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Climate Change Authority GPO Box 787 Canberra ACT 2600

By email: submissions@climatechangeauthority.gov.au

The City of Sydney welcomes this opportunity to make a submission to the Climate Change Authority's 2019 advice on meeting Australia's Paris Agreement commitments.

The City of Sydney has a target for net zero emissions across its local government area by 2050 which is in line with the NSW Government's net zero target.

In June 2019, we declared a climate emergency<sup>1</sup> which was passed unanimously. We joined a growing movement of more than 600 jurisdictions in 13 countries and more than 30 jurisdictions in Australia to have done so.

These declarations are based on the increasing number of extreme heat days and weather events which are adversely impacting our communities, the economic cost of inaction, and lack of leadership by other levels of Government in the transition to a green economy.

Under the Paris Agreement, countries including Australia have committed to keeping global average warming to below 2-degrees which requires net zero emissions by 2050.

Already 1-degree of warming has occurred and it will take a concerted effort by all nations and all levels of government to curb pollution and avoid a further half to 1-degree. Current commitments have the world tracking toward 3.3 degrees or more<sup>2</sup>.

Australia's target to reduce emissions by 26-28 percent below 2005 levels is insufficient to make an adequate contribution to the Paris Agreement. Further, Australia's emissions have been increasing each year for the past four years<sup>3</sup>.

Per capita, Australia's emissions are amongst the highest in the world. According to the C40 Deadline 2020<sup>4</sup> report, per capita emissions need to be 2.9 tonnes C02e per year to meet the Paris Agreement.

Australia needs to lift its target in line with the science and peer countries to 50 per cent or more by 2030 and net zero emissions by 2050 or sooner.

Green, Global, Connected.

<sup>&</sup>lt;sup>1</sup> https://news.cityofsydney.nsw.gov.au/announcements/city-of-sydney-declares-climate-emergency

<sup>&</sup>lt;sup>2</sup> https://climateactiontracker.org/

<sup>&</sup>lt;sup>3</sup> https://unfccc.int/documents/195779?fbclid=lwAR1yrlnImfUM5mrMvJ74T-

<sup>1</sup>bpnFYOMvCUY786kK4qfVTkyPvnWIYovFjTm0

<sup>&</sup>lt;sup>4</sup> https://www.c40.org/researches/deadline-2020

The March 2019 stocktake by the Climate Change Authority shows that Australia's emissions policies fall short of meeting its current target under the Paris Agreement.

It is therefore imperative that the Climate Change Authority provide honest and clear advice about the scale and speed of change that is required for Australia's to meet its Paris commitment - and the economic development, innovation, jobs, health and other benefits this transition brings.

The City makes the following recommendations on meeting the Paris Agreement.

- 1. Provide clear advice that delaying action will make it more difficult and costly to achieve future targets. Recent work by the University of Melbourne<sup>5</sup> estimates that Australia faces \$762 billion in damages by 2050 which can be avoided with \$35.5 billion investment in reducing emissions.
- 2. Quantify the economic and social benefits of transitioning to a clean economy and develop a diversification plan so that Australia can continue to prosper. It is in Australia's best interests to be ready for this transition and strengthen its economic competitiveness while reducing climate change impacts.
- 3. Acknowledge that financial market signals are trending toward cleaner investments and that the liability of climate risk is increasing as outlined by the Australian Prudential Regulation Authority<sup>6</sup>, ASIC<sup>7</sup>, the Reserve Bank<sup>8</sup>, and the Bank of England<sup>9</sup>.
- 4. Avoid the use of carry-over surplus emission units from the Kyoto Protocol towards Australia's Paris Agreement target in order to drive genuine emissions reductions and provide economic stimulus through new investments.
- 5. Reduce baselines under the safeguard mechanism and transition away from government funding of the Emissions Reduction Fund as outlined in previous recommendations by the Authority.
- 6. Support local governments to implement policies and programs based on the success of programs like the Better Buildings Partnership<sup>10</sup> and CitySwitch Green Office<sup>11</sup> in reducing emissions.
- 7. Support recommendations made by the Business Council for Sustainable Development Australia (of which the City is a member) in its submission to this consultation paper.

