

Additional Comments

Mr Josh Wilson MP, Senator Jenny McAllister, the Hon Michael Danby MP, Ms Susan Templeman MP

Australia has made a contribution to addressing the global challenge of dangerous climate change since Prime Minister Rudd ratified the Kyoto Protocol in 2007.

The Paris Agreement and the Doha Amendment are significant for further establishing a pathway towards an effective international response to climate change, but we are not far along that pathway, and Australia has taken steps both forward and back.

While Labor members of the Committee support ratification of the Paris Agreement and the Doha Amendment, we believe that Australia can and should participate more meaningfully and effectively in the global effort, and that treaty actions covered by this report are weak, poorly founded, and not supported by an adequate basis for implementation.

Context is important. In the period 2007-13 Australia was a leading nation in pursuing emission reductions on the basis of economy-wide reform, including: a price on carbon as a prelude to applying an emissions trading scheme; a renewable energy target; and support in both funding and finance for clean energy and energy efficiency projects.

Much of that reform and progress has been undone since 2013. Australia is the only national jurisdiction to have implemented and then removed a market approach to decarbonising the economy. There is no commitment to a renewable energy target or to policy that supports large scale renewable energy investment beyond 2020. The government has sought to remove and/or de-fund the Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC). Consequently, Australia has plummeted from its position in 2013 as the 11th most attractive renewable energy investment jurisdiction to its current position of 39th, and carbon emissions have risen.

Australia's targets

It is disappointing that Australia's Nationally Determined Contribution (NDC) appears to have been set: (1) without reference to evidence and analysis of what would constitute our 'highest possible ambition'; and (2) without an assessment of how existing government policies are calibrated to deliver on our proposed NDC.

The Committee heard testimony and received submissions that:

- Australia's NDC was not consistent with a necessary, proportional, and reasonable contribution to keeping global warming below 2 degrees; and
- Contrary to the view expressed in the National Interest Assessment (NIA) (see paragraph 2.46) Australia's existing policies would not in any case deliver the NDC of 26-28% reductions by 2030.

Professor Lesley Hughes of the Climate Council of Australia, who appeared before the Committee in Sydney on 27 September 2016, said: "Like many in the climate change area, I do not think that Australia's targets are nearly strong enough. The original Climate Change Authority report recommended a 45-to-65 per cent reduction, not the 26-to-28 per cent that we currently have as a target. There was a dissenting climate authority report put out a couple of weeks ago indicating that that level of ambition is inadequate to even meet the target of keeping temperatures below two degrees. So, while I agree we need to have targets, most of us in the climate change space would like to see those targets far, far stronger to do our bit."

Dr Luke Kemp, who appeared before the Committee in Canberra on 28 September 2016, supplied a paper from Climate Action Tracker, ‘Australia set to overshoot its 2030 target by large margin’,¹ which states:

- “Australia’s commitment is not in line with most interpretations of a ‘fair’ approach to reach a 2°C pathway: if most other countries followed the Australian approach, global warming would exceed 3–4°C.”
- “Australia stands out as having the largest relative gap between current policy projections for 2030 and the INDC target. With currently implemented policy measures, Australia’s emissions are set to increase substantially to more than 27% above 2005 levels by 2030.”

On that basis, Australia should increase its emission reduction target (and NDC) as soon as practicable.

Moreover, considering the weakness of Australia’s NDC, we should not make use of any first commitment period over performance under the Kyoto Protocol arrangements to meet our second period commitment (see Report paragraph 2.64).

Implementing Australia’s NDC

Australia does not have a sufficient or effective legislative, policy, and program framework in place to deliver on its Paris Agreement commitments.

At the public hearing in Canberra on 28 September 2016, representatives of both the Department of Foreign Affairs and Trade and the Department of the Environment and Energy (including staff from International Climate Change and Energy Innovation Division and International Climate Branch) made it clear that there was no specific modelling or analysis that supported the sufficiency of Australia’s existing policy framework for meeting the emission reduction targets committed to under the Paris Agreement.

Indeed, Mr Brad Archer, First Assistant Secretary, International Climate Change and Energy Innovation Division, Department of the Environment and Energy, said:

¹Australia set to overshoot its 2030 target by large margin’, Climate Action Tracker, various authors, *Climate Analytics*, NewClimate Institute, Potsdam Institute for Climate Impacts Research, Ecofys, 27 August 2015.

