#CLIMATE ACTNOW

Background on the Climate Act

The COVID-19 crisis has given us a prelude to the kind of widespread disruption a warming climate will cause. Combined with the climate change fuelled 2019-20 Black Summer bushfires, Australia has been pushed into an economic recession for the first time in over two decades.

It is therefore imperative tackle climate change and the economic recovery from the virus at the same time. Fortunately, the recovery offers an opportunity to direct stimulus to climate-smart initiatives. Climate-smart initiatives like energy efficiency upgrades for manufacturing, transmission, and renewable energy zones will provide new jobs, productivity and economic growth, above and beyond a business as usual approach.

The Climate Act (the Act) is integral to this next phase of our economic recovery. It will provide the plans for these initiatives and will send a signal to businesses and investors - with its long-term net zero target by 2050 - unlocking the massive amount of capital we will need to get our economy moving again.

Following a consultation period with stakeholders, the Act has been amended in various sections to improve its interpretation, intent, and effectiveness. Some sections have been added to; others simplified.

The core pillars of a net zero emissions target by 2050, five-yearly emissions budgets, multi-sectoral emissions reduction plans, national risk assessments and national adaptation plans, remain the fundamental elements.

Of note, the amendments clarify the role of the Commission to advise and recommend courses of action to the Government and Minister of the day. Amendments also made broaden the Commission's membership, integrate the Government's Technology Investment Roadmap and extend obligations to affected communities. (For more information on the changes, please see Table 1 below).

In June 2020, the Government released the Technology Investment Roadmap Discussion Paper (the Roadmap). The goal of the Roadmap is stated "to bring a strategic and system-wide view to future investments in low emissions technologies." The Roadmap establishes a process to develop the low emissions technologies that will be critical over the next several decades.

Nevertheless, the Roadmap alone does not provide a comprehensive response to climate change. There is no emissions reductions budgeting, long-term target, adaptation plans, and inadequate transparency and accountability measures. (For more information on the gaps of the Roadmap see Table 2 below).

However, it does have a useful function in assisting the development of low emissions technologies needed for further climate action. Once integrated with the Act, the Roadmap is complementary. The Roadmap will now inform emissions reductions plans in the Bill.

The Low Emissions Technology Statements, a subset of the Technology Investment Roadmap, have also been included in the Act. They will provide feedback to the public on progress towards developing these technologies. These statements will be part of the Commission's reporting requirements which also includes on progress targets and adaptation plan implementation.

With the Climate Act, we can safeguard our future, right our economic course, and enjoy prosperity for many years to come. We cannot get this Bill passed without your support…. Our future depends on it.

Table 1: Summary of Climate Act Significant Amendments following stakeholder consultation	
Changes	**Comments**
Objects, s 3	• Added, s 2 (a), the target date for achieving net zero emissions • Inserted s 2 (f) and (g) to link the intent of the bill to aligning with the private sector and supporting the sector in its decision making • Clarified s 2 (h) and the intent of the Bill, that is to assist Australia in meeting obligations of various international agreements
Definitions, s 5	• Clarified definition for the Climate Change Convention • Added definition for emissions • Clarified definition for gross emissions • Added definition for international agreements • Changed definition for low emissions technologies • Added definition for low emissions technology statement • Added definition for precautionary principle • Added definition for Technology Investment Roadmap
Guiding Principles, division 2	• Changed s 11 (a) to broaden the research base that could inform policy, plans and strategies • Added s 11 (b) and (c) to integrate the Technology Investment Roadmap • Changed s 14 to add priorities for employment transitions and to require a method of compensation or redeployment of workers • Clarified s 16 and the link between the policy response, which this Bill gives effect to, and Australia's international role
National Risk Assessment, part 2	• Changed s 17 (2) (a) to provide for analysis of risks along multiple emissions pathways • At paragraph 17(2)(b), added requirements for risk assessment analysis to consider costs and probability of risks • At s 18, added factors to be considered including State and Territory policies, plans and proposals
National Adaptation Plan, part 3	• Simplified the drafting of various sections including s 19 (5) and s 20-21 which were condensed from s 20-23
Emissions Reduction target, part 4	• Inserted a new sub section, s 22 (2), which provides for the target day that net zero emissions is required by • Altered s 22 (4) to remove requirement that the Commission must recommend a change to the target. Instead the Minister must only obtain recommendations and may choose to go against these recommendations • Inserted publication requirements for the first and subsequent reports on fossil fuel export emissions • Simplified the drafting and combined various sections
Setting emissions budgets etc. Part 5	• Reworded s 26(9), that provides for the preclusion of use of emissions credits, to improve interpretation • Simplified the drafting and combined various sections
Division 2 – Emissions Reduction Plans	• Inserted a new sub section, s 30 (3) (d), which provides for the inclusion of proposals for the deployment of low emissions technologies and recommendations for updates to the Technology Investment Roadmap
Climate Change Commission, part 6	• At s 37, broadened the membership of the Commission to represent more diverse backgrounds and skillsets • At s 37(5), included a requirement that a minimum of two members of the Commission must hold expertise in climate science and climate policy

