
  - Ensure people have the skills to meet the demands in a decarbonised economy, including in other growing sectors such as the care economy, hospitality etc.
- **Ensure the essentials are met to enable people to build resilience and benefit from the zero transition.** Everyone can cover basic living costs, including for housing, essential services, health, education and employment. recommended policies include:
    - Lift base rates of income support payments, including JobSeeker and Youth Allowance to the same level as the pension (\$532 per week for a single person, including pension supplement) and index all working-age payments twice per year in line with Consumer Price Index and wages.<sup>20</sup>
    - Improve the adequacy of payment supplements to meet additional living costs, including by lifting the maximum threshold for Commonwealth Rent Assistance by 50% and by establishing a Disability and Illness Supplement and a Single Parent Supplement
    - Build more social and affordable housing.
  - **Support the community services sector to reduce its carbon footprint.**

**Recommendation 6: The CCA recommends the Federal Government implement a range of policies to help people experiencing disadvantage benefit from the net zero transition as set out in the ACOSS submission, including to:**

- **Provide homes that are healthy, affordable, energy efficient and climate resilient.**
- **Transport that is accessible, clean and affordable**
- **Ensure everyone has equitable access to affordable, clean and reliable energy to meet their needs.**
- **Ensure First Nations people have access to essential services, exercise self-determination over their territories, benefit from the transition and build climate resilience.**

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<sup>19</sup> ACOSS 2022, [Restoring full employment: policies for the Jobs and Skills Summit](#)

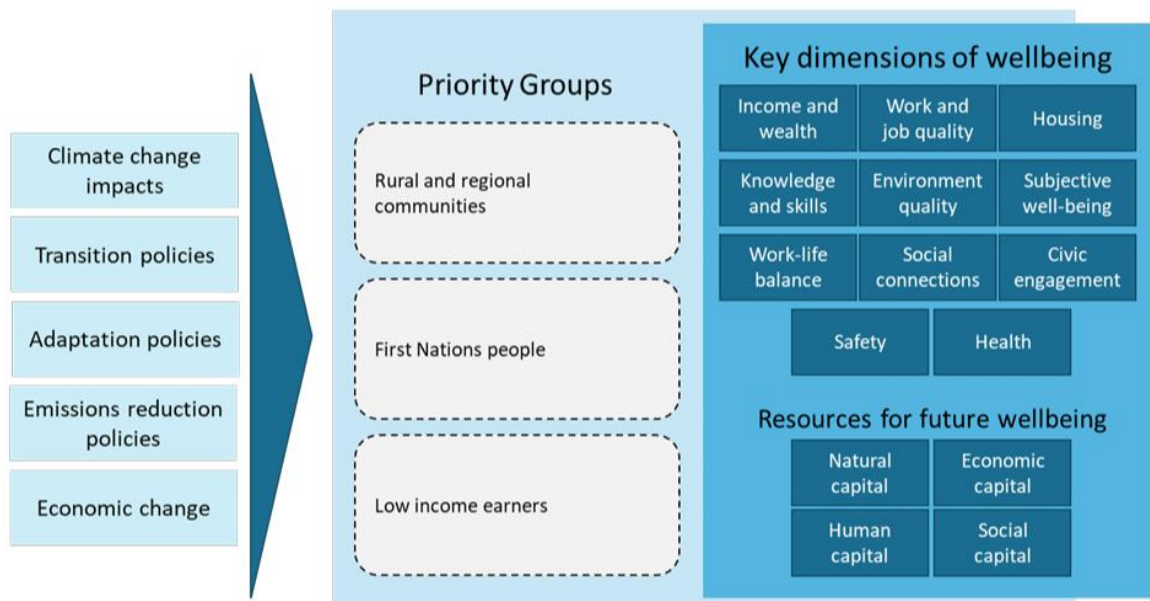
<sup>20</sup> ACOSS [Raise the Rate for Good](#)

- **A fair and inclusive transition for impacted workers and communities, including people within those communities experiencing disadvantage.**
- **Create sustainable employment and workforce in zero emissions economy.**
- **Ensure the essentials, including adequate income and affordable housing, are met to enable people to build resilience and benefit from the zero transition.**
- **Support the community sector to reduce its carbon footprint.**

## Wellbeing Framework

In developing a wellbeing framework to assess wellbeing in the climate change context, the CCA has built upon the OECD Framework for Measuring Wellbeing and Progress (the dark boxes in figure 3 below)

**Figure 3. CCA’s proposed well-being framework to achieve a just transition and resilient nation.**



CCA Consultation Questions:

*3. What should the Authority measure or assess to determine progress towards a just transition and improved wellbeing?*

ACOSS welcomes the inclusion of a wellbeing framework to assess the impacts from climate policy, the net zero transition and the physical impacts of climate change on wellbeing. We provide the following comments regarding priority groups, and key dimensions and measurements of well-being.



*The CCAs priority groups should be expanded to include all people experiencing financial and social disadvantage.*

As the Issue Paper notes “Climatic and economic changes affect people very differently depending on their circumstances. Income, where you live, ethnicity, nationality, age, culture, disability and gender are some examples of the differences that matter”.

From ACROSS’s research and experience suggests people most at risk are those experiencing financial and social disadvantage, including:

- People on low income.
- Unemployed.
- Frail older people.
- Aboriginal and Torres Strait Islander peoples.
- Newly arrived migrants and refugees.
- Single parents and their children.
- People with disabilities and their carers.
- People experiencing homelessness.
- Women and children at risk of family violence.
- Young people.

