



Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

By email only: ec.sen@aph.gov.au

Dear Committee Secretary

Coal-Fired Power Funding Prohibition Bill 2017

The Law Institute of Victoria's Environmental Issues Committee (**'the Committee'**) thanks you for the opportunity to provide feedback on the Environment and Communications Legislation Committee's review of the Coal-Fired Power Funding Prohibition Bill 2017 (**'the Bill'**).

The Committee supports the introduction of legislation that seeks to reduce coal-based emissions. The severe and negative impact of coal power generation on emissions and climate change was recently highlighted in Victoria by the Final Report of the Independent Expert Plan – Interim Emissions Reduction Targets for Victoria (2012-2030) March 2019. This report also recorded the economic, community and environmental benefits arising from a transition to renewable energy. The Victorian Government reconfirmed its commitment to reach 50% renewable energy by 2030 with the introduction of the *Renewable Energy (Jobs and Investment) Amendment Bill 2019*, earlier in August 2019.

The initiative of the Bill is to limit coal in power stations and remove Commonwealth funding that may be supporting their on-going operation. The Committee supports legislation that would see such funding cease and/or be directed to the use of renewable energy for power generation.

The Committee recommends further consideration of the wording of the Bill to tighten its provisions and render it more effective. The Bill currently concerns the Commonwealth and an 'authority of the Commonwealth'. In this, it binds a Commonwealth entity and a Commonwealth company as those terms are defined by the *Public Governance, Performance and Accountability Act 2013*. It also binds what might be called a more general category of Commonwealth authority:

1. any other body established for a public purpose by or under a Commonwealth law; and
2. an incorporated company in which the Commonwealth, a Commonwealth company or any other body (as defined in s4(c)) has a controlling interest.

It is important to carefully consider the scope of any authority that would be encompassed within these two more general categories in order to ensure that they effectively address key matters. Attention should also be given to the actual sources of Commonwealth funding to coal-fired power stations. It should be considered whether particular provisions are required according to each source or group of sources. There may be need for closer attention to the precise meaning, in s5(1)(a), of the terms 'other support', 'refurbishment', 'building' and even the term 'coal-fired power station'.



The Law Institute has previously recommended that *'the Commonwealth Government take the lead on climate change by undertaking wholesale reform of environmental legislation and policy to respond to, and mitigate against, the impacts of climate change.'*¹ The Committee, in line with the Law Institutes' position, recommends that the decision to cease funding to coal-fired power stations should be done in an orderly fashion, not alone, or in a vacuum, but as part of a wholistic plan to manage climate and environmental change.

To achieve the maximum benefit of policy outcomes, the Commonwealth Government should lead Australia's development of sustainable law and policy, to mitigate the cost and damage resulting from climate change, with wholistic environmental law and policy (including environmental protection, sustainable energy and food production and complete recycling planning). The Committee, therefore, supports s5(3) but considers that the term 'managed closure' needs to be given more consideration and a clear meaning.

The Committee considers the exemption in s5(2) of financial support to affected workers should be extended to affected communities. For example, within Victoria, the La Trobe Valley community will require appropriate Commonwealth funding support. Section 52(2) may also be enhanced by consideration of the meaning of 'transitional assistance', The Committee recommends that transitional assistance encompass all worker and community needs and that this link appropriately to State government funding direct support and support via local Councils. The notion of transitional assistance might also be extended to encompass transition to renewable energy and the economic opportunities they provide.

Australia's existing energy supply and market is complex, varied and unique with differing pressures between States and Territories. Care should be exercised in implementing any funding prohibition and it should be matched with the provision of viable energy supply alternatives. Consideration should be given to implementing a transition period with matching increases in funding for renewable energy production to minimise impacts to baseload power supplies. For example, the Victorian community is facing potential summer power shortages if repairs to existing coal fire power stations are not completed.² The Committee considers these shortages could be better planned for, mitigated or avoided completely if a national plan was implemented with funding directed to transition toward renewables and allowing for energy contingencies nationally.

Finally, differing views may exist within the community as to the *Coal-Fired Power Funding Prohibition Bill 2017*. However, the Committee believes it triggers a variety of complex issues, many of which are not currently being considered by the Federal government, but which merit urgent attention and debate.

¹ The LIV's Submission to the Senate Standing Committees on Environment and Communications inquiry into the current and future impacts of climate change on housing, buildings and infrastructure (2017).

² The National Electricity Market Electricity Statement of Opportunities 2019 - A report for the National Electricity Market, Australian Energy Market Operator, August 2019 <https://www.aemo.com.au/-/media/Files/Electricity/NEM/Planning_and_Forecasting/NEM_ESOO/2019/2019-Electricity-Statement-of-Opportunities.pdf>



Please be advised that due to the limited time frame with which to provide comments, feedback has not been sought from the broader LIV practice section membership and therefore reflects the position of the Environmental Issues Committee, rather than the whole LIV membership.

If you would like to discuss any of the matters raised in this letter, please contact the Environmental Issue Committee Secretariat at PELS@liv.asn.au or contact Paul Snow on .

Kind Regards

Hubert Algie
Chair
Law Institute of Victoria's Environmental Issues Committee