

About The Next Economy:

The Next Economy (TNE) works with communities dealing with economic change to identify development strategies that are good for both communities and the environment. For the last five years, TNE staff have conducted research and contributed to economic planning initiatives across Australia, but particularly in the coal regions of Central Queensland, the Hunter Valley and the Latrobe Valley. Through this work we have assisted governments, business and community organisations to identify ways to transition their regional economies away from fossil fuels and to explore the new opportunities in moving towards zero emissions across all sectors of the economy.

Over this period, we have consulted with thousands of people including representatives of government at local, state and federal levels; local councils; state government departments; regional economic development and planning organisations; industry leaders, business councils and Chambers of Commerce; environment groups; community and social service organisations; unions; universities; renewable energy companies; investment firms; small and medium sized businesses across a range of sectors including retail, tourism and agriculture; and workers and senior executives of companies involved in the mining and use of coal for electricity generation.

The recommendations in this submission are based on results of this extensive consultation, as well as reviews of the academic literature and international case studies.

1. National Targets and Strategies Recommendations:

1.1. Increase the National Emissions Reduction Target to 50% on 2005 levels by 2030.

The Climate Change Authority notes on page 6 of the Consultation Paper that: “The Authority through this work will not be making recommendations about the level of the Government’s 2030 emissions reduction target.”

While we concede the current political environment makes it difficult for our leaders to set ambitious targets for emissions reductions, the alarming reality that we face in terms of accelerating climate impacts requires Australia to set far more ambitious emissions reductions targets.

Last year’s IPCC Special Report (2018) presented strong evidence that if we are to have any chance of keeping global temperature increases below 2 degrees Celcius,

we need to reduce our emissions by 50% by 2030. Australia's current goal of 26-28% is therefore completely inadequate to meet the goals of the Paris Agreement.

To mobilise industry and other key stakeholders to make the changes required to sufficiently reduce emissions, we need strong, stable and ambitious targets that are backed up by strong legislation at both Federal and State levels. As we have heard repeatedly in our regional consultations, this would provide industry with the clear goals they need to plan long-term and investors with the certainty needed to take the risk to invest in the new products, services and industries that we need to address the climate crisis.

Furthermore, setting more ambitious targets is a prudent course of action, given the emerging legal, financial and insurance risks to both government and industries that fail to take adequate action on climate change.

1.2. Australia establishes a National Transition Authority tasked with supporting all sectors and industries to develop and implement plans to transition to zero emissions by 2050.

A National Transition Authority is needed to support the development, implementation and funding of plans to support all sectors and industries to transition to zero emissions. This includes support for technological development; abatement and sequestration strategies; workforce planning; regional economic development; climate adaptation approaches, new financing tools, and infrastructure development. The National Transition Authority should be tasked with an oversight and coordination role, with the ability to facilitate leaders from relevant sectors and groups to come together and decide what they need to make the transition. Planning should also be facilitated at a regional level, as the challenges will differ depend on context. Models like this already exist in other countries the most notable example being The Coal Commission established in Germany.

2. Energy Sector Recommendations

2.1. Set a national renewable energy target of 50% of domestic energy supply by 2030.

2.2. Implement The Australian Energy Market Operator's Integrated System Plan (2018) to ensure appropriate grid infrastructure development at a national level.

2.3. Establish appropriate regulatory frameworks to encourage the emerging renewable energy industries to employ best practices in terms of conditions for workers, sharing benefits with affected communities, and undertaking appropriate consultation on new projects.

2.4. Develop a plan to manage the inevitable decline of Australia's coal exports (both thermal and metallurgical), including identifying and developing new, zero emissions export industries (eg: zero emissions steel and aluminium, hydrogen) and supporting the transition of existing coal mining workers and communities into new industries.

2.5. Develop and promote schemes to support households and industries to reduce their energy consumption (for example: retrofitting the existing housing stock and implementing tougher energy efficiency standards for new buildings).

2.6. Support marginalised and vulnerable groups such as low-income households, Indigenous communities, farmers and regional and remote communities to easily access renewable energy technologies to reduce issues related to accessibility and affordability of energy.

3. Transport Sector Recommendations

3.1 Establish public-private partnerships to invest in the development of the Electric Vehicle industry.

3.2 Work with State and Local governments to invest in upgrades to public transport infrastructure (including rail and light rail), develop intergrated transport hubs and research and develop what is needed for the roll out of autonomous vehicles.

4. Waste Recommendations

4.1 Invest in local and circular economy approaches to manage waste as a regional economic development opportunity.

5. Agriculture and Land Use Recommendations

5.1. Establish more comprehensive technical assistance / agricultural extension schemes and incentives to accelerate the sequestration of carbon in vegetation and soils through farming, forestry and conservation approaches. Examples include tree planting initiatives (eg: Greening Australia, Landcare), tightening land clearing regulations across all states, and protecting conservation areas and national parks from development.

5.2. Support research and development into regenerative agricultural practices.

5.3. Maintain the Government's role in purchasing offsets under the Emissions Reduction Fund.

5.4. Simplify and scale carbon credit schemes to make them more accessible to all landholders and managers.

5.5. Expand existing carbon credit schemes to Traditional Owner and other Indigenous organisations caring for country to recognise the role they play in locking up and sequestering carbon, and reducing emissions.

5.6. Establish new financing bodies similar to ARENA and the CEFC to fund land-use initiatives that will facilitate the rapid sequestration of carbon through improved land-use and farming initiatives.

6. Manufacturing and Processing Industries:

6.1 Support industry to explore and develop opportunities to reinvigorate regional manufacturing and processing through the development of renewable energy parts and products (eg: wind turbines, batteries, zero emissions metals).

6.2. Protect and support the development new zero emissions industries through mechanisms such as research and development programs, rebate schemes, tax incentives, and expanding public investment in large-scale infrastructure.

6.3. Develop and support government procurement schemes that encourage zero emissions supply chains.

Final Note:

As these recommendations are brief, we welcome any questions from the Climate Change Authority on the evidence base behind each one.

References:

AEMO (2018) Integrated System Plan. Available at: https://www.aemo.com.au/-/media/Files/Electricity/NEM/Planning_and_Forecasting/ISP/2018/Integrated-System-Plan-2018_final.pdf

IPCC (2018) Summary for Policy Makers. In *Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty* [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R.

Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. *World Meteorological Organization, Geneva, Switzerland, 32 pp.*

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