Many people experiencing financial and social disadvantage will fall into several of the categories above and face additional cross cutting issues such as:

- Living in regional and remote areas.
- Renting.
- Language and cultural differences.

These multiple and intersecting factors will amplify inequalities resulting from climate change impacts and poorly managed transition.

The CCA propose to pay particular attention to three groups who they argue more commonly experience multiple kinds of vulnerability, such as financial strain, limited access to social services like education and healthcare, and social discrimination, they are:

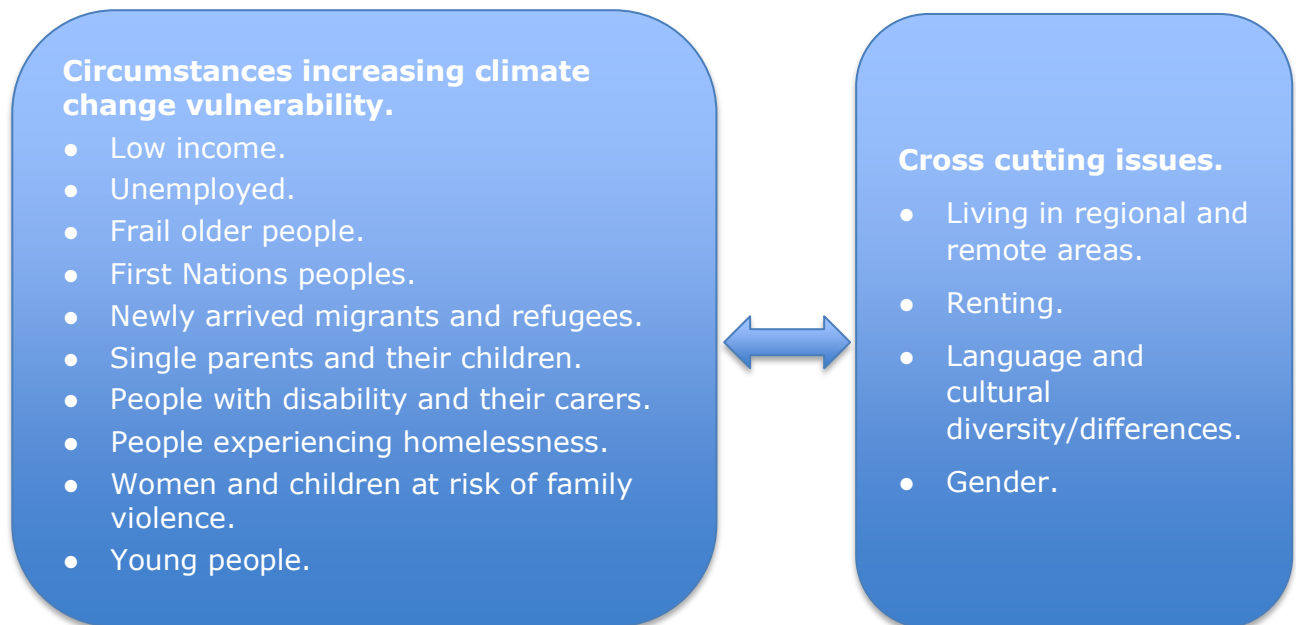
- First Nations peoples.
- Regional, remote and very remote communities.
- Low-income earners.

ACOSS is concerned that limiting the focus to three priority groups will result in significant numbers of people not being adequately supported and at risk of being worse off in Australia’s response to climate change.

The CCA should expand its well-being framework to include a broader range of circumstances that lead to increased vulnerability to climate change and climate change responses, and issues that cut across the circumstances to amplify vulnerability and disadvantage. A broader approach will encourage greater understanding of intersectionality than a siloed approach (see figure 4).



**Figure 4. Dimensions of climate change vulnerability.**



**Recommendation 7: The CCA expand its well-being framework to include a broader range of circumstances that lead to increased vulnerability to climate change and climate change responses (including people on low income, unemployed, frail older people, First Nations people, newly arrived migrants and refugees, single parents and their children, people with disabilities and their careers, people experiencing homelessness, women and children at risk of violence, young people) and issues that cut across the circumstances to amplify vulnerability and disadvantage (including living in regional and remote areas, renting, language and cultural diversity, and gender).**

*What should the Authority measure or assess to determine progress towards a just transition and improved wellbeing.*

ACOSS welcomes assessment and measurement of wellbeing to determine whether climate change adaptation and mitigation are improving improve wellbeing for people in Australia. As noted earlier it is critical that fair and inclusive transformation frameworks are built into climate change adaptation and mitigation objectives, policy engagement and design.

We also welcome the CCA’s utilisation of the OECDs framework for measuring wellbeing and progress (see dark area figure 3). We would recommend adding the following to the proposed key dimensions of wellbeing:

- Expand ‘Health’ dimension to explicitly mention mental and physical health, both are impacted by climate change and are both important determinants of wellbeing.

- Include a dimension on ‘utilities’, energy, water, and digital inclusion. Energy, water and digital inclusion are considered essential services and are critical to health and well-being, social connection, employment, and education among other things. These utilities are impacted by climate change and in the case of energy and digital inclusion are important part of the transition to zero emissions.
- Include a dimension on ‘transport’. Access to safe, affordable and clean transport is also a determinant of health and well-being, and plays a critical role in people’s access to social connection, employment, education amongst other things. Transport is also impacted by climate change and an important part of the transition to zero emissions.