## **Energy**

- 8. Support Australian and State Governments to establish a Just Transition Authority, with enough funding to ensure that Australians employed in the fossil fuel industries have viable and appropriate opportunities for alternate employment noting the significant contribution that fossil fuel industries have made to current levels of prosperity and that communities will be adversely impacted by the transition if not adequately planned for.
- 9. Recommend policies and support mechanisms including Government underwriting of transmission infrastructure to renewable energy zones in

<sup>&</sup>lt;sup>5</sup> https://sustainable.unimelb.edu.au/publications/issues-papers/australias-clean-economy

<sup>&</sup>lt;sup>6</sup> https://www.apra.gov.au/media-centre/speeches/australias-new-horizon-climate-change-challenges-and-prudential-risk

<sup>&</sup>lt;sup>7</sup> https://asic.gov.au/about-asic/news-centre/find-a-media-release/2018-releases/18-273mr-asic-reports-on-climate-risk-disclosure-by-australia-s-listed-companies/

<sup>8</sup> https://www.rba.gov.au/speeches/2019/sp-dg-2019-08-15.html

<sup>9</sup> https://www.bankofengland.co.uk/news/2019/april/open-letter-on-climate-related-financial-risks

<sup>10</sup> https://www.betterbuildingspartnership.com.au/

<sup>11</sup> https://cityswitch.net.au/

- accordance with the Step Change scenario developed by the Australian Energy Market Operator Integrated System Plan<sup>12</sup> the only scenario modelled to keep warming below 2-degrees as required by Australia's commitment to the Paris Agreement.
- 10. Develop policy recommendations to take advantage of Australia's abundant renewable energy resources and the innovation and skills of Australian people and industries.
- 11. Support the National Hydrogen Strategy<sup>13</sup> to decarbonise domestic gas and create a low carbon export opportunity for Australia.
- 12. Harmonise energy efficiency schemes as outlined in a previous recommendation by the Authority.
- 13. Update and expand energy efficiency standards for appliances.

## **Buildings**

- 14. Increase minimum energy performance requirements (and compliance) of the National Construction Code to achieve net zero energy and emissions buildings as outlined in the COAG Energy Council Trajectory for Low Energy Buildings<sup>14</sup>.
- 15. Expand NABERS rating tools so that every major building type can be rated as outlined in the 5-year strategic plan<sup>15</sup>.
- 16. Continue to expand coverage and reduce thresholds for mandatory disclosure of energy performance under the *Building Energy Efficiency Disclosure* Act for all building types (as NABERS Energy tools become available).
- 17. Introduce policy for mandatory energy/emissions upgrades similar to the New York City Climate Mobilization Act and Green New Deal 16 which legislates emissions caps for various building types starting in 2024.
- 18. Phase out high global warming HFC refrigerants used by the HVAC and refrigeration industry in accordance with Australia's ratification of the Kigali Amendment to the Montreal Protocol<sup>17</sup>.

## **Transport**

19. Introduce appropriate fuel and vehicle emissions and efficiency standards to reduce emissions and unnecessary cost to consumers.

20. Develop a national plan for electric vehicles (all variants).

The City of Sydney would appreciate further targeted consultation as outlined in the
consultation paper. Please contact Chris Derksema, Sustainability Director on
or at

<sup>16</sup> https://www1.nyc.gov/office-of-the-mayor/news/209-19/action-global-warming-nyc-s-green-new-deal#/0

<sup>&</sup>lt;sup>12</sup> https://www.aemo.com.au/-/media/Files/Electricity/NEM/Planning\_and\_Forecasting/Inputs-Assumptions-Methodologies/2019/2019-20-Forecasting-and-Planning-Scenarios-Inputs-and-Assumptions-Report.pdf

<sup>&</sup>lt;sup>13</sup> https://www.industry.gov.au/about-us/what-we-do/coag-energy-council-hydrogen-working-group

<sup>&</sup>lt;sup>14</sup> http://www.coagenergycouncil.gov.au/publications/trajectory-low-energy-buildings

<sup>&</sup>lt;sup>15</sup> https://www.nabers.gov.au/publications/strategic-plan

<sup>&</sup>lt;sup>17</sup> http://www.environment.gov.au/protection/ozone/hfc-phase-down/international-hfc-phase-down

Yours Sincerely,

**Kim Woodbury** Acting Chief Executive Officer