Table 2: Summary comparison of the Climate Change (National Framework for Adaptation and Mitigation) Bill 2020 and the Technology Investment Roadmap discussion paper		
	Climate Change Bill	**Technology Investment Roadmap discussion paper**
Objects	Objects in section 3 include: • recognising climate change requires a planned transition towards a net zero emissions economy and the implementation of adaptation measures • decisions under the Act should be consistent with limiting the increase in global warming to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels • establishing a framework to address climate change, including setting a target for achieving net zero emissions by 2050 or earlier	The Roadmap sets out several goals and a 'clear vision' as follows: 'to bring a strategic and system-wide view to future investments in low emissions technologies' (p. 3) 'to ensure Australia remains at the forefront of the global low emissions technological innovation. Driving down the cost of deploying low emissions technologies to a point where they are competitive with existing alternatives will deliver meaningful reductions in global emissions.' (p. 7) '…for Australia to have reliable, secure and affordable energy to power the domestic economy, and economy-wide technologies deployed to maximise the employment and growth opportunities of the global shift towards lower emissions' (p. 13). To realise this vision, technology investments will pursue the following overarching goals: • improving **affordability** of energy for Australian households and businesses • maintaining **security** and **reliability of** energy supply • meeting, and where possible beating, **Australia's emissions reduction commitments** and **helping other countries** to lower their emissions through the export of low emissions technologies, products and services and • **seeking employment** and **growth** opportunities, particularly in regional areas, arising from increasing global demand for low emissions energy and products. (p. 13)

Emissions reduction target	Sets a target of net zero emissions by 2050 (section 22) Minister may vary (but not reduce) this target by legislative instrument, after receiving advice from the Climate Change Commission. The Commission must review the target on request from the Minister and when emissions budgets are set (sections 22-26). The Commission may only recommend a change if 'significant change has occurred' as set out in subsection 24(2).	No specific emissions long-term reduction target. Does mention existing 2030 target under the Paris Agreement (p. 3) and notes that: 'Parties to the Paris Agreement, including Australia, have collectively committed to the goal of reaching global peak greenhouse gas emissions as soon as possible and balancing anthropogenic emissions sources and sinks ('net zero' emissions) in the second half of this century' (p. 26) States that the Government's technology investments will target outcomes over the short, medium and long term (p. 29)
Governance arrangements	Establishes a **Climate Change Commission** consisting of a Chair, the Chief Scientist and five other members (section 36). Members must have member/s with certain experience or knowledge (including, but not limited to, technology development and diffusion). Members are appointed by the Minister with approval by the **Parliamentary Joint Committee on Climate Adaptation and Mitigation** established by the Bill (section 38) The Commission is a *PGPA Act* listed entity and is not subject to direction by the Government in relation to the performance of its functions, or exercise of its powers (section 35)	**Minister** sits at the top of the governance arrangements (set out on p. 5) and is advised by a **Ministerial Reference Panel** 'composed of industry, private investment, government and research leaders', which advises the Minister in the preparation of Low Emissions Technology Statements. 'While the reference panel will advise generally on technology priorities, its primary role will be identifying pathways for efficient deployment of new technologies'. (p. 7). This panel has already been appointed and is being led by the Chief Scientist (Dr Alan Finkel). Other members are: Drew Clarke, Grant King, Shemara Wikramanayake, Alison Watkins, Ben Wilson, and Jo Evans (ex officio). (p. 4) A 'Technology Investment Roadmap Task Force' will lead collaboration across Commonwealth departments and agencies (p. 5). No further detail is provided.
Guiding principles for decision-makers	Decision-makers must consider the guiding principles (in sections 9-16) when performing functions or duties or exercising powers under the Act or other prescribed Acts.	No direct equivalent, although there are 'overarching goals' that technology investments will pursue (as outlined earlier).

