

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

Report 163

Paris Agreement, Kyoto Protocol - Doha Amendment

Joint Standing Committee on Treaties

© Commonwealth of Australia

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Executive Summary

This Report contains the Joint Standing Committee on Treaties review of the following two treaty actions:

- *Paris Agreement* (Paris, 12 December 2015); and
- *Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change* (Doha, 8 December 2012).

As the obligations for Australia under the agreements are closely related, the Committee chose to examine these two treaty actions together.

The *Paris Agreement* has received overwhelming support both internationally and within Australia. It will come into force on 4 November 2016, thirty days after the date on which it was ratified, adopted or accepted by at least 55 Parties to the United Nations Framework Convention on Climate Change, accounting for at least an estimated 55 per cent of the total global greenhouse gas emissions. This is an unprecedented response to such an agreement.

In Australia, the Agreement has been welcomed as a positive step forward, supporting collective action on an issue that is considered of global concern. The Agreement provides an inclusive, common framework, sets clear goals and establishes a realistic process and pathway to move forward.

Australia has committed to reducing emissions by 26 to 28 per cent below 2005 levels by 2030. There is some concern that this target may not be sufficient to contribute to meeting the global target of below 2°C, and ideally 1.5°C, set by the Agreement.

Questions were raised regarding the ability of Australia's current climate change policy framework to meet the demands of the country's commitments under the Agreement. The need for a stable, scalable framework with broad political support was stressed to provide confidence to stakeholders going forward.

The proposed review of Australia's climate change policy framework in 2017 is seen as an early opportunity to provide the groundwork for the mandated five yearly reviews due to commence in 2023, particularly with regard to setting Australia's future Nationally Determined Contributions or NDCs.

Despite the concerns a range of opportunities were identified for Australia to successfully adapt to the changing conditions and to take advantage of the transition to a global low-carbon economy. These include the expertise Australia has developed responding to extreme weather events, ongoing demand for its mineral resources in the manufacture and development of renewable technology and its abundant renewable power resources.

However, the transition to the low-carbon economy will require careful planning to ensure that the benefits of Australia's advantages are spread evenly across the population. Practical solutions have to be found to address the social and economic changes faced by Australia as a user and exporter of carbon intensive commodities.

The Committee recommends that both the *Paris Agreement* and the *Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change* be ratified as soon as possible.

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Abbreviations

ACTU	Australian Council of Trade Unions
AIGN	Australian Industry Greenhouse Network Ltd
AMSA	Australian Medical Students' Association
AMWU	Australian Manufacturing Workers Union
ANMF	Australian Nursing & Midwifery Federation
APS	Australian Psychological Society
BCA	Business Council of Australia
CAHA	Climate and Health Alliance
CEC	Clean Energy Council
DEE	Department of the Environment and Energy
DFAT	Department of Foreign Affairs and Trade
ETU	Electrical Trades Union of Australia
GHG	greenhouse gas
IGCC	Investor Group on Climate Change
IPCC	International Panel on Climate Change

JSCOT	Joint Standing Committee on Treaties
MCA	Minerals Council of Australia
NDCs	Nationally Determined Contributions
NF ₃	Nitrogen Trifluoride
NFF	National Farmers' Federation
NIA	National Interest Analysis
ODA	Official Development Assistance
PMC	Department of Prime Minister and Cabinet
QELRCs	Quantified Emission Limitation or Reduction Commitments
RIS	Regulation Impact Statement
UNFCCC	United Nations Framework Convention on Climate Change

Members

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Senator the Hon Don Farrell

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Resolution of Appointment

The Resolution of Appointment of the Joint Standing Committee on Treaties allows it to inquire into and report on:

- a matters arising from treaties and related National Interest Analyses and proposed treaty actions and related Explanatory Statements presented or deemed to be presented to the Parliament;
- b any questions relating to a treaty or other international instrument, whether or not negotiated to completion, referred to the committee by:
 - i either House of the Parliament, or
 - ii a Minister; and
- c such other matters as may be referred to the committee by the Minister for Foreign Affairs and on such conditions as the Minister may prescribe.

List of Recommendations

Recommendation 1

3.50 The Committee supports the *Paris Agreement* and recommends that binding treaty action be taken.

Recommendation 2

3.52 The Committee supports the *Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change* and recommends that binding treaty action be taken.

1. Introduction

Purpose of the report

- 1.1 This report contains the Joint Standing Committee on Treaties' review of:
 - *Paris Agreement* (Paris, 12 December 2015); and
 - *Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change* (Doha, 8 December 2012).
- 1.2 The Committee's resolution of appointment empowers it to inquire into any treaty to which Australia has become signatory, on the treaty being tabled in Parliament.
- 1.3 The treaties, and matters arising from them, are evaluated to ensure that ratification is in the national interest, and that unintended or negative effects on Australians will not arise.
- 1.4 Prior to tabling, major treaty actions are subject to a *National Interest Analysis* (NIA), prepared by Government. This document considers arguments for and against the treaty, outlines the treaty obligations and any regulatory or financial implications, and reports the results of consultations undertaken with State and Territory Governments, Federal and State and Territory agencies, and with industry or non-government organisations.
- 1.5 A *Regulation Impact Statement* (RIS) may accompany the NIA. The RIS provides an account of the regulatory impact of the treaty action where adoption of the treaty will involve a change in the regulatory environment for Australian business. The Treaties in this report did not require a RIS.

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- 1.6 The Committee takes account of these documents in its examination of the Treaty text, in addition to other evidence taken during the inquiry program.
- 1.7 Copies of the treaties considered in this report and associated documentation may be obtained from the Committee Secretariat or accessed through the Committee's website at:
- http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/ParisAgreement/Treaty_being_considered; and
 - http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/KyotoProtocol/Treaty_being_considered.

Conduct of the Committee's review

- 1.8 The treaty actions reviewed in this report were advertised on the Committee's website from the date of tabling. Submissions for the treaties were requested by 7 October 2016 for the *Paris Agreement* and 23 September 2016 for the *Doha Amendment to the Kyoto Protocol*.
- 1.9 Invitations were made to all State Premiers, Territory Chief Ministers and to the Presiding Officers of each Parliament to lodge submissions. The Committee also invited submissions from individuals and organisation with an interest in the treaties under review.
- 1.10 The Committee held public hearings into the treaties in Sydney on 27 September 2016, Canberra on 28 September 2016 and 17 October 2016, and Melbourne on 6 October 2016.
- 1.11 The transcripts of evidence from the public hearings may be obtained from the Committee Secretariat or accessed through the Committee's website under the individual Treaty's inquiry page.
- 1.12 A list of submission received and their authors is at Appendix A.
- 1.13 A list of exhibits received is at Appendix B.
- 1.14 A list of witnesses who appeared at the public hearings is at Appendix C.

2. Overview

Introduction

- 2.1 This report examines the *Paris Agreement* (Paris, 12 December 2015) and the Doha amendment to the *Kyoto Protocol to the United Nations Framework Convention on Climate Change* (Doha, 8 December 2012).
- 2.2 The *Paris Agreement* (the Agreement), a legal instrument adopted by the Conference of Parties to the *United Nations Framework Convention on Climate Change* (UNFCCC), was signed by Australia on 22 April 2016 and tabled in the Parliament on 31 August 2016.¹
- 2.3 The Doha amendment to the *Kyoto Protocol to the United Nations Framework Convention on Climate Change* (Kyoto Amendment) was done on 8 December 2012 and tabled in the Parliament on 31 August 2016.²
- 2.4 The *Paris Agreement* will enter into force generally thirty days after the date on which at least 55 parties to the UNFCCC, accounting in total for at least an estimated 55 per cent of total greenhouse gas (GHG) emissions, have deposited their instruments of ratification, acceptance, approval or accession (**Article 21.1**). If Australia ratifies after this date, the Agreement will enter

¹National Interest Analysis [2016] ATNIA 10 with attachment on consultation *Paris Agreement*, done at Paris on 12 December 2015 [2016] ATNIF 31 (hereafter referred to as 'Paris NIA'), para 2.

²National Interest Analysis [2016] ATNIA 11 with attachment on consultation *Doha Amendment to the Kyoto Protocol* done at Doha on 8 December 2012 [2016] ATNIF 24 (hereafter referred to as 'Kyoto NIA'), para 1.

into force for Australia thirty days after the date on which Australia deposits its instrument of ratification.

