

# Submission on 2024 Issues Paper: Targets, Pathways and Progress

## Climate Change Authority

24 May 2024

### About ACOSS

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

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

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

Climate change and an inequitable and non-inclusive transition to a clean economy and more resilient society is a threat to our vision.

Climate change disproportionately impacts people who face disadvantage including people on low incomes, people with disability, people with chronic health issues and Aboriginal and Torres Strait Islander peoples.

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 aiming 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's (CCA), *2024 Issues paper on Targets, Pathways, and Progress*.

ACOSS does not support the CCA's proposal for Australia's 2035 emission reduction target to be a 65%-75% reduction on 2005 levels. ACOSS rejects the CCA's assertions that this target is ambitious and that going any faster could pose economic and social risks.

ACOSS argues that:

- A failure to rapidly reduce emissions to limit global warming to 1.5 degrees will pose a greater risk to people, communities, the economy and the environment, and will increase poverty and inequality in Australia.
- Australia's 2035 emission reduction targets should be 'science-based', not just 'science-aligned', and in-line with doing our fair share of limiting warming to 1.5 degrees. This would require a 2035 target of net zero emissions.
- The CCA should do a carbon budget analysis on what a fair and responsible contribution to limiting global emissions by 1.5 degrees by Australia would require.
- The CCA should undertake an analysis of the costs to people, communities, the economy, and the environment of not acting faster and consider this in setting 2035 targets.
- The CCA should undertake an analysis of the benefits, including co-benefits, of faster action on people, communities, health, the economy and the environment and consider this in setting 2035 targets.

In providing advice of how to achieve science-based targets, ACOSS recommends the CCA:

- Put people and communities at the centre of the transition.
- Ensure the transition is fair, equitable and inclusive and that those experiencing disadvantage are prioritised and benefit.
- Scale-up focus on demand-side, energy efficiency, electrification and renewable energy at large-scale and small scale, across all sectors, particularly at residential level.
- Reject solutions that extend the life of fossil fuels, delay action on climate and/or add unnecessary costs to people, communities and the economy, such as hydrogen in residential gas, fossil carbon capture and storage.
- Recommend the Government eliminate fossil fuel subsidies and stop expanding fossil fuel production.

Our responses below aim to address the fourteen questions, alongside an extensive range of recommended actions, with links to ACOSS submissions and reports for further evidence and detail.

## Discussion

### **1. The CCA's proposed 2035 emissions reductions targets are inadequate.**

*1.1 Australia's 2035 emissions reduction target should be based on scientific modelling and consistent with doing our fair share of limiting global warming to 1.5 degrees C. This would require a 2035 target of net zero emissions.*

ACOSS does not support the CCA's proposal for Australia's 2035 emission reduction to be 65% to 75% and rejects the CCA's assertion that this target is ambitious.

The climate crisis is urgent. Climate change is already causing immediate and accelerated damage, including through more severe and frequent heat waves, floods, bushfires, droughts and rising sea levels. Our sector has seen firsthand the increasing devastation climate change is causing. It is not only a threat to our environment (which sustains life) but to people's lives, homes, livelihoods, health, quality of life and employment. A failure to act now increases risks and burdens for future generations.

People and communities experiencing financial and social disadvantage and impacted first, worst and longest by climate change.<sup>1</sup> The IPCC warn that overshooting 1.5°C increases the number of people exposed to climate risk and poverty.<sup>2</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.

Every fraction of a degree of avoided warming matters, and will be measured in lives, species and ecosystems lost or saved.

While limiting warming to 1.5°C without overshoot and drawdown is now out of reach due to past inaction, we can limit the amount of overshoot and drawdown if we take immediate, deep and sustained action to reduce emissions .

As a wealthy, developed nation, and one of the top 15 largest emitters of greenhouse gases globally, we have a **responsibility** to respond more rapidly than less developed countries.

For the reasons outlined above, ACOSS and our sector support:

- A goal to limit global warming to 1.5°C,
- targets to achieve the goal that are science-based (not just science-aligned); and
- Action consistent with doing our fair share (based on 'common but differentiated responsibility').

We note the CCA has not undertaken any scientific modelling of what is required for Australia to do our fair share of the global effort to reduce emissions and limit warming to 1.5 degrees.

