

# Senate Environment and Communications References Committee

## Inquiry into the Climate Risk Assessment

### Department of Finance

### Response to Question on Notice

**Hearing of 16 September 2025**

#### **Question on Notice 1 (Proof Hansard page 21)**

Senator WATERS: Some other jurisdictions require fossil fuel companies to contribute to the clean-up costs of natural disasters. Are you doing any work on making fossil fuel companies pay for the climate damage they're causing?

Mr Pelecky: Not that I am aware of, noting that my area doesn't cover budget or new policy proposals, so it's certainly not in my area.

Senator WATERS: Could you please take on notice whether anyone in Finance is looking at making fossil fuel companies pay for the damage that they're creating? We've seen some pretty stark figures, in this risk report, about the cost of natural disasters, and we have some witnesses later that will take us through that. Is any work being done on who should bear that cost?

Mr Pelecky: We can take that on notice.

#### **Response**

The Australian Government has a range of policies that protect against environmental damage and mitigate emissions that contribute to climate change. These policies include the Safeguard Mechanism, which ensures that Australia's largest industrial emitters contribute to Australia's climate targets by legislating limits – or baselines – on greenhouse gas emissions of facilities that emit over 100,000 tonnes of carbon dioxide equivalent in a year.

In addition, the Environment Protection and Biodiversity Conservation (EPBC) Act also provides the regulatory framework to assess, approve, and enforce compliance for actions that may significantly impact matters of national environmental significance and includes enforcement mechanisms to remediate environmental damage where certain breaches of the Act have occurred. The government continues to make progress in these areas,

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including setting 2035 emissions reduction targets and reforming the EPBC Act to provide a modern framework for addressing breaches of the Act.

The National Adaptation Plan published on 31 July 2025 also provides a framework for the Australian Government response to climate change.