



New South Wales

# Climate Change (Emissions Targets) Bill 2021

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The objects of this Bill are—

- (a) to establish principles to guide action to address climate change that must be taken into account by the NSW Government in developing and implementing government policy, and
- (b) to set 2030 and 2050 targets for the reduction of greenhouse gas emissions in New South Wales, and
- (c) to establish the Net Zero Commission to monitor and report on progress towards the 2030 and 2050 targets.

## Outline of provisions

### Part 1 Preliminary

**Clause 1** sets out the name, also called the short title, of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on the date of assent to the proposed Act.

**Clause 3** provides that the proposed Act prevails to the extent of an inconsistency with another Act or law.

**Clause 4** defines certain words and expressions used in the proposed Act.

## **Part 2 Greenhouse gas emissions reduction in NSW**

**Part 2** contains provisions that—

- (a) set out guiding principles relating to action to address climate change, and
- (b) establish greenhouse gas emissions reductions targets for NSW that must be met by 2030 and 2050, and
- (c) require the NSW Government to take the guiding principles and the 2030 and 2050 targets into account in developing and implementing government policy.

## **Part 3 NSW Net Zero Commission**

**Part 3** contains provisions relating to the NSW Net Zero Commission (the *Net Zero Commission*). The proposed Part—

- (a) establishes the Net Zero Commission and provides for its membership, and
- (b) sets out the functions of Net Zero Commission, including developing and reviewing a net zero plan, monitoring action taken by the NSW Government and making recommendations to the Minister administering the proposed Act, and
- (c) requires the NSW Government to respond to reports and recommendations from the Net Zero Commission.



New South Wales

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New South Wales

# Climate Change (Emissions Targets) Bill 2021

No , 2021

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## A Bill for

An Act to establish principles to guide action to address climate change; to set 2030 and 2050 targets for the reduction of greenhouse gas emissions in New South Wales; and to establish the Net Zero Commission to monitor and report on progress towards the 2030 and 2050 targets.

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The Legislature of New South Wales enacts—

## Part 1 Preliminary

### 1 Name of Act

This Act is the *Climate Change (Emissions Targets) Act 2021*.

### 2 Commencement

This Act commences on the date of assent to this Act.

### 3 Relationship with other Acts and laws

This Act prevails to the extent of an inconsistency with another Act or law.

### 4 Definitions

In this Act—

**2030 target** means the greenhouse gas emissions target for NSW specified in section 6(2).

**2050 target** means the greenhouse gas emissions target for NSW specified in section 6(1).

**adaptation action plan**—see section 12(1).

**climate change** means a change of climate over an extended period, typically decades or longer, which is caused by human activity or natural climate variability.

**exercise** a function includes perform a duty.

**function** includes a power, authority or duty.

**greenhouse gas emissions** means emissions of carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, a hydrofluorocarbon gas, a perfluorocarbon gas or another gas prescribed by the regulations for the purposes of this definition.

**guiding principles**—see section 5.

**Net Zero Commission** means the NSW Net Zero Commission established by section 8.

**net zero plan**—see section 10(1)(a).

**Note**—The *Interpretation Act 1987* contains definitions and other provisions that affect the interpretation and application of this Act.

## Part 2 Greenhouse gas emissions reduction in NSW

### 5 Guiding principles

- (1) For the purposes of this Act, the *guiding principles* are the principles set out in this section.
- (2) There is a critical need to act to address climate change, which is a serious threat to the social, economic and environmental well-being of the State.
- (3) Action to address climate change should be taken as early as possible to minimise its cost and adverse impact.
- (4) Action to address climate change should recognise principles of fiscal responsibility.
- (5) Action to address climate change should take into account the following—
  - (a) the need to maximise job creation and employment transition opportunities in relevant sectors and industries, including low carbon energy generation, supply chains and manufacturing,
  - (b) the need to ensure support for local communities affected by the action, including the diversification of local economies, the protection of local jobs and industries and the benefits of local procurement,
  - (c) the need for skills diversification, including technical and further education provided by TAFE.
- (6) Action to address climate change should be consistent with the right of all individuals to clean air and clean water.
- (7) In relation to current and future households, businesses, workers, communities and rural and regional NSW, action to address climate change should—
  - (a) ensure inter-generational equity, and
  - (b) take into account social, cultural and economic differences.
- (8) For the benefit of future generations, action to address climate change should maintain, conserve and enhance the health, integrity, biodiversity and productivity of the environment and natural ecosystems.
- (9) Action to address climate change should involve appropriate and adequate consultation with all affected persons, communities and stakeholders.
- (10) The NSW Government is responsible for—
  - (a) urgently developing strategies, policies and programs to address climate change, and
  - (b) ensuring that energy use in the NSW government sector represents best practice in addressing climate change.

### 6 2030 and 2050 greenhouse gas emissions targets

- (1) NSW must reduce greenhouse gas emissions to achieve zero net greenhouse gas emissions by 31 December 2050.
- (2) NSW must, by 31 December 2030, reduce greenhouse gas emissions to achieve at least a 50% reduction in net greenhouse gas emissions compared to net emissions in the year 2005.
- (3) The Premier and the Minister must ensure the 2030 target and the 2050 target are met.

<b>7</b>	<b>Consideration of guiding principles and 2030 and 2050 targets</b>	1
	When developing and implementing government policy, the NSW Government must	2
	take the following into account, to the extent that they are relevant—	3
	(a) the guiding principles,	4
	(b) the 2030 target,	5
	(c) the 2050 target.	6

## Part 3 NSW Net Zero Commission

### 8 Establishment of Net Zero Commission

The NSW Net Zero Commission is established by this Act.