In 2021, Professors Will Steffen, Lesley Hughes, Malte Meinshausen, and John Hewson (the [Climate Targets Panel](#)) concluded that to align with a **50% chance of limiting warming to 1.5°C**, Australia should reduce its emissions to 74% below 2005 levels by 2030 and reach net zero by 2035.<sup>3</sup> The assessment was

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<sup>1</sup> [https://www.un.org/esa/desa/papers/2017/wp152\\_2017.pdf](https://www.un.org/esa/desa/papers/2017/wp152_2017.pdf)

<sup>2</sup> <https://www.ipcc.ch/sr15/chapter/spm/>

<sup>3</sup> [Climate Targets Panel](#)

based on the emissions budget from the IPCC's Special Report on 1.5°C, and the same methodology used by the Climate Change Authority in 2014.

The Climate Council's [Aim High, Go Fast](#), report provided science-based advice on emissions reduction targets based on a new analysis of the global emissions budget by Professor Will Steffen that considered additional carbon cycle feedback. The report concluded that to do its fair share of the global emissions reduction task, Australia should aim to cut emissions by 75% below 2005 levels by 2030 and reach net zero emissions by 2035.<sup>4</sup>

Analysis done by Climate Resource in 2022<sup>5</sup> also found that "for a 50 per cent chance of limiting warming to 1.5°C, a 2030 emissions reduction target of 74 per cent (compared to 2005 emissions levels) and net zero by 2035 is consistent with the latest climate science."<sup>6</sup>

All these analyses allowed Australia a larger share of the global emissions budget (0.97%) than would be recognised as our fair share under the Paris Agreement. If calculated on a per person basis, Australia's share of the global population would be 0.33%. The generous 0.97% carbon budget in these analyses gave Australia extra time to achieve net zero.

**ACOSS recommends** Australia's 2035 emission reduction targets should be 'science-based', not just 'science-aligned', and in-line with doing our fair share of limiting warming to 1.5 degrees. This would require a 2035 target of net zero emissions.

**ACOSS recommends** the CCA should do a carbon budget analysis on what is Australia's fair and responsible contribution to limiting global emissions by 1.5 degrees.

See [Community Sector Climate Change Declaration](#) and [ACOSS Submission CCA Targets Issues Paper 2023](#) for further information.

## *1.2 Australia's targets should recognise the costs of delayed action to people, communities, the environment, and the economy*

The CCA paper cautions that attempting to go much faster than the proposed 65%-75% emissions reduction by 2035 could risk significant levels of economic and social disruption and put progress at risk.

However, Australia is highly vulnerable to negative climate change impacts. For example, people in Australia are five times more likely to be displaced by a climate-fuelled disaster than someone living in Europe.<sup>7</sup> Australia is also surrounded by many countries that are acutely vulnerable to climate impacts.

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<sup>4</sup> Climate Council (2024) [Aim High, Go Fast](#)

<sup>5</sup> [https://www.climate-resource.com/reports/wwf/WWF\\_March2022\\_a.pdf](https://www.climate-resource.com/reports/wwf/WWF_March2022_a.pdf)

<sup>6</sup> This analysis was [recently updated](#) for WWF, to reflect increased certainty in the amount of warming that occurred in the early decades of the industrial revolution and how much warming is caused by emissions from international aviation and shipping. As a result, they determined that the timeframe to achieve net zero under their analysis could extend to 2038 at the absolute latest, assuming a more generous carbon budget (0.97%). In that analysis however, Professor Meinshausen and Dr Nichols found that if Australia was given an equal allocation of emissions (0.33%) then Australia has already exhausted our fair share of emissions budget i.e. we should have already achieved net zero emissions.

<sup>7</sup> <https://www.climatecouncil.org.au/resources/hitting-home-compounding-costs-climate-inaction/>

Those unfolding regional impacts may soon become as damaging to Australia as those that strike us directly.

