

Policy Paper: What Do We Need in a Tasmanian Climate Change Act?

1. Background: current situation – May, 2025.

The existing <u>Tasmanian Climate Change (State Action) Act 2008</u> is being reviewed. The terms of reference for the review have been decided, and a consultant has been selected to undertake the review. Public consultation on the review will begin soon. For more background on the process see the <u>Climate Change Office</u>'s website.

This Policy Paper is intended to provide Climate Tasmania's considered position on the strengths and weaknesses of the current Act to people and organisations who are thinking about participating in the review. In particular, we set out our recommendations for a stronger, more ambitious, detailed, and comprehensive Act.

Summary

S1. The existing Act has failed.

Mitigation: reducing Tasmania's contribution to making climate change worse.

- 1. Tasmania's emissions have not changed significantly in the last 30 years (not including the Land Use, Land Use Change, and Forestry (LULUCF) sector).
- 2. There has been no decline in Tasmania's use of fossil fuels (coal, oil, and gas) over at least the last decade.
- 3. The Act does not contain a mechanism for reducing the use of fossil fuels in the State. Instead, the Tasmanian Government is claiming zero "net emissions" by subtracting carbon sequestered in trees from the carbon emitted into the atmosphere.

Adaptation: making Tasmania more resilient to the harmful effects of climate change.

1. The Act has no structured process nor a governance structure for managing the many changes needed to adapt to an increasingly dangerous climate.

Transition risks: economic and equity risks from the shift from petrol, diesel, gas, etc to clean energy

- 1. There is no understanding in the general Tasmanian community of the risk of stranded demand side assets, and Tasmanians are still purchasing vehicles and equipment which run on gas and petroleum fuels, apparently with the expectation of using their new assets for their full expected life.
- 2. The transition itself will bring equity, economic and environmental risks which need to be managed. The Act has no structured process nor governance structure for achieving this.

S2. A very different Act is needed.

- 1. The Act needs to be the focus for Tasmania's response to the threats and opportunities of climate change over the next few decades and many Parliamentary terms. It needs to provide as much governance and policy certainty to Tasmanians and to Tasmanian businesses as possible over that long term.
- 2. The Act must contain detailed mechanisms for managing the Energy Transition: the shift from petrol, diesel, gas, coal, etc to clean energy. The issues requiring management include the speed of the transition, economic impacts particularly to avoid inequity, environmental impacts, and fuel security risks, and taking advantage of opportunities.
- 3. It will be essential to obtain and to maintain the support of Tasmanians for the full suite of actions needed to respond effectively to climate change. The Act can assist greatly by being open about what is required and by whom, by requiring a very high level of transparency, by ensuring that achievements are recognised and

Climate Tasmania is a group of concerned professionals who have a diverse range of expertise, spanning scientific, legal, economic, health, energy, social and policy aspects of climate change. Our aim is "To provide timely, independent and authoritative advice to Tasmanian business, government and community leaders on climate change and appropriate policy responses."

Details of the members of the Climate Tasmania board and expert advisers are available here.

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celebrated, by giving voluntary actions a place in the sun, and by providing the maximum flexibility for compulsory requirements.

Discussion

1. Introduction: what problems does the Act need to solve?

Fundamentally, humanity needs to do two things:

- 1. We need to stabilise the climate, so it stops becoming more and more dangerous (the mitigation task), and
- 2. We need to adapt to however dangerous the climate has become when we finally succeed in stabilising it (the adaptation task).

In order to stabilise the climate we (humanity) need to stop increasing the amount of CO2 in the atmosphere. In order to do that, we need to stop burning fossil fuels: coal, oil, and gas. Tasmania's contribution to global fossil fuels burning is very small. If Tasmanians want to have a stable climate, then they will need to both convince and help others to shift away from fossil fuels to clean energy. A safe climate for current and future Tasmanians depends on us setting the best example we can of making the shift away from fossil fuels ourselves and then showing others how we managed that. In other words, we need to be climate leaders.

In the shorter term, minimising methane emissions to the atmosphere is also extremely important if we want to reduce how dangerous the climate becomes. This is because methane's contribution to global heating is high in the short term. Tasmania's contribution to methane emissions is thought to be mostly from agriculture, and continuing and accelerating work already started on reducing methane emissions from agriculture is another area in which Tasmania can show climate leadership.

Adaptation to however dangerous Tasmania's climate becomes will become more and more essential as the climate worsens. We should expect and prepare for an increasing influx of climate migrants, just as Australia as a whole should expect and prepare for an influx of climate migrants from countries in our region and elsewhere.

2. What other problems will the Act need to equip us to solve?

The transition from a Tasmanian society and economy dependent on fossil fuels to one which uses the absolute minimum of them will pose many challenges and many opportunities. The Climate Change Act needs to be the foundational document that enables Tasmania and Tasmanians to meet the challenges and take advantage of the opportunities, while ensuring that the transition happens as quickly and as smoothly as possible. The issues which need to be recognised in the Act and provided for include:

