

Inquiry into the Climate Change Bill 2022 and Climate Change (Consequential Amendments) Bill 2022

**To the Senate Environment and Communications Legislation Committee:
statement to supplement evidence given on 18 August 2022**

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In addition to evidence I gave to the Committee on 18 August 2022, I take the opportunity to highlight some perspectives and suggestions relating to specific aspects of the Climate Change Bill.

1. Role of the Climate Change Authority

The Bills give the CCA an enhanced role. A strong role for independent institutions in climate change policy is an important element of sound climate change policy.

The CCA's advisory functions to the Minister provided by the Bills will be useful, in particular the provision that the CCA's advice on new NDC commitments must be sought and that the Minister must explain to Parliament if the Minister were not to accept the recommendation.

However, to fulfil these functions properly, the CCA will need to convene and shepherd a very extensive consultative process; and to do it well and reliably, the Bills should include provisions to ensure that the CCA is appropriately resourced.

Extent and inclusiveness of the CCA's consultations

The emissions target is a decision that affects many aspects of Australia's economy and society, and has in the past been the subject of intense political contestation. The more inclusive the process of crafting the advice, the better the chances for broad agreement, which in turn may be necessary politically to underpin policy measures necessary to attain those targets.

The CCA should do more by way of public consultation than typical processes (eg calls for submissions and hearings in response to draft reports). It should facilitate a well informed national conversation about emissions targets, actively involve a wide range of stakeholder groups beyond those that are well organised and usually have an economic interest, and cast the net very widely in sustained public outreach.

The EM to the Climate Change Bill spells out the expectation that such consultation be "significant and broad based" and expands on that notion. However the Bill itself prescribes only that the CCA "must make provisions for public consultations" (15(3)).

The provision for consultation in the Bill should be strengthened by specifying that consultation should be extensive and inclusive.

Resourcing of the CCA

For the CCA to fulfil the functions prescribed by the Bill, and especially for it to run an extensive and deep consultation process, it needs to be adequately resourced.

The legislation as it stands, and as it would stand as a result of these Bills, have left and would leave decisions about resourcing for the CCA to the government of the day. Experience has shown that this can lead to governments choosing to provide low levels of funding which in turn hamper the work of the CCA. This institutional vulnerability should be remedied as far as possible within the constraints.

The Bill should require the CCA to be funded at an appropriate level to adequately fulfil its roles.

2. Trajectory to net zero emissions

The Bill is concerned mainly with the five-yearly emissions targets for Australia's NDC. While the rolling five-yearly targets are the natural focus for governments, it is as important to provide an indication of longer term trajectories towards net zero emissions. This is particularly important to help shape expectations that drive investment, and as a guardrail for longer term policy.

Indicative emissions trajectories to 2050

In a parallel process to the determination of rolling five-yearly targets, it would be highly useful to provide an indicative trajectory of emissions and possible future targets to 2050, or for a rolling 20 year window.

This would be provided taking into account the headline national long term goal, currently net zero emissions by 2050. It would provide an outlook on the anticipated trajectory of national emissions, in light of expected economic and technological developments, and serve as a useful guide to investment and policy.

This trajectory and implicit indicative targets would not need to be legislated, rather it could be produced by the CCA for information only. It would be understood that the trajectory is subject to revision over time, and that the emissions levels in the trajectory beyond the legislated rolling five-year window are not emissions targets but illustrations of a likely forward trajectory.

The first such trajectory could be produced soonest, as an indicative trajectory from 2030 to 2050.

The Bill could usefully be amended to task the CCA to provide periodic analysis and advice on an indicative national emissions trajectory toward net zero emissions.

A national long-term emissions strategy: an inclusive process to understand the options

Of great importance beyond the setting of targets and indicative trajectories is the formulation of a strategy to achieve net zero emissions. Such long-term emissions strategies are required under the Paris Agreement, and with the appropriate process they can fulfil an important role to foster shared understanding and common purpose nationally.

Australia needs a credible, well-informed national long-term emissions strategy, which has broad support across the community. Such a strategy would then provide important reference points for investment and for businesses. It would have the chance to establish a common understanding among the community of the opportunities, the challenges, and

ways to go about them. It could even be a way to forge consensus on at least some of the many difficult issues on the road to net zero emissions.

What is needed is a true national conversation about how we will achieve net zero emissions, probing different technological, economic and social dimensions, mapping out the upsides for Australia and not shying away from identifying the difficulties.

Such a process would actively involve the business community, civil society organisations, and all levels of government. It would aim to identify areas of agreement and possible solutions to problems. Australia's research sector could ably support the deliberations. The process could be convened by the CCA or organised as a stand-alone process.

While it is open to governments to initiate such a process and to update it over time, enshrining such a process in law would be advantageous.

The Bill could usefully include a provision that a national emissions strategy towards net zero emissions be produced at five-yearly intervals, on the basis of a deeply inclusive society-wide process.

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