

**Submission  
No 103**

**INQUIRY INTO CLIMATE CHANGE (NET ZERO  
FUTURE) BILL 2023**

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## **Portfolio Committee No. 7 – Planning and Environment**

### **Climate Change (Net Zero Future) Bill 2023**

1. Congratulations to the NSW Government on drafting a Bill to respond to the present day challenge in regard to the Climate Change crisis and for the work carried out to set up a Net Zero Commission to report on progress towards the emissions targets.
2. Fossil fuels have to be kept in the ground and the mining presently taking place must not be expanded. The coal industry followed by the gas industry will and must become redundant.
3. The renewable energy revolution is here and worldwide it is a multi-trillion dollar economic bonanza and job creator. Today it is possible to have a 100% renewable energy NEM grid and we are heading quickly towards one.
4. The hard to abate sectors like the manufacture of steel and aluminium and the energy requirements of other types of large industry generally, will embrace new energy sources of such as renewable hydrogen produced using electrolyzers. Presently billions of dollars are being spent by entrepreneurs such as Andrew Forrest of Fortescue Future Industries and other very large businesses throughout the world in regard to supplying renewable hydrogen to these previously hard to abate sectors. It is here now and it works.
5. Solid advances have been made in Concentrated Solar Thermal technology for long duration storage and the supply of heat and refrigeration to industry. The introduction of the Inflation Reduction Act in the United States is proof that the fossil fuel industry had had its day and is being wound down and quickly replaced by renewable energy.
6. Nothing is to be gained for New South Wales or for Australia by expanding existing coal mines or by approving new coal mines. All government efforts must go into promoting and supporting the renewable energy industry. Both major political parties are and have been embedded with the fossil fuel industries and find it hard to cut ties because their election campaigns have been financed by the fossil fuel industry for the past 80 years or more.

### **Our overseas customers will make us pay !**

7. In the fight to save planet earth, [and to protect their own businesses and spend on emissions reduction] other countries are instigating ‘Border adjustment taxes’ which are aimed at countries like Australia who do not show enough ambition in reducing their greenhouse gas emissions. [1] & [2]

8. Modelling commissioned by the previous Morrison federal government shows that failures to adequately respond to the growing climate crisis could see Australia lumped with spiralling costs to service its trillion dollar public debt as global markets punish borrowers for failing to cut emissions. According to federal budget documents, Australia currently pays a “weighted average cost of borrowing of around 2.2 per cent” on its sovereign debt, leading to an interest cost of around \$19 billion a year. An increase of 300 basis points would potentially add another \$24 billion to those annual costs. [3] & [4] and [4A]

#### References:-

[1] <https://australiainstitute.org.au/wp-content/uploads/2021/06/P1031-Carbon-Border-AdjustmentsWEB.pdf>

[2] <https://www.smh.com.au/environment/climate-change/the-european-tax-that-could-alter-global-trade-flows-20231003-p5e9b9.html?utm>

[3] Australia's climate failures could double spiralling debt costs, government modelling shows | RenewEconomy

[4] Australian Government – Australia’s Long-Term Emissions Reduction Plan : Modelling and Analysis. – Department of Industry, Science, Energy and Resources (DISER)  
<https://www.dcceew.gov.au/sites/default/files/documents/australias-long-term-emissions-reduction-plan.pdf>

[4A] Australian Government – Australia’s Long-Term Emissions Reduction Plan : Modelling and Analysis. – Department of Industry, Science, Energy and Resources (DISER)  
<https://www.dcceew.gov.au/sites/default/files/documents/australias-long-term-emissions-reduction-plan-modelling.pdf>

9. The proposed Climate Change Bill and the Net Zero Commission must focus on reducing greenhouse emissions by promoting renewable energy. The Climate Change Bill must not contain loopholes that allow coal mining or gas mining to expand and/or flourish.

What changes should be made? :-

**The functions of the Net Zero Commission should be amended so the Commission is required to provide advice on all new emissions-intensive developments, such as fossil fuel projects.** This means it would have a role in decisions on proposed coal mine expansions, including taking into account lifecycle emissions. A moratorium on proposed fossil fuel expansions should be in place until the commission is established.

**The targets in the bill should be strengthened.** Unfortunately, the targets proposed in the bill are not science-based targets. Other jurisdictions like Victoria have stronger targets. At a minimum, the current NSW target of 70% emissions reduction by 2035 should be in the Bill and a mechanism provided to set additional interim targets. The Victorian Climate Change Act

requires the Government to set targets for each five-year period, and a similar approach could be taken in NSW (see [Victorian Climate Act 2017](#))

**The bill should embed action to address climate change as a core feature of all government decision-making.** The actual impacts of the bill are questionable because the bill and commission aren't embedded into other laws. The bill should include requirements that climate impacts are considered in all government policy and decisions. One potential model is the Victorian Climate Change Act (Part 3) which embeds climate considerations into seven other acts.

**The Bill should enable the NSW Government to set sectoral methane targets, and for the Commission to provide advice on those targets.** Notably, rapid methane reductions from the energy sector are crucial to avoid climate tipping points. A new report from the [IEA](#) says that “[t]argeted actions to tackle methane emissions from fossil fuel production and use are essential to limit the risk of crossing irreversible climate tipping points.” The IEA recommends a target to cut energy sector methane emissions (particularly coal-mine methane emissions) by 75% by 2030.

**The Bill needs to be complemented by immediate action to stop dangerous new coal expansions and put NSW on a pathway to switch away from gas.** Policies that promote endless expansion of coal mining, like the ‘Strategic Statement on Coal’ introduced by former Deputy Premier John Barilaro, should be scrapped and the NSW Government needs to start the process of developing it’s promised roadmap to gas decarbonisation.

**The Bill needs to be complemented by accelerated action to diversify regional economies, create new jobs and deliver extensive skills and training opportunities.** In the lead-up to the NSW election, NSW Labor committed to the creation of statutory authorities to facilitate economic diversification and structural adjustment planning, and it is crucial that these authorities are implemented rapidly and provided with sufficient resources to catalyse real change. To be successful, these authorities need to be based in regional communities and have genuine community ownership and participation.

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