Analysis by Deloitte Access Economics back in 2020, finds a lack of climate action over the *next 50 years* will cost our economy \$3.4 trillion and 880,000 jobs.<sup>8</sup> They also found the **social costs** of more severe weather events is equal to the more traditionally defined economic costs and are sometimes even higher.<sup>9</sup> Recent extreme weather events including the 2019/2020 bushfires and 2022 floods have resulted in significant and higher than predicted costs for people, communities, the economy and government.<sup>10</sup>

A new academic article published in Nature has found that the economic impacts of climate change could cost a third of the global economy by 2050.<sup>11</sup> The research was considered a conservative estimate, as it did not consider impacts from heatwaves, rising sea-levels and tropical cyclones and tipping points, nor did it consider non-market damages such as those to ecosystems and human health.

International research, including by the IPCC, warns that the longer we delay and avoid emissions reductions the greater the risks and costs.<sup>12, 13 and 14</sup>

It's imperative that further modelling of the economic, social and environmental costs is conducted, and the results considered and contrasted to any potential risks of faster emissions reductions.

**ACOSS recommends** the CCA should undertake an analysis of the costs to people, communities, the economy, and environment of not acting faster and take the analysis into consideration when setting targets.

### *1.3 The CCA should undertake an analysis of the benefits, including co-benefits, of faster action to reduce emissions, on people, communities, health, the economy and the environment.*

In contrast to risks, there are also significant benefits if we act faster, especially if we reduce emissions more fairly, equitably and inclusively. Benefits include:

- Economic benefits, including increased productivity from efficiency, new industries and new job creation, increased household income, reduced healthcare spending, and avoided costs from climate impacts.<sup>15</sup>
- Better health outcomes, including air quality.
- Cheaper and cleaner energy.

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<sup>8</sup> <https://www2.deloitte.com/au/en/pages/economics/articles/new-choice-climate-growth.html>

<sup>9</sup> [https://www.iag.com.au/sites/default/files/Documents/Announcements/ABR\\_Report-Economic-cost-social-impact-natural-disasters-020316.pdf](https://www.iag.com.au/sites/default/files/Documents/Announcements/ABR_Report-Economic-cost-social-impact-natural-disasters-020316.pdf)

<sup>10</sup> <https://treasury.gov.au/publication/2023-intergenerational-report>

<sup>11</sup> <https://www.nature.com/articles/s41586-024-07219-0>

<sup>12</sup> <https://www.airclim.org/acidnews/ipcc-warns-delaying-action-implies-higher-costs>

<sup>13</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>14</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>

<sup>15</sup> <https://www.imperial.ac.uk/grantham/publications/climate-change-faqs/how-will-acting-on-climate-change-affect-the-economy/#:~:text=Smart%2C%20clean%20and%20modern%20power,for%20economic%20development%20and%20growth.>

- Healthier homes that are affordable to run.
- More integrated, affordable accessible transport.
- More secure, quality jobs for all.
- Closing the gap through access to cheaper, cleaner and more reliable energy; homes that lead to better health outcomes; new enterprise and job opportunities for First Nations Communities.
- Improved water and food security.
- Slowed climate change and reduced impacts.

Australia is one of the wealthiest countries in the world, we have significant resources and opportunity to benefit from a rapid transition to net zero.

It's imperative the further modelling of the economic, social, health and environmental benefits of reducing emissions faster is conducted, weighed against any potential risks of faster emissions reductions.

**ACOSS recommends** the CCA undertake an analysis of the benefits, including co-benefits, of faster action to reduce emissions, on people, communities, health, the economy and the environment, and take these benefits into account when setting targets.

## 2. Modelling shows net zero by 2035 is achievable using today's technology but will require scaled up action and investment, plus an end to fossil fuels and solutions that delay action.

As per our 2023 [ACOSS Submission CCA Targets Issues Paper 2023](#), we note that in 2020 ClimateWorks modelled emissions reduction pathways and policy changes across a range of sectors to achieve emissions reductions of 74% below 2005 levels by 2030 and net zero by 2035.<sup>16</sup> They noted that and the expansion of clean technology has been achieved faster than expected. Further technological progress has been made in the four years since.

