

Submission: Review of Tasmania's Climate Change Act and developing the next Climate Action Plan.

Tasmania should position itself as a climate change leader by setting a target of net-zero emissions by 2035, underpinned by 5-yearly interim targets and sectoral emissions targets. Electrifying transport, buildings, and industry, as well as reducing residential and industrial gas use, and offsetting agricultural emissions will be key to Tasmania's climate transition. Conservation of Tasmania's blue carbon sinks has important potential to contribute to climate change mitigation.

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Introduction

The Australia Institute welcomes the opportunity to make a submission to the Discussion Paper on Tasmania's Climate Change Act ('the Discussion Paper') and the Opportunities Paper 2021: Developing a New Climate Change Action Plan for Tasmania (the Opportunities Paper). This submission provides a combined response to these two separate but related consultation processes being run by Department of Premier and Cabinet.

This submission outlines the Institute's initial thoughts on the development of Tasmania's legislative framework and action on climate change, in addition to our previous submission (see Annex 1). Detailed work on the Climate Change Action Plan should be guided by an updated and strengthened Climate Change Act. We look forward to having a more comprehensive discussion as this policy evolves.

Tasmania has the opportunity to position itself as a climate change leader. Having already achieved 100% renewable energy and set a target to double renewable generation to 200% by 2040, the state must now look to address other high emitting sectors.

Electrifying transport, buildings, and industry, as well as reducing residential and industrial gas use, and offsetting agricultural emissions will be key to Tasmania's climate transition. Additionally, a target of net-zero emissions by 2035 would establish Tasmania as an ambitious climate leader, if underpinned by 5-yearly interim targets and sectoral emissions targets.

Coastal ecosystems are hotspots for carbon sequestration and have been overlooked to date. There is important potential for the conservation of 'blue carbon' ecosystems to underpin policy development for climate change mitigation.

Set Ambitious Emissions Targets

Tasmania currently has a legislated emissions reduction target of 60% below 1990 levels by 2050, and a commitment to net-zero emissions by 2050.¹ Given the state's

¹ Jacobs (2021) *Discussion paper on Tasmania's Climate Change Act: Independent Review of Climate Change (State Action) Act 2008*, p 14.

http://www.dpac.tas.gov.au/_data/assets/pdf_file/0003/573096/Discussion_Paper_on_Tasmanias_Climate_Change_Act_-_final.pdf

success in reaching net-zero emissions and 100% renewable energy, a far more ambitious emissions target is warranted and achievable.

As outlined in the Discussion paper, a net-zero emissions by 2035 target is ambitious, aligned with climate science and provides a first mover advantage.

However, emissions reduction from LULUCF will likely determine Tasmania's ability to reach this target. To achieve negative net emissions, Tasmania has largely relied on carbon sequestration from LULUCF to reduce emissions rather than sharp decarbonisation across sectors. Excluding emissions from the LULUCF sector, Tasmanian annual emissions increased between 1990 and 2018.²

Accounting of greenhouse gas emissions with the inclusion of LULUCF is widely considered unreliable and easily manipulated.³ It is not appropriate to primarily rely on carbon sequestration from the LULUCF sector in achieving emissions targets, nor use the successful emissions reductions from the LULUCF sector as an excuse to delay ambitious action.

To avoid this, Tasmania's Climate Act should include a legislated net-zero 2035 target, underpinned by 5-yearly interim targets, and sector targets. Individual, sectoral emissions targets allow for clear and transparent monitoring of decarbonisation efforts outside the forestry sector. Good, legislated examples of sectoral emissions targets exist in other states and territories in Australia.

Electrify Everything

Tasmania is well on its way to becoming a renewable energy superpower. The Climate Change Act should aim to enable Tasmania to leverage its renewable energy assets— by electrifying transport, buildings, and industry, and exporting renewable assets to the rest of the world.

While Tasmania is 100% self-sufficient in on-island renewable electric generation, it is still highly reliant on imported liquid fuels to power its transport sector. Increasing the uptake of electric vehicles, through a comprehensive EV plan with fleet targets, subsidies and infrastructure roll out. Additionally, policies should be established to increase the uptake of public and active transport.