- 2.5 On 5 October 2016, the United Nations Secretary-General, Ban Ki-moon, announced that the threshold had been met and that the *Paris Agreement* will enter into force on 4 November 2016.³
- 2.6 The Kyoto Amendment will enter into force on the ninetieth day after three-fourths of the Parties (144 of the 192 Parties) have deposited their instruments of acceptance.⁴ As at 23 September 2016, 70 Parties had ratified the Amendment.⁵
- 2.7 As the obligations for Australia under the agreements are closely related, the Committee chose to examine these two treaty actions together.

Background

- 2.8 The UNFCCC entered into force in 1994. To date 197 countries have ratified the Convention, including Australia.
- 2.9 According to the UNFCCC website, the objective of the Convention is to stabilize greenhouse gas concentrations ‘at a level that would prevent dangerous anthropogenic (human induced) interference with the climate system.’ The Convention states that ‘such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened, and to enable economic development to proceed in a sustainable manner.’⁶

³United Nations Secretary-General, Ban Ki-moon, ‘Statement by the Secretary-General on the Paris Agreement on climate change’, <<https://www.un.org/sg/en/content/sg/statement/2016-10-05/statement-secretary-general-paris-agreement-climate-change>>, accessed 13 October 2016.

⁴Kyoto NIA, para 7.

⁵United Nations Framework Convention on Climate Change (UNFCCC), ‘Status of the Doha Amendment’, <http://unfccc.int/kyoto_protocol/doha_amendment/items/7362.php>, accessed 13 October 2016.

⁶UNFCCC, ‘First steps to a safer future: Introducing The United Nations Framework Convention on Climate Change’, <http://unfccc.int/essential_background/convention/items/6036.php>, accessed 7 September 2016.

- 2.10 The Convention was 'operationalised' by the Kyoto Protocol, which was adopted in 1997 and ratified in 2005. Whereas the Convention *encouraged* countries to stabilise GHG emissions, the Kyoto Protocol *committed* them to do so. In its first commitment period (2008–2012), the Kyoto Protocol set 'binding emission reduction targets for 37 industrialized countries and the European community'.⁷
- 2.11 A second commitment period (1 January 2013–2020) was set by the Doha amendment to the Kyoto Protocol in December 2012.⁸
- 2.12 Australia was a founding member of the UNFCCC in 1992 and has set emission reduction targets under the Kyoto Protocol from 2008–2012 and 2013–2020.⁹

Overview and national interest analysis

- 2.13 According to the National Interest Analysis (Paris NIA), the *Paris Agreement*:
- aims to strengthen the global response to climate change, including by setting a collective goal to keep the global temperature increase to well below 2°C and pursue efforts to keep warming below 1.5°C above pre-industrial levels;
 - requires each Party to communicate their intended actions to address climate change (known as Nationally Determined Contributions, NDCs) every five years (the first of which is to apply from 2020) and increase their ambition over time;
 - requires each Party to be transparent and to account for progress towards their respective NDCs;

⁷UNFCCC, 'Making those first steps count: An Introduction to the Kyoto Protocol', <http://unfccc.int/essential_background/kyoto_protocol/items/6034.php>, accessed 7 September 2016.

⁸UNFCCC, 'Making those first steps count: An Introduction to the Kyoto Protocol', <http://unfccc.int/essential_background/kyoto_protocol/items/6034.php>, accessed 7 September 2016.

⁹Paris NIA, para 14.

- requires Parties to undertake appropriate adaptation planning and action; and
- requires developed country Parties, and encourages others willing to do so, to provide support to help developing countries to implement the Agreement.¹⁰

2.14 The National Interest Analysis for the Doha amendment to the Kyoto Protocol (Kyoto NIA) notes that acceptance of the amendment internationally affirms Australia's ongoing commitment to multilateral climate action¹¹, as demonstrated by its support for the *Paris Agreement*. The Kyoto Amendment formalises—and makes legally binding—Australia's second period commitment to limit average annual emissions over the period 2013–2020 to 99.5 per cent of 1990 levels. The Kyoto NIA states that this is consistent with Australia's 2020 target.¹²

Reasons for Australia to take the proposed treaty actions

Paris Agreement

- 2.15 Australia is currently committed to reduce emissions by 26 to 28 per cent below 2005 levels by 2030. According to the Paris NIA this will enable Australia to contribute to the global goal to keep the global temperature increase to well below 2°C and pursue efforts to limit the temperature increase to 1.5°C. The Paris NIA maintains that ratification of the Agreement will confirm Australia's commitment to this goal.¹³
- 2.16 The Paris NIA argues that collective global action under the Agreement is the most effective means of protecting Australia against the threats of climate change. It suggests that without effective global climate action, Australia will face risks to the health and resilience of its coasts and beaches including natural systems such as the Great Barrier Reef, cities and the built environment, agriculture, forestry and fisheries, water resources and natural ecosystems, as well as the health and wellbeing of Australians. This risk will

¹⁰Paris NIA, para 4.

¹¹Kyoto NIA, para 8.

¹²Kyoto NIA, para 8.

¹³Paris NIA, paragraphs 9 and 11.

have economic costs. The Paris NIA also warns that there are implications for disaster risk management and flow on affects for the resilience and security of the Asia-Pacific region.¹⁴

- 2.17 The Agreement signals a transition to a lower carbon global economy. The Paris NIA considers that this will create economic opportunities for Australia in the areas of renewable energy, sustainable cities, sustainable agriculture and climate resilient infrastructure. It may also present opportunities for foreign investment.¹⁵
- 2.18 The Paris NIA points out that climate impacts in the region, and the risk of climate-induced migration and displacement, could also have consequences for Australia.¹⁶
- 2.19 The Paris NIA indicates that the Agreement broadens the coverage of international climate action beyond the industrialised countries. All countries have concluded an agreement committing to limit or reduce national emissions and apply a common framework to transparently track and be held accountable for progress. The Agreement also recognises that climate finance is not exclusively a matter for developed countries.¹⁷
- 2.20 The Agreement lets Parties determine their own national emissions reduction pledges, subject to no-backsliding and improvement over time. The Paris NIA says that this overcomes the UNFCCC's previous binary approach under which only developed country Parties were required to reduce emissions.¹⁸
- 2.21 The Paris NIA argues for ratification in time for the entry into force of the Agreement to ensure Australia's influence in continued negotiations of rules and guidance. The outcome of these negotiations could influence how

¹⁴Paris NIA, para 10.

¹⁵Paris NIA, para 12.

¹⁶Paris NIA, para 13.

¹⁷Paris NIA, para 15.

¹⁸Paris NIA, para 16.

commitments and potential obligations under the Agreement are calculated and implemented.¹⁹

Kyoto Amendment

- 2.22 The Kyoto NIA claims that Australia is on track to achieve the second period commitment and 2020 target. The Kyoto NIA notes that Australia is already reporting in accordance with the Protocol's measurement, reporting and accounting rules, and its audit and transparency processes.²⁰
- 2.23 The Protocol and its rules include a number of mechanisms designed to provide flexibility for countries to efficiently manage emissions. One mechanism is 'carry over', which refers to the ability of Parties to the Protocol to count over-performance on their commitment in the first period towards their commitment in the second period. Article 3(13) of the original Protocol provides that a Party in Annex I whose emissions in a commitment period were less than its assigned amount in that period, can have the difference added to its assigned amount for the subsequent commitment period upon request. Carry over is designed to help countries to achieve their targets in the most economically efficient way by allowing them to distribute emission reduction effort over a broader time than a single commitment period. In addition to providing flexibility, this provision ensures there is not a perverse incentive for countries to do the minimum necessary in any given commitment period.²¹
- 2.24 According to the Kyoto NIA, Australia over-performed on its first period commitment by 128 million tonnes. Acceptance of the Kyoto Amendment will formalise Australia's ability to apply this over-performance towards its 2020 commitments.²²
- 2.25 Another flexibility mechanism is the use of international carbon units, generated under articles 6, 12 and/or 17 of the original Protocol, to assist countries to comply with their commitments through offsetting their

¹⁹Paris NIA, para 17.

²⁰Kyoto NIA, para 11.

²¹Kyoto NIA, paragraphs 12–13.