The Climate Council partnered with the Institute for Sustainable Futures at the University of Technology Sydney to model specific solutions needed to make deep cuts to climate pollution this decade (by 75% below 2005 levels by 2030) across electricity generation, transport, industry and buildings, as part of getting Australia on the right path to net zero emissions by 2035.<sup>17</sup> The Climate Council pathway is based on available solutions that can be deployed today using existing and proven technologies. They have prioritised solutions that replace the use of coal, oil and gas to deliver genuine, permanent emissions reductions wherever possible today.

Both pieces of analysis show we will need to scale up the focus on demand-side and energy efficiency, electrification and renewable energy at both large and small scale, across all sectors, including at the residential level.

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<sup>16</sup> <https://www.climateworkscentre.org/wp-content/uploads/2020/04/Decarbonisation-Futures-March-2020-full-report-.pdf>

<sup>17</sup> [https://www.climatecouncil.org.au/wp-content/uploads/2024/03/CC\\_MVSA0394-CC-Report-Next-Wave\\_V8-FA-Screen-Single.pdf](https://www.climatecouncil.org.au/wp-content/uploads/2024/03/CC_MVSA0394-CC-Report-Next-Wave_V8-FA-Screen-Single.pdf)

As well as enabling policies, including:

- Setting targets (including sectoral targets, and sub-targets)
- Regulations
- Mix of direct incentives and investment incentives
- Infrastructure investment
- Information and access
- Government procurement
- Additional Policies and financial support for people experiencing financial social disadvantage.

## *2.1 Scale up focus on demand side action and energy efficiency.*

Energy efficiency and demand management are considered the 'first fuel', and the first step in the decarbonisation pathway to reduce the need for replacement energy. Study after study has highlighted energy efficiency measures and demand management as some of the cheapest forms of abatement available, leading to cheaper energy bills.

**ACOSS recommends** energy efficiency and demand management action should be elevated to make them equal partners to new infrastructure in the transition, embracing the 'efficiency first' principle.

See [ACOSS submission to the Electricity and Energy Net Zero Sector Plan](#) and [ACOSS Submission to National Energy Performance Strategy 2022](#)

## *2.2 Shift away from gas and scale up electrification.*

Like energy efficiency and demand side management, electrification is a "no regrets" measure. This means it is an action that is worth taking because it is likely to be beneficial no matter what happens in the future. Research shows electrification can deliver 26 per cent of Australia's emissions reductions at low cost.

When it comes to residential energy, there are no plausible alternatives to efficient household electrification. Potential 'alternatives' like hydrogen (green or otherwise) or biofuels fail to reduce emissions quickly and in line with limiting warming to 1.5 degrees, are still harmful to health, and involve unnecessary cost and risk to households.

ACOSS also notes that the current Government framing around the shift from gas to electric as a consumer choice, is dangerous for the following reasons:

- It puts the onus for decarbonisation on the household.
- It increases the costs and risk to people who do not have the choice or control or are in hard-to-electrify homes.
- It delays decarbonisation.

There should be a timeline for phasing out gas with support available.

**ACOSS recommends** prioritising electrification, putting in place planning, timelines, education and supports to efficiently and effectively transition away from

gas and electrify in order to support our decarbonisation goals and ensure no-one is left behind.

For further recommendations see [ACOSS submission to the Electricity and Energy Net Zero Sector Plan](#), [ACOSS Submission on Senate Inquiry on Electrification 2024](#), and [ACOSS Submission on Future Gas Strategy 2023](#).

### *2.3 Scale up investment in distributed energy and home energy upgrades, prioritising people and communities experiencing disadvantage.*

Homes account for 14% of emissions and therefore can make an important contribution to rapid decarbonisation. However, we are also seeing social licence for faster action dwindling because households have faced significant increases in energy bills and are not necessarily seeing the direct benefits of the transition.

Scaling up access to household thermal efficiency, electrification, rooftop solar, batteries and low emissions vehicles and access to other clean technologies – prioritising people and communities experiencing disadvantage – will be critical in achieving faster emissions reductions. This will also be important to ensure that households see the direct benefits of the transition.