**Recommendation 8: The CCA make the following amendments to its key dimensions of wellbeing:**

- **Expand ‘Health’ dimension to explicitly mention mental and physical health.**
- **Include a dimension on ‘utilities’ - energy, water, and digital inclusion.**
- **Include a dimension on ‘affordable and accessible transport’.**

With respect to metrics and indicators, Table 1 below is for illustrative purposes only but is not an exhaustive list. It draws and builds on a table from ACOSS submission to the Federal Governments consultation on a national framework for wellbeing.<sup>21</sup>

Before finalising its wellbeing framework, ACOSS recommends the CCA undertakes broad and deep community engagement process, to ask communities what is important to their wellbeing, including listening to First Nations people about Indigenous perspectives of wellbeing. This should be done through holding in-person sessions at trusted community settings, ensuring everyone can participate including people experiencing disadvantage.

ACOSS would welcome the opportunity to provide further comments once further consultation has been undertaken.

**Recommendations 9: The CCA undertakes broad and deep community engagement process, to ask communities what is important to their wellbeing, including listening to Aboriginal Australians about Indigenous perspectives of wellbeing.**

**Table 1. Illustrative structure of national wellbeing framework**

Dimensions	Overall wellbeing	Distribution of wellbeing	Vulnerability and sustainability*	Relevant Commonwealth programs#
Subjective Well-being	Life Satisfaction	Gaps in life satisfaction by income Gaps in life satisfaction for	Groups with low life satisfaction over long periods of time.	

<sup>21</sup> [https://www.acoss.org.au/wp-content/uploads/2023/06/Submission-to-MeasuringWhatMatters\\_Treasury\\_4.2.2023-FINAL.pdf](https://www.acoss.org.au/wp-content/uploads/2023/06/Submission-to-MeasuringWhatMatters_Treasury_4.2.2023-FINAL.pdf)

		First Nations people.		
Mental and Physical Health	Life Expectancy Negative affect balance (depression). Morbidity. Dental caries (decay). Access to health services	Gaps in morbidity by income. Gap in life expectancy by education. Gaps in morbidity and life expectancy for First Nations people. Gaps in access to health services	Incidence of overweight & obesity. Incidence of life-threatening diseases. Investment in public health services (% of GDP)	Medical Benefits. Public hospitals. Pharmaceutical Benefits. Aboriginal and Torres Strait Islander health. Dental services
Material resources: Income and Wealth	Median household disposable income. Median household net wealth. National stock of produced economic assets, per capita.	Poverty rate (<50% of median income); Material deprivation rate. Financial stress rate S80/S20 disposable income share ratio. S80/S20 net wealth share ratio.	Interest payments as a % of household income. Financial Net worth of General Government. Public debt interest.	Social security payments, Personal income tax, and their impact on income and income distribution.
Work and Job Quality	Employment rate. Labour underutilization rate. Gaps to full employment (unemployment, underemployment, and job vacancies). Satisfaction with employment Unionisation rate.	Profile of people reliant on unemployment payments. Gender wage gap. Employment gaps for people with disability.	Long-term unemployment (incl. long-term reliance on unemployment payments). Insecure employment.	Labour market assistance to jobseekers. Industrial relations.
Knowledge, Skills and Innovation	Educational attainment. Students with Low Skills (in science, reading, maths). Participation in education and training among adults (lifelong learning).	Educational attainment among young adults. Gaps in educational attainment for First Nations people. Gaps in access to VET/higher education.	Investment in public education (% of GDP).	Schools. Vocational Education & Training. Higher education.
Housing and the Built Environment	Housing Affordability. Housing quality (e.g. overcrowding.); Rental vacancy rates.	Housing affordability by housing status, income and location.	Homelessness. Construction of housing: growth in population.	National Housing and Homelessness Agreement. Urban and regional development.

	Energy performance of housing.	Energy efficiency of housing, by income and location	Social housing as a % of all dwellings. Percentage of low-income housing electrified. Percentage of low-income housing with NATHERS rating of 5 or more.	Transport and communication. Trajectory for low energy buildings. National Energy performance strategy.
Utilities – energy, water and digital inclusion.	Energy prices. Energy affordability. Water access. Telecommunications access	Energy poverty. Solar and battery penetration by income and location. Energy Efficient homes by income and location. Water costs and access by income and location.	Percentage of people in energy poverty. Percentage of people in low-income with solar. Percentage of people in low-income in energy efficient homes.	Energy Concessions. Energy consumer regulation. Telecommunications consumer regulation.
Affordable, accessible, Transport	Ability to access transport to participate in education and employment. Ability to access transport to access essential services.	Affordable and accessible transport by income and location. Access to new vehicle technologies and other forms of clean transport.	Cost of transport by income  Percentage of people in transport poverty	Electric Vehicle Strategy
Natural Environment, Climate and Biodiversity	Material footprint per capita (Natural materials extracted to service the economy);	Extreme weather events, by income and location.	Greenhouse gas emissions per capita. Extreme weather events. Threatened species.	Renewable energy. Natural disaster relief. Environment protection.
Safety and Security	Homicides. Incidence of domestic violence. Access to insurance	Gender Gap in Feeling Safe. Regional gaps in feeling safe	Incarceration rates (and deaths in custody) of First Nations people. Incarceration rates of young people.	Defense. Courts and legal services.
Work-life balance	Time Off. Time spent interacting with friends and family.	Gender division of unpaid labour.	Long hours in paid work.	

