

**Submission
No 81**

INQUIRY INTO CLIMATE CHANGE (NET ZERO FUTURE) BILL 2023

Organisation: Smart Energy Council

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Portfolio Committee No. 7 - Planning and Environment

Inquiry into Climate Change (Net Zero Future) Bill 2023

Smart Energy Council submission - 25 October 2023

Forward

The Smart Energy Council is grateful for the opportunity to provide a submission to the Portfolio Committee No. 7 - Planning and Environment inquiry into Climate Change (Net Zero Future) Bill 2023.

The Smart Energy Council is Australia's peak independent body for renewables including solar, batteries, and green hydrogen. The council has over 950 members and 65 years of experience in the sector having been established by the photovoltaic pioneers in the 1950s and 60s who designed and built some of the world's first solar panels and solar hot water systems.

The Council understands Australia's transition to a net-zero emissions economy will deliver massive business and economic benefits; it will deliver jobs, attract investment, innovate, and make our economy more productive and competitive, all while delivering a safer climate. Achieving a strong economy and a safe climate is not just possible, it is critical if we are to confront the challenges of the future.

We actively connect the smart energy industry across Australia, building momentum and unlocking the barriers that hold us back from embracing a smart energy future.

The SEC's 950+ members provide us with real-world, empirical insights via thematic working groups that assist the SEC with drafting, testing, and advocating for fit-for-purpose smart energy policy. The discussion and outputs of the SEC working groups provide the basis of the evidence provided in this submission

With the world's best renewable energy resources, and innovative people and businesses, Australia has the opportunity to be a smart energy leader. As such the Smart Energy Council offers a range of initiatives for consideration.

THE INDEPENDENT BODY FOR THE SMART ENERGY INDUSTRY IN AUSTRALIA

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Overview of the bill:

The Bill proposes to legislate NSW's greenhouse gas emissions targets to:

- reduce net greenhouse gas emissions by 50% by EOFY 2030 (from a 2005 baseline); and
- achieve net zero greenhouse gas emissions by EOFY 2050.

The Bill also proposes to establish the Commission, which will be independent of the control and direction of the Minister and (among other things) monitor, review, and provide advice and recommendations to the Minister on progress and action taken concerning the 2030 and 2050 targets and the adaptation objective.

The bill also sets out 'guiding principles' to inform action to address climate change.

The bill provides for a statutory review every five years.

Summary

The Smart Energy Council strongly supports the introduction of the New South Wales (Net Zero Future) Bill 2023. The SEC is also broadly supportive of the measures contained in the bill. This bill is similar to other bills active or in the process of becoming active across the commonwealth. This submission is prepared with some commentary on provisions contained in the NSW bill relative to other states and some suggestions that could make the bill stronger to meet its objectives and stated purpose.

Of note are the significant challenges faced in the NSW Energy Market with large coal-fired power stations coming to their end of life. When considering replacement generation options this bill must contain provisions that hold the government to account regarding choices for future energy generation.

The Smart Energy Council strongly believes the scheduled closure of the Eraring Power station must be kept to its current timeline and renewable options be adopted for NSW Generation.

Emissions Targets

The Climate Change (Net Zero Future) Bill 2023 has a net greenhouse gas emissions 50% reduction target by June 2030 from a 2005 baseline as well as a net zero by 2050 target. The Smart Energy Council supports these measures.

In order to facilitate these measures the SEC's recommends that the bill contain achievable interim targets comparable to other jurisdictions and give consideration to a more ambitious timeline to meet net zero. The Victorian Government for instance has a 75 to 80% target by 2035 and has a more ambitious 2045 target for net zero emissions.

The previous NSW Government had announced a 70% by 2035 emissions reduction target, the Smart Energy Council welcomed this measure at the time and would again welcome this measure being included in the bill.

The Smart Energy Council believes strong interim targets as well as tighter timeframes for reaching net zero will push NSW to make the most of the opportunities being created from the global race to decarbonise economies.

Recommendation: Include an interim 2035 target of at least 70% emissions reduction and consider moving the 2050 target to 2045.

The Net Zero Commission

The Smart Energy Council supports the introduction of the NSW Net Zero Commission and believes this will be an important body to ensure that this bill is properly enacted.

The Commission's powers to monitor, review, and provide advice and recommendations to the Minister on progress and action taken in relation to the targets and the adaptation objective will provide a good oversight mechanism.

The Commission's powers to require other government agencies to provide information to the Commission relevant to its functions will be important. However, it would be useful for the bill to require the Commission to provide advice to the Government on any projects or developments that would have an impact on the state's emissions or where the emissions are to be off-shored for the Commission to provide advice on their global impact.

Section 12(2) of the bill offers the ability of the Commission to provide advice at its discretion. This should be strengthened to require the commission to provide advice.

The Commission's power to establish committees to give advice and assistance to the Commission in connection with its functions will be useful as a consultation mechanism and the Smart Energy Council would welcome any requests to participate in future committees of the incoming Commission.

Oversight of Targets and Accountability

The Smart Energy Council has been very supportive of the Energy Minister's comments regarding a whole of Government approach to addressing climate change. This bill is an excellent step forward toward making that a reality.

The Victorian Climate Change Act contains a provision that the Premier and the relevant Minister are responsible for meeting the targets set out in their jurisdiction. The SEC believes this is a strong measure that reflects the significance of the actions being taken.

Recommendation: The bill should create an obligation on the Premier and the relevant Minister to achieve the outcomes contained in the bill.

Guiding Principles

The Smart Energy Council broadly supports the guiding principles set out in the bill. These principles will significantly strengthen action to address climate change.

In particular, the bill includes provisions for the critical need to take action as soon as possible to address climate change, which is a serious threat to the social, economic, and environmental well-being of NSW. This is a statement of fact that is well made in the bill.

The additional guiding principles are supported by the Smart Energy Council.

- action to address climate change should be fiscally responsible, promote sustainable economic growth, consider the economic risks of delaying action, and be consistent with the principles of ecologically sustainable development;
- action to address climate change should involve appropriate consultation and take into account the knowledge of Aboriginal communities, the best available science, the impact of action on consumer costs, the supply of utilities and infrastructure, and reduce the risk posed to human health by climate change; and
- the NSW Government is responsible for urgently developing and implementing strategies, policies, and programs to address climate change and pursues best practice.

The application of these guiding principles into strong action on climate change will see good results for the NSW and offer a pathway to achieve the goals of the bill. Some consideration should be given to the application of these guiding principles when making decisions across a range of portfolio areas including the key areas of environment and energy but also in other areas such as planning and transport.

Thank you for your consideration of this submission.

John Grimes

Chief Executive
Smart Energy Council

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