**ACOSS recommendations** include:

- Direct government investment to fund home energy upgrades (energy efficiency, electrification and rooftop solar) for low-income housing, prioritising Aboriginal and Torres Strait Islander housing, public and social housing.
- Increasing new building standards to achieve zero-carbon homes by 2025.
- Mandating minimum energy efficiency performance standards for rental properties by 2025.
- Introducing mandatory disclosure of building energy performance upon sale or lease by 2025.
- Phasing out use of gas and supporting electrification in existing homes, with support for people on low-incomes and standards for rental properties to make this transition.
- Providing targeted support to low-income households to access EVs via subsidies, no-interest loans and social leasing schemes.

For more detailed recommendations and discussion see [ACOSS submission to the Electricity and Energy Net Zero Sector Plan](#), [ACOSS Report on Funding & Finance of Low-income Retrofits](#), [ACOSS Submission on Senate Inquiry on Electrification 2024](#), and [ACOSS submission to the Electric Vehicles Strategy](#).

### *2.4 Reject solutions that extend the life of fossil fuels, delay action and/or add unnecessary costs to people, communities and the economy*

As outlined in our previous submission, solutions should not extend the life of fossil fuels, delay action and/or add unnecessary costs to people, communities and the economy, this includes:



- Fossil carbon capture and storage (CCS) associated with electricity infrastructure and/or where other zero emissions technology exist.
- Technologies such as brown hydrogen (hydrogen derived from coal or gas).
- Hydrogen or biofuels in residential settings.

**ACOSS recommends** the CCA should reject solutions that extend the life of fossil fuels, delay action and/or add unnecessary costs to people, communities and the economy.

See [ACOSS submission to the Electricity and Energy Net Zero Sector Plan](#), [ACOSS Submission on Future Gas Strategy 2023](#), and [ACOSS submission to technology Investment Roadmap](#).

### *2.5 Focus on reducing emissions first and use quality offsets as a last resort.*

As noted in our [ACOSS Submission CCA Targets Issues Paper 2023](#), genuine emissions reductions should be prioritised across all sectors and carbon offsets should be limited.

**ACOSS recommends** the CCA focus on reducing emissions first and use quality offsets as a last resort.

### *2.6 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, makes it harder to meet the emission reduction targets required to keep to the 1.5 degrees Celsius limit.

The International Energy Agency 1.5 degree emission reduction scenario advocates that by 2021 no new oil and gas fields, coal mines or extensions should be approved for development.<sup>18</sup>

Australia's ongoing support for fossil fuel expansion could leave us with stranded assets and slow the energy transition. This may leave Australia behind in securing supply chains for renewable infrastructure and delay our development of clean economy industries and workforce.

**ACOSS recommends** halting the expansion of fossil fuel production to achieve the global goal of limiting warming to 1.5 degrees C.

See [ACOSS Submission CCA Targets Issues Paper 2023](#) and [Fair, fast and inclusive Action on Climate Change Blueprint Framework](#).

### *2.7 The Government should phase out fossil fuel subsidies and align tax settings with climate mitigation and adaptation 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,

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<sup>18</sup> <https://www.carbonbrief.org/iea-renewables-should-overtake-coal-within-five-years-to-secure-1-5c-goal/>

certain corporate taxes), which do not align with the Government's climate change policy goals and cost the government tens of billions of dollars annually.

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.

The public revenue regained could then be repurposed to help people and communities to transition to clean and affordable energy and accelerate climate change action.

**ACOSS recommends** the Government phase out fossil fuel subsidies and align tax settings with climate mitigation and adaptation goals.

See [ACOSS Submission to CCA Targets Issues Paper 2023](#) and [ACOSS Budget Priorities Statement 2024](#).

### **3. Solutions must be fair, equitable and inclusive and put people and communities at the centre of the transition.**

#### *3.1 Create fair, equitable and inclusive objectives, principles and processes.*

We need a fast transition to a clean economy to limit impacts and avoid worsening inequality. However, people with the least will be 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 and create fair, sustainable and resilient economies and peaceful and inclusive communities. The nature and pace of action is also impacting on social licence and public support for acting faster.

Currently, there is no federal policy framework in place to justly plan and manage adaptation and the impact of this transition on people and communities 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 by making 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.