²²Kyoto NIA, para 14.

emissions. The Kyoto Amendment specifies in **Article 1(J)** that market-based mechanisms established under the Convention or its instruments may be used by the Parties in Annex I to assist them in achieving their limitation and reduction commitments under Article 3 of the Protocol. According to the Kyoto NIA, Australia currently holds approximately 24 million such units generated additionally to countries' assigned amounts and gifted to it by Australian businesses under the voluntary Waste Industry Protocol.²³

- 2.26 The Kyoto NIA states that, when the Kyoto Amendment was adopted in 2012, Australia made a non-binding political declaration that it would not purchase surplus Assigned Amount Units, representing the initial allocation of greenhouse emissions permissible under the Protocol, that were carried over by other countries from the first commitment period under **Article 3(13)**.²⁴
- 2.27 The Kyoto NIA cautions that, if the Kyoto Amendment is not accepted, Australian businesses currently using international units to voluntarily offset their emissions under the National Carbon Offset Standard, would be forced to use foreign registry accounts or become project participants to access these units.²⁵

Obligations

Paris Agreement

- 2.28 The Paris NIA explains that the proposed Agreement will establish legal obligations and create a number of non-binding principles, expectations, guidance and frameworks applying to all Parties collectively, or to groups of developed or developing countries (Australia is a developed country).²⁶
- 2.29 The adopting decision for the Agreement (the Paris Decision) also sets out principles, expectations and guidance.²⁷ Although the Paris Decision does

²³Kyoto NIA, para 15.

²⁴Kyoto NIA, para 16.

²⁵Kyoto NIA, para 17.

²⁶Paris NIA, para 19.

²⁷The Paris Decision can be found at: <http://unfccc.int/resource/docs/2015/cop21/eng/10a01.pdf>

not establish any legal obligations, countries will be expected to comply with and/or meet these decisions.²⁸

2.30 The following summary of the Articles of the Agreement is taken from the Paris NIA, paragraphs 21-37.

Mitigation and Nationally Determined Contributions

- **Article 2.1:** the Agreement aims to strengthen the global response to climate change by setting a global goal to hold the increase in the global average temperature to well below 2°C and to pursue efforts to limit the temperature increase to 1.5°C. This is to be carried out without threatening food production and by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.
- **Article 4.1:** sets an expectation that Parties will aim to reach a global peaking of emissions as soon as possible, and achieve net zero emissions in the second half of the century.
- **Article 4.2:** requires each Party to prepare, communicate and maintain successive NDCs that it intends to achieve.
- **Article 4.3:** the NDCs are to build on the ambition in the respective Party's previous target and reflect its highest possible ambition.
- **Article 4.4:** sets an expectation that developed country Parties will continue to take the lead by undertaking economy-wide absolute emissions reduction targets. Developing country Parties are encouraged to move toward economy-wide reduction or limitation targets over time.
- **Article 4.8:** requires each party to provide the information necessary for clarity, transparency and understanding of their respective NDCs in accordance with the decisions of the Conference of Parties.
- **Article 4.9:** each Party shall communicate NDCs every five years.
- **Article 4.13:** Parties are required to account for their NDCs in a manner which, in accordance with the guidance of the Conference of parties, promotes environmental integrity, transparency, accuracy,

²⁸Paris NIA, para 20.

completeness, comparability and consistency and avoids double accounting.

- **Article 4.19:** encourages Parties to formulate and communicate long-term low greenhouse gas emission development strategies.
- **Article 6.2:** Parties choosing to use internationally transferred mitigation outcomes such as emission reduction units, towards their NDCs, are required to promote sustainable development, ensure environmental integrity and transparency and to apply robust accounting to avoid double counting.

Provision of Support

- **Article 9.1:** obliges developed country Parties to provide support in the form of financial resources to assist developing country Parties' efforts to implement the Agreement in continuation of their existing obligations under the Convention. Under the Paris Decision developed countries are collectively expected to provide and mobilise US\$100 billion per year by 2020 to developing country Parties for mitigation and adaptation. A new goal will be negotiated for post-2025, which may include a broader donor base.
- **Article 9.2:** other Parties are encouraged to provide support and communicate relevant information voluntarily.
- **Article 9.5:** obliges developed country Parties to provide information biennially, indicating the public financial support they have provided or will provide to developing country Parties, and, as applicable, information relating to the mobilisation of climate finance.

2.31 Other forms of international support required to be provided to developing country Parties include mitigation (**Article 4.5**), adaptation (**Article 7.13**), technology development and transfer (**Article 10.6**) and transparency (**Articles 13.14, 13.15**). Parties are required to strengthen cooperative action on technology development and transfer.

2.32 The Agreement creates an expectation that developed country Parties should enhance their support for capacity building in developing country Parties (**Article 11.3**) and for loss and damage associated with the adverse effects of climate change (**Article 8.3**). The Paris Decision clarifies that

Article 8 of the Agreement does not provide a basis for liability or compensation associated with climate change.

Reporting, review and compliance

- **Article 13.5:** establishes the ‘transparency framework for action and support’ to ensure a clear understanding of global action.
- **Article 13.7:** requires each Party to report on their emissions and progress towards their NDCs.

2.33 All Parties enhancing the capacity of developing country Parties are required to regularly communicate such actions or measures (**Article 11.4**). Each developed country Party is required to report on financial, technology transfer and capacity building support provided, and other Parties that provide support are encouraged to report this information (**Article 13.9**). Developed country Parties are also obliged to provide transparent and consistent information on support for developing country Parties that is provided and mobilised through public interventions biennially in accordance with guidance from the conference of Parties (**Article 9.7**).

- **Article 13.11:** requires each Party to participate in a facilitative, multilateral consideration of progress in finance provided and in implementing and achieving its NDC.
- **Article 14:** mandates a five yearly global stocktaking process commencing in 2023 that will assess collective progress towards meeting the purpose of the Agreement and its long term goals.
- **Article 14.3:** requires Parties to take into account the global stocktake outcomes in updating and enhancing their nationally-determined actions and support in accordance with the Agreement, and in enhancing international cooperation for climate action.
- **Article 15:** establishes a mechanism consisting of a committee to facilitate implementation and promote compliance, which is to operate in a ‘non-adversarial and non-punitive’ manner.

Other obligations

- **Article 7.9:** requires each Party, as appropriate, to engage in domestic adaptation planning and implementation.

- **Article 7.10:** encourages Parties to communicate such actions.
- **Article 12:** requires the Parties to cooperate in taking appropriate measures to enhance climate change education, training public awareness, public participation and public access to information.
- **Article 4.15:** requires Parties to consider the concerns of Parties whose economies are likely to be impacted as a result of actions taken to address climate change.

Kyoto Amendment

2.34 The following summary of the Articles of the Kyoto Amendment is taken from the Kyoto NIA paragraphs 19–26.

The second commitment period

- **Article 1:** establishes a second commitment period covering the years 2013 to 2020.
- **Article 1 (C):** creates a legally binding obligation on each Party included in Annex I to individually or jointly ensure that their emissions do not exceed their assigned amount calculated in accordance with their Quantified Emission Limitation or Reduction Commitments (QELRCs) for the second commitment period.
- **Article 1(F):** sets out how a Party's 'assigned amount' shall be calculated based on its QELRC.

Incentives and penalties for setting commitments in the second period

- **Article 1(G):** establishes incentives for each Party in Annex I of the UNFCCC to set a second commitment period QELRC in Annex B of the Protocol which is not less ambitious than its emission reduction performance in the first three years of the first commitment period (2008–2010). **Article 3(7)** achieves this by effectively penalising Parties that do not do so by establishing obligations to transfer any positive difference between the second commitment period QELRC and the average annual emission for such a Party in the years 2008–2010 to the cancellation account for that Party.

Nitrogen Trifluoride (NF₃)

2.35 The Kyoto Amendment adds NF₃ to the list of gases in Annex A to the Protocol. This creates an obligation to include the gas in the calculation of Australia's greenhouse gas emissions for the purpose of determining compliance with its commitment in the second period.

Relationship to existing obligations

2.36 Various existing obligations under the Protocol which applied generally in achieving the QELRC under **Article 3** for the first period will also apply in respect of achieving the QERLC in the second period.

2.37 According to the Kyoto NIA the Kyoto Amendment will have no further impact on Australia's existing international obligations under either the Protocol or the UNFCCC.²⁹

Implementation

Paris Agreement

Mitigation and Australia's National Determined Contribution (NDC)

2.38 Australia's NDC includes an emissions reduction target of 26-28 per cent below 2005 levels by 2030. According to the NIA the target will halve Australia's per capita emissions compared with 2005 levels and reduce the emissions intensity of the Australian economy by two-thirds. The NIA claims that the target compares well to other developed countries against a range of metrics and is consistent with strong economic growth and jobs.³⁰

2.39 The NIA maintains that the Government has existing legislation, policies and measures to enable it to achieve Australia's NDC and support obligations, including the Emissions Reduction Fund and its Safeguard mechanism, a Renewable Energy Target and a National Energy Productivity Plan.³¹

²⁹Kyoto NIA, para 26.

³⁰Paris NIA, para 38.

³¹Paris NIA, para 39.