	Time spent caring for a family member.			
Social connections, Community and Care	Having friends or relatives that can assist when needed	Access to care services.		Child care. Aged care. NDIS
Civic Engagement, Trust, Diversity and Cultural Expression	Voter turnout. Having a say in government. Confidence in national government.	Gender parity in politics	Low confidence in democratic forms of government. Persons who experienced discrimination	Broadcasting. Arts and cultural heritage. Citizenship. Migration, refugee and humanitarian assistance

## Target-setting Framework - Increase Australia’s emissions reduction ambition

### CCA Consultation Questions:

8. How could the Authority best strike a balance between ambition, domestic considerations and the international context in its 2023 NDC advice?
9. What do you think Australia’s 2035 target should be and why?
12. What factors should the Authority consider when developing sectoral decarbonisation pathways?
14. What are the most important things to consider when assessing the adequacy of a country’s NDC?
20. What Target do you see as important and/or problematic?

### *ACOSS advocates to limit global warming to 1.5 degrees C.*

The goal of the Paris Agreement on climate change is to reduce global warming to well below 2 degrees and pursue a limit of 1.5 degrees C above pre-industrial levels.

The Intergovernmental Panel on Climate Change (IPCC) argues that limiting global warming to 1.5 degrees C compared to 2 degrees C could significantly reduce the number of people both exposed to climate risk and susceptible to poverty.<sup>22</sup>

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.

Australia is also widely recognised as being a country that will be disproportionately impacted by negative climate change impacts. For example, people in Australia are

<sup>22</sup> <https://www.ipcc.ch/sr15/chapter/spm/>

five times more likely to be displaced by a climate-fuelled disaster than someone living in Europe.<sup>23</sup>

Climate change is already causing immediate and accelerated damage, including through more severe and frequent heat waves, floods, bushfires, droughts and sea level rise. It is not only a threat to our environment (which sustains life), it threatens people's homes, livelihoods, health, quality of life, employment and increases risks and burdens for future generations.

Every fraction of a degree of avoided warming matters, and will be measured in lives, species and ecosystems lost or saved. Breaching 1.5°C of warming significantly increases the risk of triggering abrupt, dangerous and irreversible changes to the climate system.

Given that people experiencing financial and social disadvantage and impacted first, worst and longest by climate change, ACOSS advocates pursuing the goal of limit warming to 1.5 degrees C.

Taking action would deliver profound economic,<sup>24</sup> social and environmental benefits, including saving lives and creating jobs. The longer we delay and avoid emissions reductions the greater the risks and costs.<sup>25, 26 and 27</sup>

### *Australia's target should be consistent with doing our fair share of limiting global warming to 1.5 degrees C.*

Under the Paris Agreement, Australia is required to submit an economy-wide greenhouse gas emissions reduction target in its Nationally Determined Contributions (NDC). Australia's current target is to achieve net zero emissions by 2050. Our next target must be more ambitious than the last.

In assessing the adequacy of a country's NDC, consideration should be given to the overall objective for a sustainable, habitable world, and equity between nations given both their contribution to climate change and capacity to reduce emissions. As per the Paris Agreement, assessment criteria should include:

- carbon budget consistent with the 1.5°C pathway.
- historical contributions to climate change.
- emissions per capita.
- economic capability to reduce emissions.
- rights to development.

This approach is discussed in detail by others elsewhere, e.g. [The Climate Action Tracker](#).

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<sup>23</sup> <https://www.climatecouncil.org.au/resources/hitting-home-compounding-costs-climate-inaction/>

<sup>24</sup> 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.

<sup>25</sup> <https://www.airclim.org/acidnews/ipcc-warns-delaying-action-implies-higher-costs>

<sup>26</sup> <https://www.lse.ac.uk/granthaminstitute/news/researchers-warn-of-big-increase-in-economic-costs-if-cuts-in-greenhouse-gas-emissions-are-delayed/>

<sup>27</sup> <https://www.wwf.org.au/ArticleDocuments/353/pub-delaying-climate-action-would-be-costly-for-australia-and-the-world-25may15.pdf.aspx?Embed=Y>

Australia's current targets are 43% by 2030 and net zero by 2050. Australia's emissions reduction goal is not consistent with the climate science as to what is needed to do our fair share to reduce global warming consistent with the Paris Agreement goals.

[Guardian Australia](#) has mapped Australia's progress in cutting climate emissions and shows the Government's current target to reduce emissions to 43% below 2005 levels by 2030 will not avoid 1.5C of global warming this decade.

In 2020, ClimateWorks modelled a scenarios 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. The report notes that the years before 2030 offer a window for action that will not stay open. The report outlines what sorts of action would need to be taken and by whom.

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

- To take account of both the current global emissions budget and Australia's domestic emissions since the CCA report.
- Derive both short-term and long-term targets consistent with the Paris Agreement goals of limiting warming to well below 2 degrees and pursue efforts to limit to 1.5 degrees.

The Climate Targets Panel concluded that 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.

And in March 2021, The Climate Council also modelled what Australia's climate targets should be and concluded Australia's 2030 emissions reduction target should be 75% below 2005 levels, with net-zero emissions reached by 2035. <sup>28</sup>

The most recent synthesis report from the [Intergovernmental Panel on Climate Change](#) (IPCC) warns that without swift, dramatic global action to reduce greenhouse emissions, we are likely to pass the Paris Agreement's target to limit global warming to 1.5°C in the next decade. In fact, the latest World Meteorological Organization report, *State of the Global Climate*, shows that the eight years to 2022 were already the eight warmest on record, and that sea level rise and ocean warming continue to hit new highs.

