Submission No 1

INQUIRY INTO 2024 ANNUAL REPORT OF THE NET ZERO COMMISSION

Organisation: Citizens' Climate Lobby, Australia

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Feedback by the Citizens' Climate Lobby Australia (CCLA) on the 2024 Annual Report of the Net Zero Commission *(referred to as the Report in this document)*

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Preamble: The Citizens' Climate Lobby, Australia (CCLA) is a non-partisan, volunteer organisation whose focus is on achieving a national carbon price for Australia, principally using the Carbon Fee and Dividend method, preferably on a bipartisan basis. The feedback provided here is made within the context of reducing carbon emissions from fossil fuel combustion, preferably using effective carbon pricing in association, as necessary, with effective policies implemented on a sector-by-sector basis.

The objectivity embodied in the report pertaining to shortcomings concerned with meeting legislated targets is acknowledged.

The generation of an actual work program by March 2025 in the report instead of yet another strategic plan is highly regarded.

The feedback presented herein has been given on the report on a chapter-by-chapter basis.

Chapter 1: Introduction and Overview

- It is pleasing to read that recommendations are included in the key functions of the Act. It is also important to recognise that although the report refers to the residents of NSW it should also refer to NSW as being a good global citizen since positive climate solutions are being undertaken which contribute to a safer planet for all humans.

- "*The economic risks of delaying action to address climate change*" is of a paramount importance and it is this risk that requires extra effort to inform the public of the consequences if a delay in action occurs. This is especially so in regional areas where people are resisting the installation of renewable energy apparatus. "*Increased variability in weather conditions*" and "*extreme weather events*" can affect any region.

- To ensure a future "*healthy and sustainable environment*" as well as reducing fossil fuel emissions, non-carbon emissions from mitigation processes such as CCS must also be considered.

- It is good to see that the Net Zero Commission has been independently objective in as much that they state that "*The achievement of emissions targets the Parliament of NSW has established for 2030, 2035 and 2050 are far from being assured".*

- Whilst the Federal Government has put in place the Capacity Investment Scheme, the Safeguard Mechanism and the national New Vehicle Efficiency Standard policies their effectiveness in reducing emissions to date have been disappointing. To increase the rate of transition, CCLA supports the implementation of a direct price on carbon at the mine, well and border as advocated

by economists Emeritus Professor Ross Garnaut (MU) and separately by Professor Richard Holden (UNSW) [1,2,3].

- It is good that the NSW Minister for Energy and Climate Change has called for a "*redoubling"* of effort. However, a stronger driver is needed and a direct price on carbon would facilitate the drive needed which is consistent with the terminology used by the Minister.

- Electricity decarbonisation……still has a way to go and a barrier to this transition as indicated in the report is the existing transmission network. The main advantages of a new, decentralised network is that it would offer increased reliability and be strategically more efficient from a control perspective. One advantage not often mentioned is that a decentralised network offers more security in a conflict scenario. This is not the case for point sources such as coal, nuclear and large-gas energy power plants.

- Given a net zero target, it is not logical that new coal mines and gas fields be approved for operation which suggest that the planning process is problematic since it does not adequately take into account the climate risk to humans of such approvals. Earlier on in the report it refers to "*extreme weather events*"…. surely the reinforced contribution to such events by new coal mines and gas fields must be considered. The planning process needs to be amended by considering human wellbeing in a climate risk context as part of the adaptation strategy. Logically, this risk must include the effects of climate change and the ongoing, modern cause thereof.

- It is understood that specific coals are needed for steel making. However, the emission problem using such coals could be solved by an openly political decision by the NSW government to directly and **fully fund** the research needed to produce steel using a non-carbon reductant. A similar decision was reached by US President Kennedy when he declared the US would have a man on the moon by the end of 1969. His decision initiated a technological boon which continues for the US and the planet to this day. If managed well, a positive outcome of novel, steel-reductant research would surely benefit NSW residents and Australia in the long run.