Australia's provision of support, including finance

- 2.40 Under **Articles 9, 10 and 11** Australia can determine the priorities of its climate finance, technology transfer and development and capacity building programs. The requirement to include reporting forward looking plans on climate finance (**Article 9.5**), where available, is consistent with reporting under Australia's foreign aid program.³²
- 2.41 The NIA states that the Government has committed at least \$1 billion over five years from Australia's existing aid budget to support developing countries in their efforts to build resilience to climate change and reduce their emissions. The NIA also notes that Australia has pledged \$200 million over four years to the Green Climate Fund to support developing countries to grow their economies in a sustainable way and help adapt to climate change.³³

Reporting and review

- 2.42 In line with existing UNFCCC requirements, Australia reports information on Australia's climate change policies and programs. Australia has a national system for estimating anthropogenic emissions and reports a full national inventory to the UNFCCC annually. According to the NIA, further arrangements for reporting and review consistent with the obligations contained in this Agreement will be negotiated in advance of 2020 and are not expected to be significantly different from existing requirements.³⁴

Other

- 2.43 Australia's National Climate Resilience and Adaptation Strategy, which is consistent with the obligation under **Article 7.9** to undertake appropriate adaptation planning, was released in November 2015.³⁵

³²Paris NIA, para 41.

³³Paris NIA, para 42.

³⁴Paris NIA, para 43.

³⁵Paris NIA, para 44.

Kyoto Amendment

- 2.44 The Kyoto NIA maintains that legislation, policies and practices are already in place to implement Australia's obligations under the Kyoto Amendment, including the Emissions Reduction Fund, the Renewable Energy Target and the National Energy Productivity Plan.³⁶
- 2.45 The Kyoto NIA states that the *Carbon Credits (Carbon Farming Initiative) Act 2011*, which implements the Emissions Reduction Fund and Safeguard Mechanism, does not require further amendment as it operates on the basis that the Kyoto Amendment is in force.³⁷
- 2.46 The Kyoto NIA also maintains that Australia's official emissions projections to 2020 indicate that Australia is on track to meet its 2020 emissions reduction target.³⁸
- 2.47 Australia's National Inventory Report was submitted to the UNFCCC in May 2016 and the data underpinning the report will be subject to the annual international audit process.³⁹
- 2.48 According to the Kyoto NIA, the obligation relating to NF₃ has been implemented by including reporting of the gas against *Source Category 2.E Electronics Industry* in Australia's annual National Inventory Report, starting in the report published in May 2015. The Kyoto NIA states that, in accordance with UNFCCC inventory reporting guidelines, the Department of the Environment and Energy considers the emissions of NF₃ in Australia negligible and therefore not required to be reported.⁴⁰

³⁶Kyoto NIA, paragraphs 27 and 28.

³⁷Kyoto NIA, para 29.

³⁸Kyoto NIA, para 30.

³⁹Kyoto NIA, para 31.

⁴⁰Kyoto NIA, para 32.

Costs

Paris Agreement

- 2.49 The Paris NIA states that ratification of the Agreement will not trigger specific policy actions and/or associated costs beyond those associated with efforts to achieve Australia's NDC, and take appropriate adaptation action, under the existing policy framework.⁴¹
- 2.50 The Paris NIA points out that the full economic and budget impact of meeting the 2030 NDC, and subsequent NDCs, will depend on the design of the policies chosen. Continued advances in technology, and private sector investment in mitigation and adaptation, will play a role. The Paris NIA states that the Australian Government intends to regularly take stock of its policies to ensure they are capable of meeting its emissions reductions targets and are consistent with business confidence and strong economic growth.⁴²
- 2.51 Australia's contribution to collective climate finance commitments in the Agreement will be considered as part of the Budget process.⁴³
- 2.52 There are no prescribed penalties associated with failing to achieve obligations set out in the Agreement or NDCs submitted by Australia. However, the Paris NIA indicates that the reputational costs would be a serious consideration.⁴⁴
- 2.53 The Paris NIA maintains that, other than those listed, there are no additional costs to Australian business or industry, or to State and Territory governments, associated with ratifying the Agreement.⁴⁵

⁴¹Paris NIA, para 46.

⁴²Paris NIA, para 47.

⁴³Paris NIA, para 48.

⁴⁴Paris NIA, para 49.

⁴⁵Paris NIA, para 50.

Kyoto Amendment

- 2.54 According to the Kyoto NIA, the Kyoto Amendment will not create any additional costs to those associated with efforts to achieve the 2020 target under existing policy measures.⁴⁶
- 2.55 The Kyoto NIA states that the Kyoto Amendment will formalise Australia's use of its first commitment period over-performance and international carbon units generated under the Protocol to assist to meet its 2020 commitments, providing Australia with additional options for achieving the 2020 target in a cost-effective way.⁴⁷
- 2.56 The Kyoto NIA explains that the Protocol's international audit process can involve the adjustment of national emissions totals if Australia's emissions estimates are found to be inconsistent with Protocol obligations or rules. However, Australia has actively managed this risk to date.⁴⁸
- 2.57 The Kyoto NIA cautions that, should Australia not achieve the second period commitment, there are potential penalties that may be applied in subsequent commitment periods. However, the Kyoto NIA suggests that Australia is already on track to meet the 2020 target and therefore considers this risk negligible.⁴⁹
- 2.58 The Kyoto NIA states that the Kyoto Amendment will not alter the existing costs of remaining compliant with reporting and accounting obligations under the Protocol or the UNFCCC. Australia's contributions to the trust fund of the UNFCCC and the Protocol will not be impacted.⁵⁰

⁴⁶Kyoto NIA, para 34.

⁴⁷Kyoto NIA, para 35.

⁴⁸Kyoto NIA, para 36.

⁴⁹Kyoto NIA, para 37.

⁵⁰Kyoto NIA, para 38.

2.59 The Kyoto NIA does not foresee any additional costs to Australian business or industry, or to State and Territory governments, associated with this treaty action.⁵¹

⁵¹Kyoto NIA, para 39.

3. Review and analysis

Introduction

- 3.1 This chapter considers the evidence received by the Committee. There was widespread support for the *Paris Agreement* from a diverse range of stakeholders. The Agreement is seen as an important collective step by the global community in combating the effects of anthropogenic climate change.
- 3.2 The Committee heard some concerns about the implementation of the Agreement. In particular, questions were raised about whether Australia's current climate change policy framework will be able to meet Australia's commitments under the Agreement. Despite these concerns, a range of opportunities were identified for Australia to successfully adapt to the changing conditions and to take advantage of the transition to a global low-carbon economy.

Impact of climate change on Australia

- 3.3 Australia has been identified as 'among the most exposed and vulnerable' of the developed countries to climate change due to its 'hot, dry climate and environmental extremes'.¹ The Climate Council warns that Australia is on the 'front line of climate change'.² Australia is prone to extreme weather

¹Australian Psychological Society (APS), *Submission 16*, p. 1 (quoting from a report of the International Panel on Climate Change (IPCC), *Climate Change 2014: Impacts, Adaptation and Vulnerability*, Chapter 25).

²Climate Council, *Submission 24*, p. 3.

events which could increase in frequency and severity due to climate change, exacerbating the occurrence of fire and flood.³

- 3.4 Given the concentration of urban development around Australia's coastline, exposure to rising sea levels and increased storm surges could pose a significant threat. Local councils are factoring these concerns into forward planning and the risk is influencing insurance industry decisions.⁴ Australia's agricultural sector is being forced to adapt to changing weather patterns. This could present a future threat to food security, both for Australia and its international trading partners.⁵
- 3.5 Of major concern is the possible impact of climate change on the health of Australians. A number of health professionals identify climate change as 'arguably the biggest health threat of the 21st Century.'⁶ They make a direct link between climate change and a range of detrimental effects on physical and mental health:

These risks follow an increase in extreme weather events and natural disasters, changing distribution of flora and fauna, increases in infectious disease outbreaks, respiratory, cardiovascular and mental health stressors, reduced food security and volatility in the Asia-Pacific region.⁷

- 3.6 The flow on effect could impact significantly on health service delivery, both resources and personnel:

³Climate Council, *Submission 24*, p. 3.

⁴Professor Matthew England, Deputy Director, Climate Change Research Centre, University of New South Wales, *Committee Hansard*, Sydney, 27 September 2016, p. 20.

⁵Professor England, *Committee Hansard*, Sydney, 27 September 2016, pp. 17–18; Dr Mark Zirnsak, Director, Justice and International Mission Unit, Synod of Victoria and Tasmania, Uniting Church in Australia, *Committee Hansard*, Melbourne, 6 October 2016, p. 7; Ms Fiona Armstrong, Executive Director, Climate and Health Alliance (CAHA), *Committee Hansard*, Melbourne, 6 October 2016, p. 1; Ms Chloe Aldenhoven, Coal and Gas Community Campaigner, Friends of the Earth Australia, *Committee Hansard*, Melbourne, 6 October 2016, p. 22.