Emissions reduction plan	The Minister must prepare an emissions reduction plan setting out policies and strategies for meeting each emissions budget. In preparing the plan, the Minister must obtain and consider advice of State and Territory climate ministers and the Commission. Plans are tabled in Parliament and published on the Commission website (section 30)	The Final Roadmap and first Low Emissions Technology Statement will be the 'cornerstone of Australia's long term emissions reduction strategy, to be delivered ahead of COP26. The long term strategy will consider how various technologies may reduce our emissions without damaging our economy' (p. 3). Consultation will occur before first Technology Statement is delivered to Parliament in Q3 2030 (p. 4). No specific requirement for final Roadmap, Technology Statements, or long term emissions strategy to be tabled in Parliament or published anywhere in particular.
Emissions budgets (These are a cap on the amount of greenhouse gases that can be emitted, generally over a five-year period. They act as stepping stones towards the 2050 target)	The Minister must set emissions budgets (by legislative instrument) on advice from the Commission (sections 26-29) The Minister must ensure that the net accounting emissions for an emissions budget period do not exceed the emissions budget for the period (subsection 26(5)) The Commission prepares progress reports for the Minister at the end of the emissions budget period. The Minister prepares a statement in response which is tabled in Parliament (section 29)	'The Government will set measurable economic goals for specific priority technologies and track our progress towards them.' The first specific goal is set out in the Roadmap as 'producing hydrogen at below $2 per kilogram'. (p. 13) Unclear how other goals will be set, but '**Low Emissions Technology Statements**' will be published each year 'to communicate progress towards defined technology goals'. (p. 7) No indication of where the statements will be published and no requirement for them to be tabled in parliament. The discussion paper identifies and discusses 'key technology challenges and opportunities' and short-term (2020-2022), medium term (2023-2030) and long term (2030-2050+) (pp. 29-31 and Figure 6).
Reporting	The Commission prepares an annual report which must include details of greenhouse gas emissions and removals, emissions projections and an assessment of the adequacy of the emissions reduction plan (section 70) The Minister must prepare a statement in response to the annual report within three months, which must be tabled in Parliament (sections 71-72)	'Low Emissions Technology Statements' will be published each year 'to communicate progress towards defined technology goals'. (p. 7). First Technology Statement will be delivered to Parliament in Q3 2030. No indication or requirement for future Statements to be tabled in Parliament. Does not mention emissions reporting.

Climate risk assessments	The Commission prepares national climate change risk assessments every five years, which are given to the Minister and published on the Commission website (sections 17-18)	Does not mention climate risks Although does refer to commercial and technical risks of technology investment portfolio (p. 36)
Adaptation Plans	In response to each climate risk assessment, the Minister must prepare a national adaptation plan. The Minister must consider a number of matters and publicly consult on the draft plan (section 19) A final national adaptation plan is tabled in Parliament and published on the Commission's website (section 20) The Commission must provide the Minister with an annual progress report on the implementation of the adaptation plan and its effectiveness. The Minister must prepare a statement in response, which must be tabled in Parliament and published on the Commission's website (section 21).	Does not mention climate adaptation.