**ACOSS recommends the following occur:**

- Develop a vision to guide climate change action in Australia that is equitable, inclusive, sustainable and resilient to climate change impacts.
- Amend the Climate Change Act 2022 to include objectives, principles and processes to guide a fair, equitable and inclusive transition to net zero emissions, and adapt to the climate change impacts already locked in.
- Establish dedicated and place-based engagement mechanisms for affected people, communities and their advocates to support their participation in planning and decision-making. These should prioritise people experiencing disadvantage.
- Ensure policy reform fairly distributes the costs and benefits of action on climate change, so people experiencing disadvantage can benefit and are protected from negative impacts.
- Amend the National Energy Agreement and the National Energy Objectives (NEO) to include equity and affordability.
- Apply gender, disability and multicultural lenses to climate change related policy to assess the differentiated benefits and burdens of the net zero transition to ensure they are equitably shared.
- Include a fair, fast and inclusive climate change mitigation, adaptation and resilience lens in other major social, health, employment reform and policy design process, including for example:
  - Closing the Gap targets and First Nations Clean Energy Strategy;
  - Gender Equality and the Women’s Economic Equality Taskforce’s 10-year plan;
  - Australia's Disability Strategy 2021-2031 and reforms of the NDIS,
  - Social and Affordable Housing reforms and policies;
  - National Healthy and Climate Strategy;
  - Urban renewal strategy; and
  - Wellbeing framework.
- Establish an energy equity workstream in the Energy Ministers’ Energy Transformation partnership.

See [ACOSS Submission to the CCA Targets Issues Paper 2023](#), [ACOSS submission to the Electricity and Energy Net Zero Sector Plan](#) and [Fair, fast and inclusive Action on Climate Change Blueprint Framework](#).

Further reforms are outlined below.

### *3.2 Investment should be fair, equitable and inclusive.*

The CCA Issues paper asks a series of question regarding investment. ACOSS has previously advocated for a mix of regulation, off budget measures and carbon pricing (where revenue raised is used to compensate low-income households for transitional costs arising) to support the scale and acceleration of investment needed. There are several principles that should guide actions and decisions on investment.

#### **ACOSS recommends:**

- A “polluters pay” principle be at the heart of policy to support accelerated investment in zero emissions stationary energy. The Federal Government either re-introduce an economy-wide cap and trade scheme or expand the existing

safeguard mechanisms to include more facilities and increase the carbon price. Depending on how the scheme or mechanism is implemented, compensation for people on low incomes for transitional costs arising from the carbon price and/or supports for households to access measures to reduce energy costs, would need to be considered.

- Public investment should prioritise measures that will support people experiencing financial and social disadvantage to participate in and benefit from the transition to clean energy and ensure no-one is left behind.
- Where Government support to industry is provided, conditions should require long-term benefits to communities, workers and industries and foster community support that is critical for a successful transition. The benefit sharing opportunities should be commensurate to the size and scale of projects. Conditions could include:
  - Undertake inclusive community engagement and participation, to identify local benefits and economic development: i.e. engagement with local and diverse voices and leaders, including people experiencing financial and social disadvantage.
  - Enable quality employment opportunities for local people and contract local businesses, and limit fly in, fly out workforces.
  - Promote clean industries that provide meaningful and secure jobs for workers across the economy, with targeted support for people facing challenges entering the workforce, providing jobs with decent wages, conditions and support.
  - Provide quality, accessible and affordable education, training and re-skilling opportunities for community members of all ages and diversities.
  - Invest in adequate, affordable, and culturally safe infrastructure, resources, and services for the basic needs, health, and wellbeing of all community members (e.g. housing, health, education, aged care and childcare services).
  - Support just adaptation and enhance resilience to climate change and disasters for the community, prioritising people experiencing disadvantage.
  - Promote environmental sustainability and repair to ensure ecosystem health and promote water and food security.
- Recouping investments from electricity bills should be avoided. Because people on low incomes pay disproportionately more of their income on electricity bills and lack choice and control to implement measures to reduce energy in their home, recouping clean energy investment via electricity bills disproportionately impacts people on low incomes and is regressive.