⁶APS, *Submission 16*, p. 2; Australian Medical Students' Association (AMSA), *Submission 19*; Cohealth, *Submission 39*.

⁷Climate and Health Alliance (CAHA), *Supplementary Submission 10.1*, p. 5.

Adverse health effects on individuals and communities will obviously also impact health systems and health care delivery, with the treatment of climate change-related health conditions adding to the burden of an already stretched Australian health care workforce.⁸

- 3.7 However, there are some who question the existence of climate change altogether and others who question the anthropogenic nature of the phenomenon. The use of model based evidence for climate change has been called into question, as has the extent of consensus among scientists on the evidence.⁹

Text of the *Paris Agreement*

- 3.8 The *Paris Agreement* has been welcomed as a positive step forward, supporting collective action on an issue that is considered a global concern. The Agreement provides a common framework for action, eliminating the distinction between developed and developing countries and establishing clear targets:

- The Paris Agreement covers over 190 nations, includes all the major emitters and both developed and developing nations.
- It includes clear goals against which progress can be tracked, including the aim of limiting global warming to less than 2°C and the ambition of a net zero emissions economy by the second half of the century.
- It establishes a realistic process and pathway for ongoing decarbonisation, which builds upon the nationally determined contributions of each country and works within a process of ever increasing ambition through the review and ratchet mechanism.¹⁰

- 3.9 Although support for the Agreement is widespread some have raised concerns. It is suggested that the Agreement does not adequately convey the urgency of the situation and may not go far enough to successfully combat climate change.¹¹ The current pledges may be too little to confine the global

⁸Australian Nursing & Midwifery Federation (ANMF), *Submission 13*, p. 2.

⁹Mr John McLean, *Submission 30*, p. 3; Mr Philip S. Clark, *Submission 34*.

¹⁰Investor Group on Climate Change (IGCC), *Submission 27*, p. 3.

¹¹Mr Peter Sainsbury, *Submission 25*; Dr Elizabeth Hanna, *Submission 44*.

temperature rise to 2°C by 2050 and the preferred 1.5°C target may have already been missed.¹² In light of this information, the Centre for Climate Safety considers that the target of ‘below 2° C’ is not enough to be effective in preventing severe disruption.¹³

- 3.10 The use of non-binding pledges instead of substantive legal obligations is also questioned. The binding obligations are mostly administrative and communicative and do not cover the emission targets or financial commitments.¹⁴ Although pledge and review systems have worked successfully for other areas, they may not be appropriate for a ‘problem that is of the scale and difficulty of climate change’.¹⁵ When questioned, the Department of Foreign Affairs and Trade (DFAT), suggested that many countries would not have been comfortable making commitments under a legally binding mechanism.¹⁶ However, the use of a pledge and review system allowed the process to move forward without threatening the sovereignty of individual countries:

So the mechanism that the Paris Agreement came up with was that every country would, of its own sovereign decision, come up with a plan for how it was going to address the impacts of climate change, and that that should be reviewed. That was the great success of Paris ...¹⁷

Australia’s targets

- 3.11 Australia has committed to reduce emissions by 26 to 28 per cent below 2005 levels by 2030.¹⁸ Submitters from non-government groups have raised

¹²Justice and International Mission, Uniting Church of Australia, Synod of Victoria and Tasmania, *Submission 9*.

¹³Centre for Climate Safety, *Submission 31*, p. 1.

¹⁴Dr Luke Kemp, *Committee Hansard*, Canberra, 28 September 2016, p. 7; Australian Industry Greenhouse Network Ltd (AIGN), *Submission 18*, p. 6.

¹⁵Dr Kemp, *Committee Hansard*, Canberra, 28 September 2016, p. 9.

¹⁶Ambassador Patrick Suckling, Ambassador for the Environment, Department of Foreign Affairs and Trade (DFAT), *Committee Hansard*, Canberra, 28 September 2016, p. 27.

¹⁷Ambassador Suckling, DFAT, *Committee Hansard*, Canberra, 28 September 2016, p. 27.

¹⁸National Interest Analysis [2016] ATNIA 10 with attachment on consultation Paris Agreement, done at Paris on 12 December 2015 [2016] ATNIF 31 (hereafter referred to as ‘Paris NIA’), para 9.

concerns that this target is not a sufficient contribution to meet the global target of below 2°C and ideally 1.5°C set by the *Paris Agreement*.¹⁹ A number of submissions referred the Committee to the Climate Change Authority's recommendation for Australia to aim for a 45 to 65 per cent reduction below 2005 levels by 2030.²⁰

- 3.12 The Investor Group on Climate Change (IGCC) cautioned that the existing target is not ideal from an investor's perspective as it may not encourage a smooth transition to a carbon neutral economy:

We think it will involve quite a steep drop-off at some point in the next 20 years, which is the trajectory that we look at. So it is not a question of whether it is appropriate or not; it is a question of what kind of transition you want. Do you want one that is sharp and abrupt, or do you want one which is smooth and gradual? You probably could increase the level of the ambition of the targets in order to meet the Paris Agreement and have a smoother transition over the entire period.²¹

- 3.13 The Department of the Environment and Energy (DEE) maintained that modelling undertaken for the United Nations Framework Convention on Climate Change (UNFCCC) Taskforce at the Department of Prime Minister and Cabinet for its inquiry into setting a post 2020 target indicated that 'in per capita terms and per unit of output in our economy our targets represent very ambitious and very large reductions'.²²

- 3.14 The Minerals Council of Australia (MCA) drew attention to the difference between Australia's emissions profile and that of many other developed

¹⁹Dr Zirnsak, Uniting Church in Australia, *Committee Hansard*, Melbourne, 6 October 2016, p. 6; Ms Grace FitzGerald, *Submission 17*; Australian Ethical Investment Limited, *Submission 23*; Doctors for the Environment Australia, *Submission 40*, p. 3.

²⁰Professor Lesley Hughes, Councillor, Climate Council of Australia, *Committee Hansard*, Sydney, 27 September 2016, p. 13; Professor Tim Stephens, *Submission 5*; Climate Council, *Submission 24*, p. 3; Mr Franklin Bruinroop, *Submission 33*.

²¹Ms Emma Herd, Chief Executive Officer, Investor Group on Climate Change (IGCC), *Committee Hansard*, Sydney, 27 September 2016, p. 4.

²²Mr Brad Archer, First Assistant Secretary, International Climate Change and Energy Innovation Division, Department of Environment and Energy (DEE), *Committee Hansard*, Canberra, 28 September 2016, p. 22.

countries and the role this should play in setting Australia's emissions targets. Australia has a 'commodity-exporting economy with strong economic and population growth' compared to 'post-industrial service economies' with slowing population growth and economies that 'largely import commodities and industrial goods'.²³ Considering this difference, the MCA suggests that the Australian target is 'credible and ambitious' and 'commensurate with the efforts of' peer nations:

The cold, hard reality is that meeting our targets will impose greater costs on the Australian economy than the costs borne by many other developed nations in meeting their respective targets. There is a fundamentally important point to make here. Identical targets do not mean comparable sacrifice. No two nations are the same in economic and population growth, and no two nations are the same in terms of their economic structure and contribution to global commerce.²⁴

Implementation

Current policy framework

3.15 The National Interest Analysis (NIA) for the *Paris Agreement* maintains that existing legislation, policies and measures will enable Australia to achieve its Nationally Determined Contributions (NDCs) and meet its obligations. These include the Emissions Reduction Fund and its Safeguard Mechanism, a Renewable Energy Target and a National Energy Productivity Plan.²⁵ The claim is based on modelling and analysis undertaken for the UNFCCC Taskforce in 2015.²⁶

3.16 However, a number of witnesses disagreed with this assessment of the current policy framework.²⁷ The Business Council of Australia (BCA)

²³Mr Brendan Pearson, Chief Executive, Minerals Council of Australia (MCA), *Committee Hansard*, Canberra, 28 September 2016, p. 13.

²⁴Mr Pearson, MCA, *Committee Hansard*, Canberra, 28 September 2016, p. 13.

²⁵Paris NIA, para 39.

²⁶Department of Environment and Energy (DEE), *Submission 46*, pp. 2–3.

