

2021

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

Climate Change (National Framework for Adaptation and Mitigation) Bill 2021

EXPLANATORY MEMORANDUM

and

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Circulated by authority of

GHagrid MP

Climate Change (National Framework for Adaptation and Mitigation) Bill 2021

OUTLINE

Climate change is real for Australia, with immediate and deepening risks to our natural environment, economy and way of life. The 2019-20 summer bushfires were a clear indication of the worst of those risks, and how they will affect some communities more than others.

Almost at the same time, the COVID-19 pandemic has given the world a prelude to the kind of widespread disruption climate change will cause. The virus has put much of the world into recession including Australia — which entered recession for the first time in over two decades. Although we are among the nations who have coped with that challenge best, our economy will need support for many years to come.

But there is cause for optimism, by transitioning to a net zero emissions economy, Australia can right its economic course and benefit from the jobs, productivity and growth that will be created by new clean industries. This is the opportunity for our Government to make its most positive mark on Australia's future, a mark that will have widespread popular support.

Australia is uniquely positioned to prosper through this transition, given our financial wealth, human capacity, scientific innovation, zero-emission energy resources, and potential for soil regeneration and carbon sequestration.

To protect our economy and environment and to prosper in the future, Australia must have strong national plans to transition to a net zero emissions economy, adapt to climate change, to and reduce and mitigate its risks.

This Bill sets out a clear framework for development of national plans as our climate changes, and for progress to be rigorously monitored and reported.

This national framework will ensure that Australia has:

1. **a positive response to the challenges of climate change** that is effective, fiscally responsible and fair, and part of an effective international effort;
2. **national plans for adapting to a changing climate**, so that the different parts of our continent and economy can respond positively to changing physical conditions and international policies;
3. **national plans for reducing greenhouse gas emissions**, to meet emissions reduction targets that align with scientific imperatives and State government and international commitments, which may change over time; and

4. **transparent monitoring, reporting and accountability** for national adaptation planning and emission reduction actions, with an independent Climate Change Commission (the Commission) to advise Government and Parliament.

In putting this framework in place, Australia is fortunate to be able to learn from the debate and experience of other countries, including the United Kingdom, Germany, France, and New Zealand. The framework proposed in this Bill has been effective, particularly in the United Kingdom, where it has driven significant emissions reductions and the implementation of effective adaptation measures.

1. A positive response to the challenges of climate change

The Bill aims to ensure Australia has a clear and positive national response to the challenges of climate change: see Part 1 Division 1.

It recognises that climate change is a serious challenge to Australia's prosperity and security and this requires action to limit global warming to no more than 2°C above pre-industrial levels and pursue efforts to limit to 1.5°C, to protect livelihoods and the environment.

The Bill leaves national action in the hands of our elected Government but mandates an effective process for national targets, actions and reporting, with the Government guided by a respected Commission whose independence is assured by a Parliamentary Joint Committee.

The Bill's specific objectives are to:

- set a target for achieving net zero emissions by the year 2050;
- provide for a system of emissions budgeting;
- assess and prepare for climate change impacts;
- assist the national economy to adapt to climate change;;
- establish an independent body to ensure accountable and transparent plans to manage the climate challenge; and
- providing policy certainty to assist the private sector in decision making; and
- assisting and guiding the taking of action to meet Australia's obligations under the United Nations Framework Convention on Climate Change, the Kyoto Protocol, the Paris Agreement and any other international agreement relating to climate change.

Both the Government and the Commission must act consistently with the principles outlined in the Bill: see Part 1 Division 2. The principles state that action on climate change should be based on:

- effective, efficient and equitable action;
- informed decision making;
- risk-based integrated decision making;
- fiscal responsibility;
- fair employment transition;
- community engagement and self-determination; and
- national and international co-operation..

2. National plans for adapting to our changing climate

Australia is experiencing more severe and frequent bushfires, droughts, floods and heatwaves. While we cannot avoid their impacts, we can better prepare for them.

The Bill requires:

- the Commission to complete an annual National Climate Change Risk Assessment: see Part 2. The risk assessment identifies risks across Australia’s economy, society and environment, to which the Commonwealth will need to respond; and
 - the Government to set five-year national adaptation plans (see Part 3) considering a range of economic and social issues, the distribution of the effects of climate change across society, international obligations and other relevant advice.

3. National plans for reducing greenhouse gas emissions

To play its part in keeping global warming within safe limits, Australia must reduce its own emissions and constructively fulfil obligations under international agreements.

The proposed legislation would require:

- a long-term national emissions target that aligns with scientific imperatives, State government policies and global commitments: see Part 4. Currently, that target is net zero emissions by 2050. The target is reviewed every five years by the independent Climate Change Commission taking into account a range of factors and may only increase in ambition;
- five-year national emissions budgets set in advance, with safeguards to ensure an achievable yet equitable reduction path through to the long-term target: see Part 5 Division 1; and
- five-year plans set at least five years in advance, to ensure that Australia meets those emissions budgets: see Part 5 Division 2.

4. Transparent monitoring, reporting and accountability

The Climate Change Commission will advise the Government on the adaptation plans, long-term target, emissions budgets and emission reduction plans (the Bill’s “elements”) in a transparent and accountable way.

It will:

- prepare national climate change risk assessments;
- advise the Minister on the adaptation plans, emissions budgets and emissions reduction plans, seeking to ensure they align with the guiding principles and are equitable across generations, regions and industries;
- advise the Minister of the effect of emissions from Australia’s fossil fuel exports in meeting the objects of the Act. These emissions will not be included in the initial national budgets; and
- monitor and report on progress towards implementing the adaptation and emission reduction plans, and towards meeting the emissions budgets and the net zero target: Part 6 Division 1. and
- prepare low emissions technology statements

To ensure that the Climate Change Commission is empowered, independent and accountable:

- the Commission has all the powers it needs to fulfil those functions;
- the Government cannot direct the Commission in relation to its functions or powers; and
- the Joint Parliamentary Commission approves Commission appointments and reviews its budget and expenditure: Part 6 Division 2.

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If passed, this Bill will enable Australia to make an immediate, positive and nationally supported response to the risks, challenges and opportunities of climate change.

FINANCIAL IMPACT

There will be no financial impact on the federal budget of Australia.

HUMAN RIGHTS IMPACT

See the statement of compatibility with human rights on the next page.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

**Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act
2011**

Climate Change (National Framework for Adaptation and Mitigation) Bill 2021

This bill is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the Human Rights (Parliamentary Scrutiny) Act 2011.

HUMAN RIGHTS IMPLICATIONS

This Bill does not engage any of the applicable rights or freedoms.

GHagrid MP