### 9 Membership of Net Zero Commission

- (1) The Net Zero Commission must consist of no fewer than 5 and no more than 9 members appointed by the Minister.
- (2) The Minister must ensure, as far as practicable, that the Net Zero Commission includes persons who have a broad range of knowledge and experience in the following matters—
  - (a) climate change science,
  - (b) reducing greenhouse gas emissions,
  - (c) adapting to the effects of climate change,
  - (d) the social, economic and environmental effects of climate change, including the effects of climate change on public health and safety,
  - (e) other areas of expertise that the Minister considers necessary for the Net Zero Commission to exercise its functions.
- (3) The Minister may appoint a person to the Net Zero Commission only if satisfied that the person—
  - (a) is committed to addressing climate change, and
  - (b) has knowledge and experience in an area that is relevant to the guiding principles.

### 10 Functions of Net Zero Commission

- (1) The Net Zero Commission has the following functions—
  - (a) to develop a plan for NSW (the *net zero plan*) to meet the 2030 target and the 2050 target,
  - (b) to review and update the net zero plan at least once every 5 years,
  - (c) to monitor and review action taken by the NSW Government and within the NSW government sector to address climate change, including the impact of the action on—
    - (i) job creation and employment transition opportunities in relevant sectors and industries, and
    - (ii) the price of energy in NSW,
  - (d) to monitor the progress of NSW towards the 2030 target and the 2050 target generally and in relation to the net zero plan,
  - (e) to recommend the following to the Minister—
    - (i) action required to ensure continued progress towards the 2030 target and the 2050 target,
    - (ii) the establishment of interim greenhouse gas emissions targets in addition to the 2030 target and the 2050 target,
    - (iii) action required to diversify local economies and protect local jobs and industries,
    - (iv) action required to address climate change in specific sectors of the NSW economy,
    - (v) targets for energy use in the NSW government sector,



(f)	other functions under this Act.	1
(2)	A recommendation under subsection (1)(e)(iii) may include a recommendation that mining royalties be used to benefit local communities that are affected by action to address climate change and have a historic economic dependency on mining.	2 3 4
(3)	In exercising its functions, the Net Zero Commission must—	5
(a)	take into account the guiding principles, and	6
(b)	consult with the local government sector, the private business sector, industrial organisations and the wider community, and	7 8
(c)	provide information to the local government sector, the private business sector, industrial organisations and the wider community to promote action to address climate change.	9 10 11
(4)	In this section—	12
	<b>mining royalty</b> means a royalty payable under the <i>Mining Act 1992</i> , Part 14.	13
<b>11</b>	<b>Minister to respond to recommendations</b>	14
	If the Net Zero Commission makes a recommendation to the Minister, the Minister must respond publicly to the recommendation within 3 months.	15 16
<b>12</b>	<b>Adaptation action plans</b>	17
(1)	The Net Zero Commission may develop a plan (an <b>adaptation action plan</b> ) for adaptation to climate change in NSW.	18 19
(2)	An adaptation action plan may apply generally or to 1 or more of the following only—	20 21
(a)	the built environment,	22
(b)	the natural environment,	23
(c)	the water cycle,	24
(d)	the education and training sector,	25
(e)	the primary production sector,	26
(f)	the transport sector,	27
(g)	another sector or environmental component specified in the regulations.	28
(3)	In this section—	29
	<b>adaptation to climate change</b> means a process of adjusting to actual or expected climate change and its effects that—	30 31
(a)	in human systems—seeks to moderate or avoid harm or exploit beneficial opportunities, and	32 33
(b)	in natural systems—may be facilitated by human intervention.	34
<b>13</b>	<b>Whole-of-government approach</b>	35
(1)	In developing the net zero plan and adaptation action plans, the Net Zero Commission must facilitate a whole-of-government approach to addressing climate change.	36 37 38
(2)	Without limiting subsection (1), a whole-of-government approach may include the development of policies and strategies that apply generally or to specific sectors.	39 40
<b>14</b>	<b>Climate change report by Net Zero Commission</b>	41
(1)	The Net Zero Commission may at any time prepare a report on matters relating to climate change.	42 43

(2)	A report may include the following—	1
(a)	a report on the exercise of the Minister’s functions under this Act,	2
(b)	a report on the activity of the NSW Government in accordance with the requirements imposed on the NSW Government under this Act.	3
(3)	The Minister must give the Net Zero Commission’s report to the Presiding Officer of each House of Parliament within 28 days after receiving the report.	4
<b>15</b>	<b>Annual report by Net Zero Commission</b>	5
(1)	The Net Zero Commission must prepare a report of its activities during each year.	6
(2)	The report must include recommendations made to the Minister during the year.	7
(3)	The report must be given to the Minister no later than 4 months after the end of the year.	8
<b>16</b>	<b>Government response to Net Zero Commission annual report</b>	9
(1)	The Minister must ensure the NSW Government responds to each annual report of the Net Zero Commission.	10
(2)	The response must set out the following in relation to each recommendation in the report—	11
(a)	how the NSW Government intends to implement the recommendation,	12
(b)	if the NSW Government intends not to implement the recommendation—the reasons for not implementing the recommendation.	13
(3)	The Minister must give the Net Zero Commission’s annual report and the NSW Government response to the Presiding Officer of each House of Parliament within 28 days after receiving the report.	14