²⁷Dr Kemp, *Committee Hansard*, Canberra, 28 September 2016, p. 11; Professor Tim Stephens, *Submission 5*.

suggests that the 'existing suite of policies is unlikely to be sufficient' to meet Australia's target.²⁸ A number of submitters cited recent warnings by RepuTex, a division of Standard and Poors, that the existing policy framework will not meet Australia's NDC objectives.²⁹

3.17 There was also wider criticism of the current policy framework's overall approach. The BCA considers that to date, Australia's climate change policy has been 'largely uncoordinated and inconsistent with broader energy policy' and 'poorly costed', pointing out that at one stage there were 'over 200 government programs aimed at addressing climate change'. It blames this framework for higher costs, 'hindered transformational change in Australia's greenhouse gas emissions' and 'enduring dysfunction in sectors such as electricity'.³⁰

3.18 While the Committee notes the criticism of the current policy framework, it is aware that Australia has a strong track record in meeting its commitments in similar situations. For example, Australia met its commitments under the Kyoto Protocol and is expected to meet its target under the second commitment period of the Protocol.³¹ The MCA points out that Australia's growth in total carbon emissions has been lower than most developing and developed nations over the past 25 years:

Under the Kyoto Protocol commitments, between 1990 and the average of 2008–2012, Australia's CO₂-e emissions grew by just 3.6 per cent. In contrast, CO₂-e emissions in the United States grew by 9.3 per cent. Canadian emissions grew by 41.2 per cent, New Zealand's by 11.4 per cent and Japan's grew by 5 per cent.³²

²⁸Business Council of Australia (BCA), *Submission 36*, p. 2.

²⁹Climate Change Balmain-Rozelle, *Submission 8*, p. 2; Climate Action Moreland, *Submission 2*, p. 3; Professor Tim Stephens, *Submission 5*; Electrical Trades Union of Australia (ETU), *Submission 21*.

³⁰BCA, *Submission 36*, p. 3.

³¹National Interest Analysis [2016] ATNIA 11 with attachment on consultation Doha Amendment to the Kyoto Protocol done at Doha on 8 December 2012 [2016] ATNIF 24 (hereafter referred to as 'Kyoto NIA'), paragraphs 8 and 14; Mr Pearson, MCA, *Committee Hansard*, Canberra, 28 September 2016, p. 13; AIGN, *Submission 18*, p. 4.

³²MCA, *Submission 20*.

Future policy development

3.19 The Committee was urged to consider the impact on investment flows of future policy development.³³ A ‘long term, stable and predictable’ policy framework is required to ensure the investment in emissions reduction measures critical to Australia meeting its commitments under the *Paris Agreement*.³⁴ The Australian Climate Roundtable laid out a comprehensive set of principles for climate policy, emphasising that the volatility of current policy in the area is hindering Australia’s progress:

The most serious and immediate barrier to Australia’s successful transition is not the technical or economic challenges involved, substantial though they are. It is the absence of broad political agreement on a scalable approach to climate and energy policy. The required reductions in Australia’s emissions will require major private investment in long-lived assets. Such investment simply will not take place unless it is underpinned by a credible domestic policy framework that investors expect to last through multiple election cycles. Delayed, unpredictable and piecemeal action will increase the costs and challenge of achieving Australia’s goals. It will also exacerbate investment uncertainty and drive capital flows offshore.³⁵

3.20 A number of submitters repeated the call for a stable, bipartisan approach to future policy that is durable and scalable.³⁶ The relevant assets need a capital intensive, long term investment, and investors need a policy environment that encourages certainty:

But [the investments] are capital intensive. This means that investors need the certainty that there is a need and demand and stable policy settings over the life of that asset so that they can recover the capital investment over their life.³⁷

3.21 The formulation of future policy will also affect Australia’s trade competitiveness. The approach taken by Australia’s major trading partners

³³IGCC, *Submission 27*, p. 2.

³⁴AIGN, *Submission 18*, p. 2.

³⁵ Australian Climate Roundtable, *Submission 29*, p. 2.

³⁶IGCC, *Submission 27*, p. 4; BCA, *Submission 36*, pp. 3–4.

³⁷Mr Kane Thornton, Chief Executive Officer, Clean Energy Council (CEC), *Committee Hansard*, 6 October 2016, p. 17.

‘must play a part in determining how we meet our commitments’.³⁸ The BCA warns that the policy approach taken by other countries could expose Australian industries to carbon leakage or to a carbon cost disadvantage.³⁹

3.22 The need to ensure harmony between federal and state mitigation policies was also emphasised. A number of states and territories have set their own emissions reduction targets and initiated renewable energy initiatives.⁴⁰ However, there is a danger that discrepancies in renewable energy targets may foster distortions across the national market, prompting calls for consistency.⁴¹

3.23 The health sector drew attention to the preamble of the *Paris Agreement* and the commitment to recognise the ‘right to health’, advocating for a National Strategy on Climate, Health and Wellbeing to ensure a coordinated approach to the effects of climate change on health. The Climate and Health Alliance (CAHA), supported by a range of other health professionals and organisations, has suggested that such a strategy should encompass a range of policy areas, including:

- meaningful national emissions reduction targets and policies;
- establishment of effective governance arrangements for the development and implementation of the National Strategy;
- development of a sustainable and resilient healthcare sector;
- promotion of education and awareness about climate change and health across the health sector and broader community;
- strengthening of communication and collaboration between federal, state, local and community health agencies; and
- re-establishment of national climate change and health research capacity.⁴²

³⁸AIGN, *Submission 18*, p. 7.

³⁹BCA, *Submission 36*, p. 5. (Carbon leakage occurs when carbon policies in one country force the relocation of an industry to another country resulting in a global emissions rise.)

⁴⁰Victoria State Government, *Submission 47*.

⁴¹AIGN, *Submission 18*, p. 11; BCA, *Submission 36*, p. 4; Victoria State Government, *Submission 47*.

⁴²CAHA, *Supplementary Submission 10.1*, p. 9. See also Emeritus Professor Rae Walker, *Submission 12*; ANMF, *Submission 13*; APS, *Submission 16*; Ms Grace FitzGerald, *Submission 17*; AMSA,

- 3.24 In more general terms, a price on carbon and a cap on emissions were suggested.⁴³ There was also substantial support for a focus on research and development from a range of sectors.⁴⁴

Transition to a low-carbon economy

- 3.25 The *Paris Agreement* is acknowledged as a clear indication of a global transition to a low-carbon economy.⁴⁵ That transition is expected to provide a range of opportunities for Australia. However, the transition phase needs to be handled carefully to ensure that those opportunities are shared by all Australians:

There is a transition to clean energy underway globally ... one of the important supporting elements behind Paris is that the actual technology is becoming more and more affordable and accessible, and Australia has significant opportunities in that regard ... we are world leaders ... Our work, though, with companies, with the unions and with the Council of Social Service highlights the importance of having a good plan for the transition. We do need to maintain competitiveness. We are a high-carbon economy and we have communities dependent on some of those industries, so it is very important that we have a proper transition, a planned transition, in that regard.⁴⁶

- 3.26 The union movement emphasised the commitment in the preamble to the *Agreement for Australia* to provide a 'just transition' for the workforce that includes 'decent work and quality jobs in accordance with nationally

Submission 19; Mr Franklin Bruinstroop, Submission 33; Dr Deborah Parkinson, Submission 37; Cohealth Ltd., Submission 39

⁴³Professor Tim Stephens, *Submission 5*; Justice and International Mission, *Submission 9*.

⁴⁴MCA, *Submission 20*; Ms Jacqueline Knowles, Manager, Natural Resources Policy, National Farmers' Federation (NFF), *Committee Hansard*, Melbourne, 6 October 2016, p. 11; Mr Thornton, CEC, *Committee Hansard*, 6 October 2016, p. 20.

⁴⁵Ms Herd, IGCC, *Committee Hansard*, Sydney, 27 September 2016, p. 2.

⁴⁶Mr John Connor, Chief Executive Officer, Climate Institute, *Committee Hansard*, Sydney, 27 September 2016, p. 23.

defined development priorities'.⁴⁷ The Australian Council of Trade Unions suggested that such a transition would include:

- equitable sharing of responsibilities and fair distribution of the costs across society;
- institutionalised, formal consultations with relevant stakeholders, including trade unions, employers and communities at national and regional level;
- the promotion of clean job opportunities and the greening of existing jobs and industries through public and private investment in low-carbon development strategies and technologies;
- formal education, training, retraining and lifelong learning for working people, their families and their communities;
- organised, economic and employment diversification policies within sectors and communities at risk;
- social protection measures, active labour market policies, access to health services and social insurances; and
- respect for and protection of human and labour rights.⁴⁸

3.27 While the focus of the Agreement is on combating climate change, it provides Australia with an opportunity for industry modernisation, growth and job creation.⁴⁹ The Electrical Trades Union (ETU) explained that the transition for a town currently focussed on coal generation could be planned to include a range of options that would accommodate the existing skills of the workforce:

In terms of what we can do, some of my colleagues have intimated that we can establish or re-establish manufacturing in these towns around the renewable energy sector, whether it is going to be wind turbines, large-scale solar, solar thermal or solar arrays, all of these types of medium and large scale generation plants. At the moment we tend to import the components from overseas and assemble them here. With the right assistance from the

⁴⁷Australian Manufacturing Workers Union (AMWU), *Submission 6*; Australian Council of Trade Unions (ACTU), *Submission 22*.