- It is good that the uncertainty of land sector effect on the states' emissions was mentioned in the report. Given the uncertainty of emissions associated by the land sector it is proposed that such emissions be considered separately since they do not include actual fossil fuel emissions to atmosphere. Sequestration is problematic at best and, even if efficient, at this time does not really reduce net emissions since it simply balances out actual emissions. Even if we get to net zero, how do we reduce atmospheric greenhouse gases if all we doing is balancing out existing, actual emissions? It is imperative that actual emissions get to zero without relying on the land sector to give a false impression of progress.

Chapter 2: Mitigation Measures

- When the land sector is included in Net Emissions Assessments, CCLA concludes that it does not give a realistic picture of the reduction in actual emissions produced. In **Table 2.1A** of the report the change in emissions from 2005 is given as -27% whereas, the change in actual emission is only -18% (i.e. without the land sector). It is acknowledged that progress has been made in the Electricity/Energy, Resources and Industry/Waste sectors. However, a direct price on carbon would assist in driving the transition to renewable electricity sources much faster. It would also assist in moving the Resources, Industry and Waste, and Built Environment sectors faster towards net zero.

- Whilst, thankfully, renewable up take by households and many businesses has been increasing, one of the ongoing problems is solar-cell-limited-uptakes in multi-household dwelling complexes and those single residences that are too shaded to take advantage of such systems. Therefore, it is proposed that some form of income tax deduction be made available to those who change to electricity suppliers who offer 100% "green" energy via the grid. This would compensate such people for not being able to take-up various government rebate arrangements as well as assist suppliers by increasing their energy share on the grid and thereby, reduce sector emission further. A carbon dividend to all residents would also ease the cost-of-living burden.

- As acknowledged in the report the transport sector is a problem. The 2023 BITRE report estimates that there are 6,154,783 registered vehicles in NSW of which 4,537,272 are passenger vehicles. Given that NSW residents keep their vehicles for about 10 years, it is difficult to reconcile how net zero will be met in this sector while combustion engine vehicles are still being imported and sold at such good prices and, while petrol prices are still quite manageable. The current situation is not conducive to fleet replacement given the negative impact of personal economic circumstances imposed by replacing a CE vehicle with a ZE vehicle. How will the fleet be reduced to a net zero population without a necessary increase in fuel cost? A carbon dividend would help in this situation.

- Fossil fuels emissions have always been deleterious to humans by their adverse impacts on air quality. Given that such emissions also contribute to extreme weather events and higher economic consequences it is so important the NSW government continues mitigation measures to reach the 2050 net zero target, if not before.

Chapter 3: Climate change adaptation

- Whilst it is true that *"states and territories are largely responsible for climate change adaptation*". No where in the report is the role of local government areas (LGA's) explicitly referred to. It is logical that LGA's be included overtly in adaptation strategy and that **Table 3.6.A** be modified to reflect the front-line role of LGA's.

- As well as the inclusion of indigenous wisdom, that of LGA representatives would also assist in improving the development and "*delivery of adaptation of action plans"* thereby improving the wellbeing of NSW residents and visitors to NSW, especially when such actions need to be implemented during extreme events.

- Climate change adaptation requires intelligent support. It is suggested that education curricula be amended ASAP to include that knowledge, across all disciplines, needed to prepare future residents of NSW and Australia to cope with a difficult climate future, especially in regional areas.

References:

1. Garnaut, Ross., 2024, *Let's tax carbon and other ideas for a better Australia*, Collingwood: La Trobe University Press in conjunction with Black Inc.
2. Holden, Richard and Dixon, Rosalind., 2022, *From Free to Fair Markets: Liberalism after Covid 19*, New York: Oxford University Press.
3. Dixon, Rosalind and Holden, Richard., 2019, *A Climate Dividend for Australians*, Sydney: UNSW Grand Challenges: (https://www.auscarbondividend.com/ - 16/01/2025).