- 1. A just transition, in which the most vulnerable Tasmanians are shielded as much as possible from the adverse impacts of both the transition and climate change itself.
- 2. Industries and sectors are likely to experience significant variability in the availability of alternatives to the burning of fossil fuels and alternatives to industrial processes which create greenhouse gases.
- 3. While it should be a foundational principle that larger users of fossil fuels are required to do more than smaller users, there needs to be some flexibility to adapt the processes established by the Act to individual circumstances.
- 4. The shift from fossil fuels to clean energy will have significant workforce implications, with demand for some skills (e.g. car mechanics) falling and the demand for other skills (e.g. electricians) rising.
- 5. While significant capital costs will be associated with the transition, the large efficiency increase from the switch from liquid fuels to electricity will result in operating cost savings.
- 6. Existing fossil fuel businesses will either change their business models or shut down, a process that will occur at all levels, from the major oil companies to small fuel distributors and service station owners.
- 7. Tasmania is a small petroleum fuels market a long way away from current sources of supply; in a world in which global fuel companies are seeing the demand for their products steadily decrease, the risk of their simply withdrawing from supplying Tasmania must be considered high.
- 8. The demise of petroleum fuel supply companies due to disappearing demand will mean that the risk of abandoned contaminated sites must be considered high.
- 9. There is likely to be a need for locally manufactured biofuels such as renewable diesel to keep legacy equipment such as excavators operational and as a buffer against fuel security problems.
- 10. Oil refiners may experience very significant difficulties maintaining supplies of aviation fuels and maritime fuels in the face of on-going reductions in the demand for petrol and diesel.

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11. Aviation and shipping are likely to experience more difficulty shifting from petroleum fuels than other sectors. Both are, of course, vital for Tasmania.

3. An effective Climate Change Act for Tasmania needs:

- A gross emissions reduction target (one that does not rely on uncertain and impermanent LULUCF uptake) for 2030 that reflects the urgency of the need for action, Tasmania's unique advantages, and our claim to global climate leadership.
- Explicit targets and mechanisms, i.e. where and how, for phasing out our use of fossil fuels.
- Provision and funding for an independent body to provide ongoing specialist advice to the Tasmanian government, Parliament, and the community.
- Establishment of an independent statutory authority to oversee and assist the shift from petrol, diesel, natural gas, bottled gas, etc to clean energy in a way which minimises adverse impacts on disadvantaged Tasmanians and maximises the economic benefits to all Tasmanians.
- An approach which combines compulsory and voluntary actions and provides a very high level of transparency around both voluntary and compulsory actions.
- Explicit mechanisms to ensure transparency, public participation and parliamentary oversight in the
 development of climate actions in order to assist community acceptance of the wide range of changes
 needed to respond to climate threats.

4. The need for a stable policy framework

Successive state governments have produced Climate Change Action Plans; there have been seven of these since 2007. None of these have set firm targets for emissions reduction, and some were superseded before being fully implemented. Climate Tasmania believes that effective climate action requires a <u>legislated</u> framework for targets, independent advice, implementation and accountability mechanisms.

A governance structure, a system for the setting of targets, and implementation mechanisms all detailed in legislation will send a clear message to the community and business on how all Tasmanians can work together to make our State truly a climate leader. Business leaders and business organizations often say that businesses need certainty. The current Act does not provide certainty, as there is no long-term program of action detailed in it.

5. A 2030 emissions reduction target

Tasmania's 2030 emissions reduction targets should represent real reductions in all sectors of the economy and not rely on land use. For example, a 40% reduction in emissions by 2030 excluding land use figures would be ambitious but achievable and would demonstrate real leadership.

Phasing out of fossil fuels (petrol, aviation fuels, diesel, gas, coal)

Development of new fossil fuel sources is inconsistent with a rapid reduction in emissions. A ban on new fossil fuel developments in Tasmania will need to be carefully planned to ensure that it is not subject to legal challenges.

- The state government should commit to ensuring that no state government subsidies are paid for exploration or development of oil, gas or coal resources in Tasmania or its offshore waters.
- The state government should prepare the necessary legislative changes required to prevent any future development of oil, gas or coal resources in Tasmania.

In addition to stopping new fossil fuel supply, existing uses of fossil fuels must be shifted to clean energy – almost always electricity from renewables.

- Large users of fossil fuels and all government organisations and agencies should be required to report on usage and develop plans showing how their use of fossil fuels will be phased out.
- The shift from petrol, diesel, etc to clean energy will need careful coordination. The transition will need to avoid worsening inequality and the various transition risks will need to be managed.

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7. Provision of independent science-based advice

A revised Act should make provision for the establishment and guaranteed ongoing resourcing of an independent advisory body to ensure that the best possible account is taken of emerging climate science in the overall program of activities established under the Act. The independent body must provide advice, oversight, evaluation and review of all aspects of climate mitigation and adaptation.

8. An independent statutory authority to oversee and assist the shift from petrol, diesel, etc to clean energy.

The shift from petrol, diesel, etc to clean energy will transform our society and bring about the rise and fall of industries, trades, and physical assets. As well as legislated targets, this requires management by an independent agency that can provide expertise, planning and support that is consistent across electoral cycles.

9. Public participation and parliamentary oversight

Addressing climate change requires frameworks that involve the whole community and remain effective across decades and across changes of government. Public engagement needs to be informed by climate science, timely data on greenhouse gas emissions, information on sectoral plans to reduce emissions, and the many processes needed to adapt to increasing climate risks.

- A revised Act should provide for resourcing of public engagement and consultation activities across all aspects of climate adaptation and mitigation policies and plans.
- The independent statutory authority should have the mandate to collect and make public information on greenhouse gas emissions in Tasmania by sector and fuel type.
- Parliament should establish a Standing Committee with representation of all political parties and independent members to monitor government activities in response to climate change.

More information:

- Climate Tasmania's November 2021 presentation: What should be in the revised Climate Change Act?
- Climate Tasmania's <u>Drafting Instructions</u> which set out the requirements and arrangements for an effective Climate Act.
- Climate Tasmania's YouTube channel.

Last updated: 24 April 2025. This document is an updated version of a Policy Paper posted on Climate Tasmania's website in August 2021.

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