⁴⁸Ms Ged Kearney, President, Australian Council of Trade Unions (ACTU), *Committee Hansard*, Canberra, 17 October 2016, p. 2.

⁴⁹AMWU, *Submission 6*.

government that can change and we can build on our already world-leading intellectual knowledge when it comes to driving renewable energy.⁵⁰

Opportunities

- 3.28 Globally, investors are increasingly turning to renewable energy sources rather than fossil fuel based energy sources.⁵¹ Australian companies are looked to as leaders in ‘understanding climate change risks for their operations’ and are well placed to take advantage of the opportunities presented by the estimated \$6 trillion global low-emissions economy.⁵²
- 3.29 Australia has traditionally relied heavily on carbon-intensive fossil fuels for its domestic energy needs and as an important export commodity. While the replacement of the current energy system with 100 per cent renewables by 2030 is considered unrealistic, the MCA suggests a more workable solution will involve a mix of renewables, gas and coal.⁵³ Meanwhile, important steps are being taken towards reducing emissions. For example, there are opportunities to replace ageing, high-emissions plants with new high-efficiency, low-emissions coal generation plants to support baseload low-cost generation.⁵⁴
- 3.30 The MCA also advocates lifting the ban on considering nuclear energy in Australia and allowing its merits to be openly debated. According to the MCA, Australia hosts 30 per cent of the world’s uranium reserves and global demand for nuclear energy is expected to grow from approximately 11 per cent currently to approximately 16 per cent by 2040.⁵⁵ Australia’s uranium

⁵⁰Mr Lance McCallum, National Policy Officer, Electrical Trades Union of Australia (ETU), *Committee Hansard*, Canberra, 17 October 2016, p. 7.

⁵¹Ms Herd, IGCC, *Committee Hansard*, Sydney, 27 September 2016, p. 3.

⁵²Ms Herd, IGCC, *Committee Hansard*, Sydney, 27 September 2016, p. 3; Ambassador Suckling, DFAT, *Committee Hansard*, Canberra, 28 September 2016, p. 19.

⁵³Mr Pearson, MCA, *Committee Hansard*, 28 September 2016, p. 14.

⁵⁴Mr Pearson, MCA, *Committee Hansard*, 28 September 2016, p. 16.

⁵⁵Mr Pearson, MCA, *Committee Hansard*, Canberra, 28 September 2016, p. 14.

reserves 'provide an opportunity for Australia to make a contribution to lower its own emissions and those of other countries'.⁵⁶

- 3.31 Despite the imposition being placed on coal by the commitments in the *Paris Agreement*, the MCA has identified a range of opportunities for the Australian mining industry, including its contribution to renewable technology:

The new generation of High Efficiency Low Emissions (HELE) coal use the higher quality coal that Australia produces. There is up to 220 tonnes of coal in large wind turbines. Fifteen minerals and metals go into the manufacture of solar panels. And new batteries technologies focus on a range of minerals products. The growth of nuclear power around the world means more demand for uranium.⁵⁷

- 3.32 The Clean Energy Council (CEC) reiterated the need for a mix of sources to supply Australia's energy requirements, including renewables and coal.⁵⁸ The CEC emphasised Australia has the 'best resources anywhere on the globe' to be able to undertake the transition to clean generation with abundant renewable power sources: solar, wind and hydro power.⁵⁹

- 3.33 The CEC refuted claims that clean energy generation was not economically feasible, stating that it is now the method of choice for a reliable energy source in many parts of the world.⁶⁰ As evidence of the lower cost of renewable energy sources, the CEC pointed to investment flows:

If you look at where the investment is now around the world and indeed in this country, private sector players are making purely economic decisions into which technology they might invest their capital. That is going into things like large-scale solar, which has reduced in cost very, very substantially around the world and here in Australia over the last couple of years. Large-scale solar and

⁵⁶MCA, *Submission 20*.

⁵⁷MCA, *Submission 20*.

⁵⁸Mr Thornton, CEC, *Committee Hansard*, Melbourne, 6 October 2016, p. 17.

⁵⁹Mr Thornton, CEC, *Committee Hansard*, Melbourne, 6 October 2016, p. 16.

⁶⁰Mr Thornton, CEC, *Committee Hansard*, Melbourne, 6 October 2016, pp. 16–17.

large-scale wind are the two technologies that have reduced in cost the most substantially.⁶¹

- 3.34 A further opportunity for the Australian economy is the development and supply of battery storage for sources of clean energy generation. The technology is becoming commercially viable, even for retail consumers, and Australian companies are well positioned to take advantage of the market. CEC noted that many well-known brands have already recognised the significance of the Australian market and prioritise the launch of their new products here.⁶²

Climate finance

- 3.35 Under Articles 9, 10 and 11 of the *Paris Agreement* Australia has obligations to provide climate finance, technology transfer and development and capacity building programs to assist developing countries. The NIA states that Australia has committed at least \$1 billion over five years from Australia's existing aid budget to meet these commitments. Specifically, Australia has pledged \$200 million over four years to the Green Climate Fund to support developing countries to adapt to climate change and sustainably grow their economies.⁶³
- 3.36 The Committee asked DFAT to clarify the connection between Australia's commitment to climate finance under the Agreement and its official development assistance (ODA), specifically the potential for 'cost shifting' or an overall reduction in support for these countries. DFAT explained that the definition of 'climate finance' is still evolving but that there is no doubt that developing countries, particularly in the Pacific, are prioritising climate change initiatives. The Department provided an example of the difficulties involved in separating the two types of support:

Take for example building a road in Fiji. If you build it in a certain area it may be more prone to damage caused by cyclones, so you do some studies which show that the road should be built not along the coastline but slightly up the hill and through a couple of valleys. You still build the road but you have

⁶¹Mr Thornton, CEC, *Committee Hansard*, Melbourne, 6 October 2016, p. 18.

⁶²Mr Thornton, CEC, *Committee Hansard*, Melbourne, 6 October 2016, p. 20.

⁶³Paris NIA, para 42.

climate proofed it in terms of it being much more resilient to cyclones. The additional cost to climate proof that road might be marginal —it might be three or four per cent of the total project cost—but the impact would be very significant because you have climate proofed the whole road. Then when you talk about which elements were climate finance and which were infrastructure you could just count the additional three per cent spend that climate proofed the road.⁶⁴

3.37 DFAT offered assurance that developing countries would not receive less support from Australia under the arrangements for the Agreement:

We are looking at doing a better job at integrating the aid moneys at the moment. But it is not one or the other. If there is a choice then it is guided by the priorities of the country in question. So if the country says, 'Look, we would prefer, if you are going to have a separate spend on a specific, dedicated climate finance spend of this rather than that,' then we will be guided by their priorities.⁶⁵

3.38 There has been some criticism that the level of finance to be provided by developed countries has not been specified, leaving it up to individual countries to determine their own commitment.⁶⁶ In its submission the Uniting Church in Australia supports a recommendation by the Climate Institute that Australia's contributions should be closer to \$1.5 billion a year from the current \$1 billion over 5 years.⁶⁷

3.39 The Climate Institute highlighted the importance of climate finance in promoting regional stability and stressed that this type of finance refers to both public and private money.⁶⁸ This point was also alluded to by the IGCC, particularly in the context of adaptation finance where Australia has already developed expertise:

⁶⁴Ambassador Suckling, DFAT, *Committee Hansard*, Canberra, 28 September 2016, p. 26.

⁶⁵Ambassador Suckling, DFAT, *Committee Hansard*, 28 September 2016, p. 27.

⁶⁶Dr Zirnsak, Uniting Church in Australia, *Committee Hansard*, 6 October 2016, p. 6; Ms Aldenhoven, Friends of the Earth Australia, *Committee Hansard*, 6 October 2016, p. 23.

⁶⁷Justice and International Mission, *Submission 9*. (See Climate Institute, *Policy Brief: The Paris climate agreement and implications for Australia*, December 2015, p. 6.)