We must act fast to reduce greenhouse gas emissions at least in keeping with the Paris Agreement. Climate change and a slow, poorly managed transition to zero net emissions are major threats to achieving our vision of ending poverty and inequality and exclusion, and to create an Australia where everyone participates in and benefits from social and economic life.

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<sup>28</sup> <https://www.climatecouncil.org.au/wp-content/uploads/2021/04/aim-high-go-fast-why-emissions-must-plummet-climate-council-report-210421.pdf>



**Recommendation 10: The CCA should recommend the Federal Government strengthen Australia’s emissions reduction targets to reduce emissions to 75% below 2005 levels by 2030, and achieve net-zero emissions by 2035. This goal should be revised as new scientific data and understanding of the climate risk become available.**

**Recommendation 11: International carbon offset markets should have a minimal role in meeting Australia’s emissions reduction goals, used only if and when options for domestic abatement have been exhausted.**

*ACOSS supports utilising a range of different target types to inform Government decisions, including targets aligned with sustainable development goals.*

The Issues Paper notes that Australia is required to submit an economy-wide greenhouse gas emissions reduction target in its NDC. But that beyond these requirements, the Authority can provide advice on a range of different target types to inform the Government’s decision about what to include in Australia’s new NDC and as part of the broader policy suite.

ACOSS supports inclusion of the following target types discussed in the Issues Paper:

- Emissions budgets covering accumulative emissions. Carbon budgets estimate the amount of greenhouse gases that can be ‘spent’ (emitted) for a given level of global warming. If we exceed this budget, global temperatures will become higher. It is a good way to set targets and manage risks.
- Net zero target. As indicated above, based on modelling of Australia’s’ fair share, that should be net zero by 2035, 2050 is too late to do our fair share to limit warming to 1.5 degrees C.
- Interim targets, set every five years after review.
- Setting sectoral targets. Setting sectoral targets acknowledges that some sectors and reduce emissions faster than others. Within sectors there should also be an opportunity to set bottom-up targets across and number of measures. For example in energy performance, targets can be set to improve the energy performance of low-income housing, achieve electrification by a certain date, reduce energy poverty, or improve health outcomes. See for example ACOSS submission to the development of an energy performance strategy.
- Adaptation targets and goals. As indicated in the Issues Paper the Authority could advise on adaptation goals with well-defined, traceable policy and action deliverables covering all sectors and needs, as well as how to strengthen monitoring, reporting and evaluation.
- Climate finance targets to support other nations accelerate their NDC implementation and/or adapt to the impacts of climate change.
- Conservation and Bio-carbon targets for ecological conservation and restoration.



Target bands or ranges or conditional targets can be problematic, as they often create a race to the bottom rather than a race to the top. Historically governments have tended to start at the bottom of the range and have been reluctant to shift to the top of the range after setting unrealistic criteria for shifting.

Technology targets can be problematic as the pace of change in science and innovation can render some technologies ineffective. This could be considered on a sector by sector basis. For example, an electrification target would be useful.

The CCA should also set social and sustainability targets, drawing on the sustainable development goals (SDGs) to develop them including ending poverty, reducing inequality, gender equality, good health and wellbeing, decent work and inclusive and sustained economic growth, sustainable cities and communities.

**Recommendation 12: In addition to an economy wide target, ACROSS:**

- **Supports the use of a range of target types, including emissions budgets, net zero targets, sectoral targets, adaptation targets, climate finance and conservation targets.**
- **Calls for caution in using target bands and technology targets.**
- **Calls for social and sustainability targets along the lines of the [sustainable development goals](#) to be measured, including poverty reduction; reducing inequality; gender equality; good health and wellbeing; decent work and inclusive and sustained economic growth; and sustainable cities and communities.**

**Recommendation 13: In developing targets the CCA and the government must have regard to the principle of equity and common but differentiated responsibilities and respective capabilities of nations, and fairness and inclusion transformation framework.**

**Recommendation 14: In developing the targets, the CCA should draw on the science, experts, the community sector and people directly affected by climate change impacts, in developing targets.**

*All sectors need to decarbonise, some faster than others, and some bring significant co-benefits*

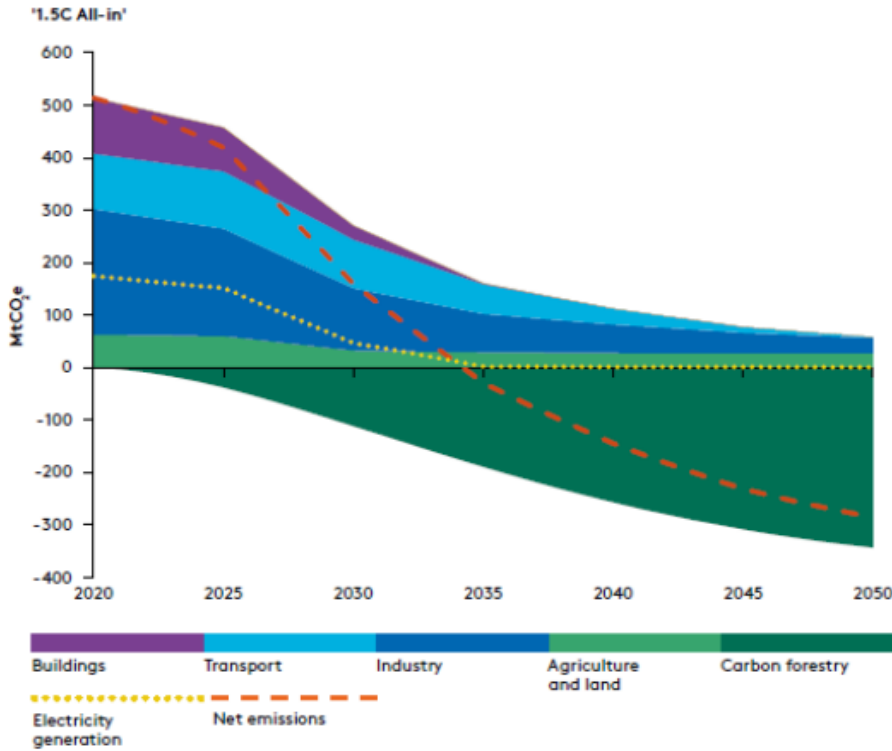
The CCA is seeking feedback to guide the setting of sectoral targets and pathways.