For further information see [ACOSS submission to the Electricity and Energy Net Zero Sector Plan](#), [ACOSS submission on NZEA Bills](#), and [ACOSS Report on Funding & Finance of Low-income Retrofits](#),

### *3.3 Ensure First Nations people are empowered to play a leading role in the development and implementation of climate change policies and actions.*

The CCA Issues paper asks how the Government can ensure First Nations people are empowered to play a leading role in the development and implementation of climate change policies and actions. ACOSS believes a strategy should ultimately be driven by First Nations people, communities and First Nations controlled organisations. Based on our consultations with First Nations groups, **ACOSS recommends** any strategy should:

- Uphold First Nations people's and communities' rights to sovereignty and self-determination, and recognise their deep knowledge and expertise in caring for Country, culture and community;
- Consult and cooperate in good faith with First Nations through their own organisations and advocates;
- Obtain First Nations people's free, prior and informed consent before adopting and implementing legislative or administrative measures that may affect them;
- Require First Nations representation on decision making bodies;
- Ensure equitable benefit sharing;
- Promote employment and investment opportunities for First Nations people and enterprises (including employment quotas); and
- Align with Closing the Gaps targets.

See [Fair, Fast and Inclusive Action on Climate Change Blueprint Framework](#) and [ACOSS submission to First Nations Clean Energy Strategy](#).

### *3.4 Ensure meaningful access to jobs and training including for people unemployed long-term, First Nations people, people with disability, women and others marginalised in the labour market.*

The CCA Issues paper asks how the wellbeing of workers and the workforce transition to a zero emissions economy can be supported. Climate change and the transition process present risks in terms of climate impacts on worker health, comfort and safety, climate disruptions to electricity and transport infrastructure, and displacement of workers from climate hazards. The transition to a clean economy could result in significant unemployment and regional dislocation without adequate worker protections and planning. At the same time, transition to a clean economy presents new opportunities for job growth in diverse energy production and associated manufacturing, infrastructure, industry and service sectors. Government will need stimulus measures that kick start the economy, create jobs, secure supply chains and tackle climate change. These efforts should aim to ensure that workforce opportunities are sustainable, equitably shared across the population, especially communities impacted by decarbonisation and disadvantaged groups, and inclusively planned and managed. **ACOSS recommends** the Federal Government should:

- Commit to a full employment target, and promote meaningful opportunities for existing workers, workers in precarious employment (typically casualised, short

term and/or underpaid) and people experiencing barriers to employment. Climate change and labour related objectives should be integrated in a legal framework to align employment strategies with climate goals.<sup>19</sup>

- Fund and deploy an implementation plan alongside the National Energy Workforce Strategy that outlines a clear pathway to bridge the gap between the number of clean economy workers we have now, and what we need to realise our 2030 and 2050 emissions reduction goals. The plan should:
  - Provide quality, accessible, and affordable education, training, re-skilling and upskilling opportunities targeting people unemployed long-term and others who are marginalised in the labour market, including First Nations people, people with disability and women.
  - Promote meaningful employment for people unemployed long-term, First Nations people, people with disability, and others marginalised in the labour market, including through social procurement guidelines and employment and training programs targeting those groups.
  - Ensure clean job creation meets the needs of local communities, including by targeting jobs for groups who are long-term unemployed, through local employment and skills development partnerships, paid work experience and training for trades assistants.
  - Be aligned with relevant economic participation/employment strategies, including the [Strategy for Gender Equality](#) and the [Women's Economic Equality Taskforce's 10-year plan](#), Disability Employment Strategy, and Closing the Gap employment targets.

For further information see [ACOSS submission to the Electricity and Energy Net Zero Sector Plan](#), [ACOSS Submission CCA Targets Issues Paper 2023](#), [ACOSS Submission on NZEA Bills](#), and [Fair, Fast and Inclusive Action on Climate Change Blueprint Framework](#)

### *3.5 Fair transition for regional workers and communities affected by shift to net zero emissions.*

There are specific issues facing regional areas facing closure of coal and gas industries and/or establishment of renewable energy industries. The transition poses a number of risks including: loss of jobs in energy-intensive industries; existing barriers to employment for some groups; lack of local and quality jobs (and risks of fly in and fly out workers); lack of regional education and training services; need for more diversified economy; existing and worsening gaps in social services (including housing, health, education and caring services); environmental degradation from existing industry (including impacts on air, water and biodiversity) and impact of renewable infrastructure on the landscape; and the impacts of population growth on existing infrastructure (such as roads).