⁶⁸Mr Connor, Climate Institute, *Committee Hansard*, 27 September 2016, p. 23.

One of the key components of the Paris Agreement is increased support for adaptation finance, and currently, globally, there is very little understanding of what adaptation finance actually is, what kinds of projects it goes towards, what the current baseline levels are or how we track it. There is huge opportunity for Australia to play a really significant capacity building role in not only our immediate region but also in our wider region around applying our core expertise of measurement capabilities, baselines and frameworks—expertise that we already have in Australia—to this particular conundrum.⁶⁹

Review

- 3.40 Article 14 of the *Paris Agreement* mandates a five yearly global stocktaking process commencing in 2023. The stocktake will assess collective progress towards meeting the purpose of the Agreement and its long term goals. Australia will then be obliged to take the result of that stocktake into consideration when updating its own progress and determining its NDCs for the next period.⁷⁰
- 3.41 This mechanism is an important component of the Agreement, enabling Australia to take into account future policy developments, technological developments and the ‘availability and price of international permits’ and adapt its emissions reduction target accordingly.⁷¹
- 3.42 In a separate move, the current Government has already announced a review of Australia’s emission reduction policies in 2017 to ‘ensure that they provide the right settings to put Australia on track to meet the 2030 target’.⁷²

Ratification

- 3.43 There is overwhelming support for the ratification of the *Paris Agreement*. Of the 47 submissions from a diverse range of stakeholders received by the Committee for its inquiry into the Agreement, only three were against ratification. Many witnesses stressed the urgency of the situation and the

⁶⁹Ms Herd, IGCC, *Committee Hansard*, 27 September 2016, p. 5.

⁷⁰Paris NIA, para 34.

⁷¹BCA, *Submission 36*, p. 2; Ambassador Suckling, DFAT, *Committee Hansard*, Canberra, 28 September 2016, p. 22.

⁷²Mr Archer, DEE, *Committee Hansard*, Canberra, 28 September 2016, p. 21.

need to act quickly to ensure that the Agreement comes into force without delay.⁷³ A further consideration was to make sure that Australia is involved in future planning and implementation:

Delays in ratification mean that Australia will be excluded from early negotiations on the implementation framework for the Paris Agreement. This creates the risk that decisions will be made which are not advantageous to Australian business and the investment community.⁷⁴

- 3.44 Failure to ratify could seriously damage Australia's international reputation, exclude the country from market-mechanisms created under the Agreement and undermine international efforts to address anthropogenic climate change.⁷⁵

Conclusion

- 3.45 The Committee acknowledges the strong domestic support for the *Paris Agreement* and the international support that has been shown by the rapid ratification of the Agreement. The fact that it will enter into force less than twelve months after it was adopted by 197 countries, is indicative of the urgency with which the world views the issue of anthropogenic climate change.
- 3.46 Notwithstanding this almost universal acceptance of the need for the Agreement, the Committee is aware that Australia faces a number of complex and complicated issues that will require careful consideration. Practical solutions have to be found to address the social and economic challenges facing Australia as a user and exporter of carbon intensive commodities. The issue of electricity prices is another issue that will require attention.

⁷³Don Morris and Fiona H. Spence-Lyda, *Submission 1*; Michael Streatfeild, *Submission 7*; Andrew Laird, *Submission 11*; Justice and International Mission, *Submission 9*; CAHA, *Supplementary Submission 10.1*, p. 9.

⁷⁴IGCC, *Submission 27*, p. 3; Professor Stephens, University of Sydney, *Committee Hansard*, Canberra, 27 September 2016, p. 11.

⁷⁵Dr Luke Kemp, *Submission 3*, p. 1.

- 3.47 It has been made clear to the Committee that the policy framework required to ensure Australia lives up to its strong reputation for meeting commitments in the area of climate change will need careful consideration. The Committee urges the Government to take note of the suggestions put forward in this report when undertaking its planned 2017 review of Australia's emissions reduction targets and the development of the NDCs for the next period.
- 3.48 The Committee notes the value of early ratification of the Agreement in order to ensure that Australia has 'a place at the table' for the future planning stages of implementation.
- 3.49 The Committee supports the *Paris Agreement* and recommends binding treaty action be taken.

Recommendation 1

- 3.50 The Committee supports the *Paris Agreement* and recommends that binding treaty action be taken.**
- 3.51 The Committee also supports the *Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change* and recommends that binding treaty action be taken.

Recommendation 2

- 3.52 The Committee supports the *Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change* and recommends that binding treaty action be taken.**

The Hon Stuart Robert

Chair

A. Submissions

- 1 Mr. Don Morris & Fiona H. Lyda
- 2 Climate Action Moreland
- 3 Dr Luke Kemp
- 4 Mr lock Barker
- 5 Prof Tim Stephens
- 6 Australian Manufacturers Workers Union (AMWU)
 - 6.1 Supplementary
- 7 Mr Michael Streatfeild
- 8 Climate Change Balmain-Rozelle
- 9 Uniting Church in Australia
- 10 Climate and Health Alliance
 - 10.1 Supplementary
- 11 Mr Andrew Laird
- 12 Emeritus Professor Rae Walker
- 13 Australian Nursing & Midwifery Federation

- 14 *Name Withheld*
- 15 ClimActs (This is an example of two form submissions with similar content)
- 16 Australian Psychological Society (APS)
- 17 Ms Grace FitzGerald
- 18 Australian Industry Greenhouse Network Ltd
- 19 Australian Medical Students Association
- 20 Minerals Council of Australia
- 21 Electrical Trades Union of Australia
- 22 Australian Council of Trade Unions
- 23 Australian Ethical Investment Ltd.
- 24 Climate Council of Australia
- 25 Mr Peter Sainsbury
- 26 Caritas Australia
- 27 Investor Group on Climate Change
- 28 Public Health Association of Australia
- 29 The Australian Climate Roundtable
- 30 Mr John McLean
- 31 Centre for Climate Safety
- 32 ActionAid Australia
- 33 Mr Franklin Bruinstroop
- 34 Mr Philip S Clark BSc, BEcon

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- 35 Mr Neville Hughes
- 36 Business Council of Australia
- 37 Dr Debra Parkinson
- 38 Senator Malcolm Roberts
- 39 cohealth ltd
- 40 Doctors for the Environment Australia
- 41 Dr Matthew Rimmer
- 42 Darebin Climate Action Now
- 43 Dr Felicity Deane
- 44 Dr Liz Hanna
- 45 Yann Robiou du Pont, Stephen Pollard, Adrian Ford, Kate Dooley and Anne Houston
- 46 Department of the Environment and Energy
- 47 Victorian Government

B. Exhibits

- 1 *Hungry for justice, thirsty for change*, Caritas Australia, Caritas State of the Environment Report for Oceania 2016, (Sub 26 - Caritas Australia)
- 2 *Survey of Health Professionals' Opinions around a National Strategy on Climate, Health and Wellbeing for Australia*, Climate and Health Alliance, Preliminary Report, September 2016, (Sub 10 - CAHA)
- 3 *Dangerous Global Warming - Fact or Fiction? The Limits of the Paris Accord*, Des Moore, Presentation to AIIA Vic, 14 April, 2016

C. Witnesses

Tuesday, 27 September 2016

Sydney

Investor Group on Climate Change

Professor Tim Stephens, private capacity

Climate Council

Professor Matthew England, private capacity

Climate Institute

Wednesday, 28 September 2016

Canberra

Climate and Health Alliance

Dr Luke Kemp, private capacity

Minerals Council of Australia

Department of Foreign Affairs and Trade; and Department of the Environment and Energy

Thursday, 6 October 2016

Melbourne

Climate and Health Alliance

UnitingJustice Australia

National Farmers' Federation

Clean Energy Council

Friends of the Earth Australia

Additional Comments

Australian Greens

The Australian Greens support Australia's ratification of the Paris Agreement.

I make the following additional comments.

The Paris Agreement's key aim is to respond to the catastrophic threat of climate change by keeping a global temperature rise this century to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to below 1.5 degrees Celsius.

However evidence to the Committee and other analysis, including by the United Nations Environment Program, of countries' Nationally Determined Contributions (NDCs) show that current commitments made under the agreement including by Australia will not be adequate to keep global warming below two degrees.

Therefore Australia's emission reduction targets must be raised substantially to fulfill our obligation under the Paris Agreement.

Further evidence to the Committee showed that the government's current climate and energy policies will not even achieve Australia's current inadequate reduction target.

Senator Sarah Hanson-Young

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.

Josh Wilson MP

Senator Jenny McAllister

Michael Danby MP

Susan Templeman MP