The Federal Government has demonstrated an absence of leadership on electric vehicle policy. The primary federal electric vehicle policy - the Future Fuels strategy - offers no financial incentives, uptake targets or vehicle CO2 emissions targets, and will

² Climate Tasmania (2021) *Is Tasmania really a world leader in climate action?*
<https://www.climate Tasmania.org/is-tasmania-really-a-climate-leader/>

³ See: Climate Analytics (2011) *LULUCF Guide* <https://climateanalytics.org/media/lulucfguide.pdf>

do little to increase EV uptake in Australia (see: Attachment – submission on Future Fuels Discussion paper) This leaves effective EV policy primarily to the states and sub-national governments.

Tasmania has already announced a target to transition the Government fleet to 100% electric vehicles by 2030, delivered state-wide charging infrastructure, and established the Electric Vehicle Working Group. Additionally, the recently re-elected government has promised to waive Stamp Duty for new and second-hand electric vehicles for two years.⁴ While these are welcome policies, more can be done to increase the uptake of electric vehicles in Tasmania. Electric vehicle policy that could be considered include:

- Developing and implementing a state electric vehicle strategy to provide business and consumers the certainty to invest in EV technology.
- Working with other states and territories to establish consistent fuel efficiency (CO₂) standards (in the absence of federal standards).
- Providing upfront purchase incentives for electric vehicles. For example, interest-free loans – as offered in the ACT, or up-front subsidies – as recently announced by the Victorian Government.⁵
- Providing operating incentives such as registration rebates, free parking, and priority lane access.
- Offering rebates for traded-in higher emitting vehicles.
- Setting an electric vehicle sales target.

There are opportunities to electrify other areas of the economy, but transport is an obvious target to start with. The Australia Institute is happy to explore opportunities in other sectors as this strategy evolves. Additionally, Beyond Zero Emissions has detailed how electrification of other sectors, including industry and manufacturing, could be achieved.⁶

Blue carbon opportunities

The Australia Institute recommends accounting for emissions and sequestration separately and transparently. In accounting for sequestration, ‘blue carbon’ sequestration opportunities have not been adequately considered either by the Discussion Paper or the Opportunities Paper.

⁴ Tasmanian Liberals (2021) *Taking Further Climate Action*, <https://tas.liberal.org.au/securing-tasmanias-future-taking-further-climate-action>

⁵ Victoria State Government (2021) *Zero-emissions vehicles*, <https://www.energy.vic.gov.au/renewable-energy/zero-emissions-vehicles>

⁶ Beyond Zero Emissions (2018) *Electrifying Industry*, https://bze.org.au/research_release/electrifying-industry/

Blue carbon sinks – saltmarshes, seagrass, kelp forests and temperate reefs actively fix and store vast quantities of carbon each year and seabeds provide significant carbon stores. The carbon sequestering values of these coastal marine ecosystems are vulnerable to disturbance from activities such as bottom trawling, dredging and coastal development.

Conservation of blue carbon sinks has important potential to contribute to climate change mitigation. Blue carbon strategies are now being included within Nationally Determined Contributions to mitigate and adapt to climate change. An Australian assessment of coastal ecosystems as global hotspots for climate change mitigation provides the most comprehensive assessment for any nation to-date and demonstrates the potential for conservation of these ecosystems to underpin policy development for reducing greenhouse gas emissions.⁷

Conclusion

Tasmania should position itself as a climate change leader by setting ambitious emissions targets, electrifying everything, and taking up blue carbon sequestration opportunities.

Given the success in reaching net-zero emissions and 100% renewable energy, a far more ambitious emissions target is warranted and achievable. Tasmania's Climate Act should include a legislated net-zero 2035 target, underpinned by 5-yearly interim targets, and sector targets.

The state must now look to address other high emitting sectors. Electrifying transport, buildings, and industry, as well as reducing residential and industrial gas use, and offsetting agricultural emissions will be key to Tasmania's climate transition.

Conservation of Tasmania's blue carbon sinks – kelp forests, saltmarshes, seagrass beds, and temperate reefs - has not been adequately considered to date and has important potential to contribute to climate change mitigation.

⁷ Serrano, O., Lovelock, C.E., B. Atwood, T. *et al.* Australian vegetated coastal ecosystems as global hotspots for climate change mitigation. *Nature Communications* **10**, 4313 (2019). <https://doi.org/10.1038/s41467-019-12176-8>

Annex A: Proposed amendments to the Climate Change (State Action) Act Submission

Annex B: Future Fuels Discussion Paper

Annex C: Tasmania in Pole Position: charging infrastructure.