Transition planning needs to be planned, well-managed and inclusive, to support fossil fuel workers to transition to new jobs, and the creation of thousands of new jobs in renewable industries and related manufacturing and services. To do this well the planning should go beyond energy workers and consider how to diversify

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<sup>19</sup> ACOSS 2022 Policy Platform, [Supporting people to secure paid employment](#)

local economies and undertake regional development in a way that promotes positive economic, social, cultural and environmental outcomes for all. Importantly, communities should inform planning with their concerns, needs, challenges, and opportunities. **ACOSS recommends** that the Net Zero Economic Authority:

- Has adherence to fairness, equity and inclusiveness in its objectives.
- Has a long-term budget to support stability.
- Is regularly reviewed to enhance performance.
- Requires development proposals to equitably share the benefits of the transformation to net zero emissions with the community. This includes planning for sufficient enabling infrastructure and services (e.g. housing, health, childcare, aged care, schools, transport and resilience and disaster planning), and ensuring ecosystems and biodiversity are protected, and water and food security and quality are ensured. This could include administering a fund to support people experiencing disadvantage to benefit from the transition.
- Resource and facilitate place-based planning for regional development that is codesigned with workers and communities, prioritising people experiencing disadvantage.
- Promote regional planning to diversify regional economies and promote meaningful employment opportunities (see above).
- Require there to be community and community sector representation in decision making bodies, like the NZEA Board and Stakeholder panel.
- Uphold First Nations people's rights to give free, prior and informed consent to development that affects their territories and people.
- Align regional transition planning with the First Nations Clean Energy Strategy and Closing the Gap targets.
- Establish worker protections for those in energy-intensive industries, including an industry-wide, multi-employer pooling and redeployment scheme, voluntary redundancy and skilling up and reskilling opportunities.
- Invest in regionally based education, training and skilling facilities, including better resourcing TAFE.
- Work with the states and territories to implement stronger environmental and planning laws and rule out projects in areas of high biodiversity or high carbon stock value.

For further information see [ACOSS Submission on NZEA Bills](#) and [ACOSS submission on the Greens National Energy Transition Authority Bill 2022](#)

### *3.6 The Government must do more to help people experiencing disadvantage adapt and build resilience to climate change.*

The CCA Issues paper asks how can government help Australians prepare for and respond to the impacts of climate change?

In our submission to the 2023 CCA we noted that the impacts of climate change are being experienced now, with people experiencing financial and social disadvantage most affected because they have few resources or control to cope, adapt and recover.

**ACOSS recommends** the Federal Government implement policies to:

- Empower communities to build their resilience and manage recovery by 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 by increasing financial, housing, food, and other essential supports.
- Provide access to affordable, accessible insurance.
- Strengthen the capability of the community sector to adapt and be better prepared and resilient to climate change impacts and extreme weather.

For detailed recommendations see pages 16-20 of [ACOSS Submission CCA Targets Issues Paper 2023](#) and [ACOSS Budget Priorities Statement 2024](#).

### *3.7 People's basic needs should be met if they are to be able to participate in the transition to net zero and build resilience to climate change.*

At a minimum, everybody has enough money and resources for the basic needs of life to enable them to be resilient to climate change impacts and benefit from the transition to net zero emissions. Everyone has their basic needs met by essential services, affordable housing, supports and social safety nets where needed, and lives with dignity. Everyone can adequately manage costs associated with climate change impacts. Poverty is substantially reduced, as regularly measured and reported on by government. Accessibility of housing, transport, urban planning and other infrastructure is increased.

**ACOSS recommends** the Federal Government should implement policies, so everybody has enough money and resources for the basic needs of life to enable them to adapt and strengthen resilience to climate change impacts and benefit from the transition to net zero emissions, including:

- 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.
- Improve the adequacy of payment supplements to meet additional living costs, including benchmarking Commonwealth Rent Assistance to actual rents and establishing a Disability and Illness Supplement and a Single Parent Supplement.
- Build more accessible and climate resilient social and affordable housing.

See [ACOSS submission to the Electricity and Energy Net Zero Sector Plan](#) and [ACOSS Budget Priorities Statement 2024](#)

## Contact

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