ClimateWorks looked at what emissions reduction and changes would need to occur across a range of sectors to achieve 74% below 2005 levels by 2030 and net zero by 2035 (see figure 5).

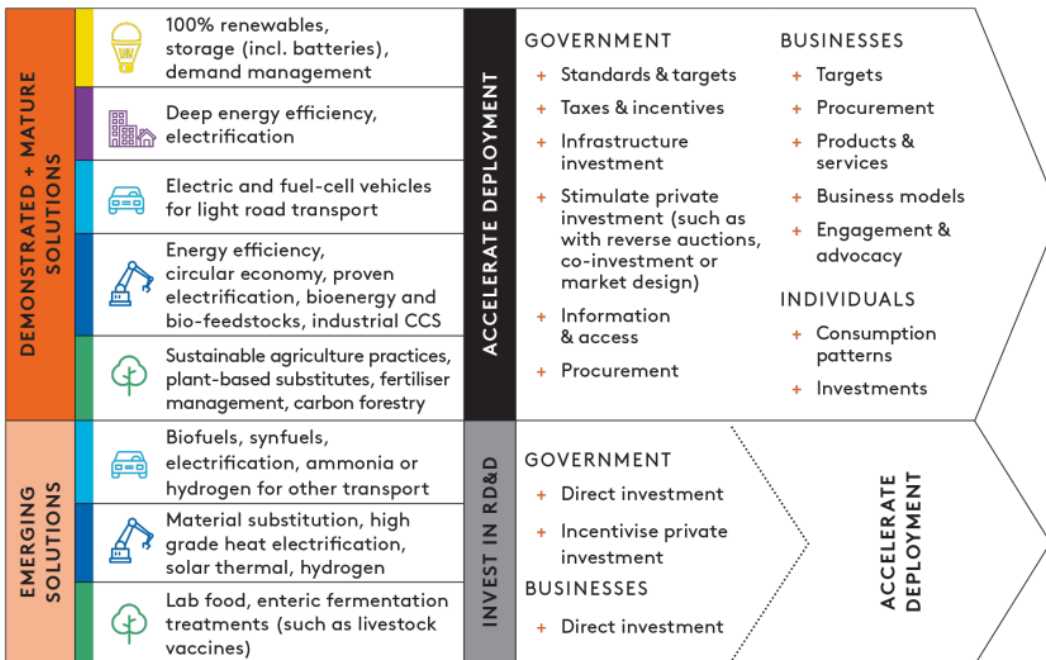
They concluded that the technology progress in the past five years has closed the technical gap to such an extent **that achieving zero emissions sooner is possible in all sectors**. They noted the improvements and growth in clean technology has been achieved often faster than expected.

ClimateWorks also identified the demonstrated and mature technologies and the actions required to achieve the targets (see figure 6).