“The projections we have produced to date do indicate emissions rising for some period, but the important proviso there is that those projections do not take into account the suite of government policies that are in place. The government will, as I understand it, release updated projections before the end of this year. I do not have a particularly year in mind in relation to when projections might peak. Clearly, if we are to meet our 2030 target, at some point we will need to be on a trajectory which has emissions lower than their previous peak and on a downwards trajectory.” [transcript, 28.09.16, p. 23]

And Mr Archer subsequently observed, in relation to a question about the basis on which the NIA states that existing government policies would deliver on Australia’s NDC target for 2030:

“I think the confidence stems from the fact that the government can implement policy. It is not locked into the settings that are in place today. The time it has decided to undertake that review is next year.” [transcript, 28.09.16, p. 24]

This is very concerning and reinforces the sense that Australia’s NDC target was chosen arbitrarily.

Professor Tim Stephens, who appeared before the Committee in Sydney on 27 September 2016, said, “[...] with the repeal of the Clean Energy Future legislation we currently do not have any overarching legislation that says Australia is aiming for these cuts by a certain time. So, we have no legal apparatus to give effect to our Paris commitments.”

The 2017 review of Australia’s climate change policy should address this gap as a priority. This must include recommendations regarding an adequate economy-wide emission reduction framework, as well as policy measures that reduce emissions in the electricity sector.

Making a ‘just transition’ to a low-carbon economy: opportunities

Developing Australia’s renewable energy potential is the key to achieving net zero carbon emissions from 2050, as targeted by the Paris Agreement. The evidence is

mounting to show that Australia has much more to gain than to lose from our position as a nascent ‘renewable energy superpower’.²

While the benefits of a transition to renewable energy are expected to be significantly greater than the costs of that transition (which in turn will be much less than the cost of inaction), it is none the less necessary for government to be mindful of the resources needed to ensure a just transition, especially with respect to heavily impacted workers, communities, and industries. The Paris Agreement acknowledges the need for national policies and matching resources to be delivered as part of comprehensive approach to achieving a ‘Just Transition’.

It is of great concern that the government is yet to articulate an approach to ensuring a just transition for workers, as was pointed out by the ACTU and other submissions.³ For example, the ACTU noted:

“[...] there is currently no national policy in place to ensure a just transition for workers in affected industries that supports workers obtain new secure jobs”.⁴

Just as some stakeholders point out the gap between Australia’s commitment to reduce emissions under the Paris Agreement and the inability of government policy to deliver those reductions, so other stakeholders point out the absence of government policy to meet Australia’s treaty obligations for a ‘Just Transition’ to support workers and communities that will be strongly affected.

Each of these policy gaps must be addressed by the government as a matter of urgency.

On a separate issue, the suggestion by the Minerals Council of Australia that nuclear energy is not being properly debated or assessed (Report paragraph 3.30) is hard to sustain when numerous recent analyses have considered the role of nuclear energy and determined that it is not economically viable, including, for example, the 2015 *Australian Power Generation Technology Report*.

In any case, it must be remembered that nuclear energy should never be considered in terms of energy cost and carbon emissions alone, but expressly in

²‘Renewable Energy Superpower’, Gerard Drew, et al., *Beyond Zero Emissions*, October 2016.

³See the AMWU, ETU and ACTU JSCOT Paris inquiry submissions.

⁴See ACTU JSCOT Paris inquiry submission, page 2.

terms of its extraordinary environmental and public health risks. As the world makes the transition to renewable energy, Australia should not reach back to a nuclear option that will inevitably be outmoded, exorbitant, and excessively risky given that it continues to generate disasters overseas.

Climate change support for developing nations

The framework and related obligations for providing climate finance and direct assistance to developing nations are relatively weak. It is disappointing that there is no apparent mechanism or reporting requirement that sufficiently militates against the potential for specific climate change assistance funding to replace general development assistance, instead of being genuinely additional. This is clearly a risk in Australia's case as the government pledges \$1 billion over five years from our existing aid budget for climate adaptation at a time in which overall aid funding has been drastically reduced, including to nations in our immediate region.

At the public hearing in Canberra on 28 September 2016, representatives from the Department of Foreign Affairs and Trade could not assure the Committee that assistance provided by Australia for climate change mitigation and adaptation would not simply represent differently 'earmarked' or labelled funds rather than being additional monies.

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