**Figure 5. Emissions reductions by sector to achieve net zero by 2035**

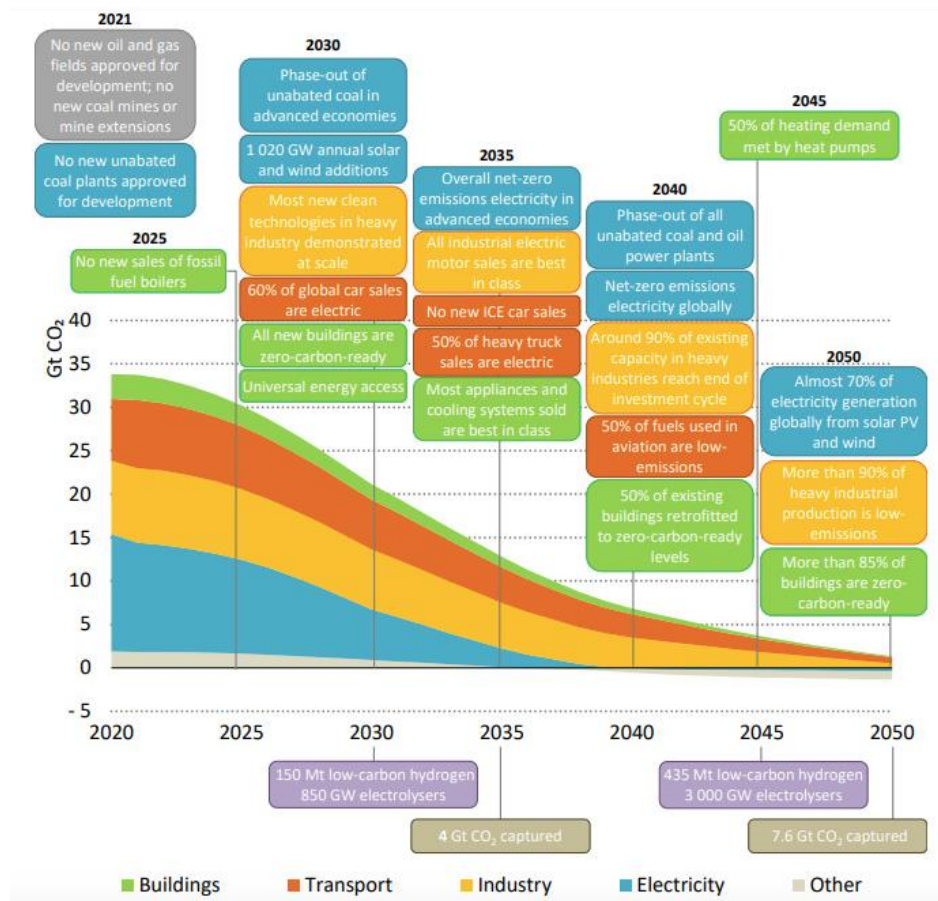


**Figure 6. Solutions and actions to achieve net zero across all sectors by 2035**



The International Energy Agency (IEA) has also developed a sector pathway for achieving Selection of “global milestones” for policies, infrastructure and technology deployment in their 1.5 degree C scenario (see figure 7).<sup>29</sup>

**Figure 7. IEA global sector pathway to limiting warming to 1.5 degrees C.**



Both the ClimateWorks and the IEA modelling highlight that some sectors have greater capacity to reduce emissions rapidly using current technology, such as the stationary energy sector and must be prioritised for fast, early emissions reductions to enable other harder to abate sectors to utilise quality offsets.

Genuine emissions reductions should be prioritised across all sectors and carbon offsets should be limited.

<sup>29</sup> <https://www.carbonbrief.org/iea-renewables-should-overtake-coal-within-five-years-to-secure-1-5c-goal/>

**Recommendation 15: The CCA should recommend the Federal Government aim to achieve rapid decarbonisation in all sectors, prioritising some sectors like stationary energy for faster and early emissions reductions.**

**Recommendation 16: The CCA should recommend the Federal Government prioritise genuine emissions reductions, with use of offsets minimised and accounted for separately. In its advice on targets, the Authority should specify the amount by which emissions need to be concretely reduced, place a strict limit on what can be offset, and set separate targets for carbon removals.**

Decarbonisation of some sectors can provide significant co-benefits including, including reducing inflation, job creation, cost savings for people, reduction in health costs, improved health and well-being and reduction in poverty and inequality. Co-benefits should be considered in setting sectoral pathways and targets as the co-benefits can provide the impetus for faster decarbonisation.

**Recommendation 17: Inclusion and measurement of the co-benefits of prioritising fast and early emissions reductions in some sectors should be considered, including reducing inflation, job creation, cost savings for people, reduction in health costs, improved health and well-being and reduction in poverty and inequality.**

Both the ClimateWorks and IEA sector pathways analysis highlights the need for enabling policies to support the rapid decarbonising cross sectors, including:

- Setting targets,
- Regulations
- Mix of direct incentives and incentivising public and private investment  
Incentives
- infrastructure investment
- Information and access
- Government procurement
- Prioritize policies and financial support towards people experiencing financial social disadvantage.

## Cross cutting issues

15. How could Australia partner with other nations to accelerate global progress towards meeting the Paris Agreement goals?

### **Australia should increase its international finance to developing countries**

One way in which Australia could partner with other nations to accelerate emissions reduction is to contribute a fair share to international finance to support developing countries. To do this, Australia should immediately increase its current climate finance to \$3 billion over 2020-2025 and scale up its contributions to global climate finance to provide a fair share by 2030. We note that Oxfam's [Climate Finance](#)

[Shadow Report 2023](#) shows that while donors claim to have mobilized \$83.3 billion in 2020, their real spending was more in the order of \$24.5 billion. The \$83.3 billion claim is an overestimate because it includes projects where the climate objective has been overstated or references loans rather than grants. Additionally, loans may harm rather than help local communities because they increase the debt burdens of recipient countries.

**Recommendation 18: The CCA should recommend to the Federal Government to increase Australia’s current climate finance to \$3 billion over 2020-2025 and scale up Australia’s contributions to global climate finance to provide a fair share by 2030.**

**Recommendations 19: The CCA should consult on level of funding Australia should contribute to the international loss and damage fund.**

**Australia should influence multilateral development banks to shift their funding away from fossil fuel projects.**

Australia should also consider its role in international finance through multilateral development banks and their investment in fossil fuel projects. A recent [report](#) by Jubilee Australia Research Centre and Action Aid on Australia’s investment in multilateral development banks, including through international aid, is substantial. The report estimates that from 2016 –2021, Australia contributed through its shareholdings with the World Bank, Asian Development Bank and Asian Infrastructure Investment Bank, the equivalent of US\$601 million (AU\$828 million) to fossil fuel financing. Instead, Australia could use its shareholdings power to shift such banks away from fossil fuel investments.

**Recommendation 20: The CCA should recommend to the Federal Government that it influences multilateral development banks to shift their lending toward Paris alignment by developing and implementing strong and transparent policies on overseas fossil fuel financing. This starts with Australia signing up to the Statement on International Public Support for the Clean Energy Transition (the Glasgow Statement) and developing clear policies to implement the Statement –including by ruling out investments in fossil fuels through the multilateral development banks.**

5. What are the other challenges and opportunities the global context presents Australia with in responding to climate change?

**Australia should develop policies to accommodate climate change refugees.**

Australia is likely to see migration patterns resulting from climate change as people move location due to extreme weather events, including floods, heat waves,

droughts, and wildfires, as well as slower-moving climate challenges such as rising seas. We are already seeing some of these movements internally (e.g. with the 2022 floods on Australia's east coast) and from outside our borders. Sea level rise is particularly likely to affect Torres Strait Islander peoples and our Pacific neighbours and lead to an influx of climate change refugees. Australia needs to prepare for such migration patterns, as well as strengthen community disaster resilience and response strategies within and outside our borders. These issues will only become more acute as climate change worsens and costs of property insurance climb.

In addition to providing adequate international finance to support our neighbours mitigate and adapt to climate change will be critical minimise climate change refugees and migration. The Federal Government should be planning now for and developing policies to support domestic and international climate change refugees is critical.

**Recommendation 21: The CCA should recommend the Federal Government plan for and develop policies to support domestic and international climate change refugees.**

16. What do you see as the challenges and opportunities from a phase out of fossil fuel production? What should the Government consider when determining a plan for the phase out of fossil fuels?

## **Australia should end fossil fuel production in line with limiting warming to 1.5 degrees C.**

Australia's continued investment in new or expanded fossil fuel projects, use of fossil fuel subsidies, rebates and tax credits makes it harder to meet the emission reduction targets required to keep to the 1.5 degrees Celsius limit.

As shown in figure x above the International Energy Agency 1.5 emission reduction scenario advocates that by 2021 no new oil and gas fields should be approved for development and new coal mines or extensions.<sup>30</sup>

Australia's ongoing support for official fuel expansion could leave us with stranded assets as we make the transition to renewable energies. They also slow the energy transition, may leave Australia behind in securing supply chains for renewable infrastructure and delay our development of clean economy industries and workforce.

Some countries have already committed to a rapid phase out of fossil fuels. For example, the Powering Past Coal Alliance (PPCA), launched in 2017, unites 30 governments and companies to phase-out existing coal power and place a moratorium on new coal power stations. Australia could join this alliance and

<sup>30</sup> <https://www.carbonbrief.org/iea-renewables-should-overtake-coal-within-five-years-to-secure-1-5c-goal/>

instigate a rapid phase out of fossil fuels and commit to no new fossil fuel projects or expansion of existing projects.

Other steps the Government could take are to end the more than \$11.6 billion dollars of annual subsidies for fossil fuel production and use, that contribute to increasing emissions and to end the additional billions in government funding for gas and coal projects and fossil carbon capture and storage (CCS) projects. The public revenue regained could then be repurposed to help industries and people on low incomes to transition to clean and affordable energy.

**Recommendation 22: The CCA should recommend the Federal Government ban new and expanded fossil fuel projects.**

**Recommendation 23: The CCA should recommend the Federal Government phase out existing fossil fuel projects at a pace consistent with limiting warming to 1.5°C.**

**Recommendation 24: The CCA should recommend the Federal Government rapidly phase out all fossil fuel subsidies, rebates and tax credits, and repurpose revenue to help industries and people experiencing financial and social disadvantage transition to renewable energy sources and more efficient operations.**

31. What else should the Authority be considering in its advice to Government?

## **Include fair, fast and inclusive climate change action across a range of portfolios.**

Given the urgency to act on climate change and the significant social, economic and environmental burden of worsening climate change impacts and inequitable transition, there is a strong need for policy coherence across government activity.

We would urge a fair, fast and inclusive climate change mitigation and adaptation lens be included in other major social, health, employment reform and policy design process, including for example:

- Wellbeing framework
- Reforms of the NDIS
- National Healthy and Climate Strategy
- Social and Affordable Housing reforms and policies
- Urban renewal strategy

**Recommendation 25: the CCA recommend the Federal Government apply the fair, fast and inclusive climate change mitigation and adaptation lens**



**across a range of government social, health and employment reform and policy development agendas.**

## **Ensure tax settings align with climate change mitigation and adaption goals.**

ACOSS notes that there are many examples of tax settings which perversely disincentivise a reduction of emissions (e.g. fossil fuel subsidies and rebates, certain corporate taxes) and which do not align with the government's climate change policy goals. The costs to accelerate emissions reductions, prioritise policies that will also reduce poverty and inequality, and adapt and build resilience to climate change impacts already locked in, will require new sources of revenue.

**Recommendation 26: the CCA recommends the Federal Government establish a Treasury review of how Australia's tax settings align with its climate change goals. This includes eliminating tax settings that perversely disincentivise a reduction in emissions, and progressive and equitable tax options to fund climate change mitigation and adaptation.**

## **Provide advice that is independent, science based and prioritises co-benefits.**

**Recommendation 27: The CCA should ensure that advice consistently reflects the scale of action required, the science, and the many co-benefits for health, equality, security, and future prosperity that stronger, fairer and more inclusive action on climate change can provide.**

## **Collaborative action between federal, state and local governments is required.**

**Recommendation 28: The CCA recommend the Federal Government put in place processes to ensure continued work with the states, territories and local councils to progress strong action on climate change mitigation and adaptation.**

### *Acknowledgements*

ACOSS prepared this submission in consultation with members of the ACOSS Climate and Energy Network and Climate Action Network Australia.

## **Contact**

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