



# 2024 Issues Paper: Targets, Pathways and Progress

## Submission to the Climate Change Authority

### Brotherhood of St. Laurence

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## 1 Introduction and summary

The Brotherhood of St. Laurence (BSL) welcomes this opportunity to comment on the 2024 issues paper from the Climate Change Authority (CCA) on targets, pathways and progress. The impacts of climate change, including on people facing disadvantage, can be mitigated if Australia adopts a strong 2035 target. BSL recommends a target consistent with limiting global warming to 1.5°C.

Climate change is already affecting Australia, having contributed to extreme weather events such as: the 2019–2020 bushfires which killed over 460 people directly and indirectly, destroyed 3000 homes and caused over \$2 billion in losses; major floods; hailstorms; and agricultural decline (IPCC 2023a). Australia is highly vulnerable to the projected increased negative impacts of climate change as temperature increases (IPCC 2023a). At the same time, Australia is the 2<sup>nd</sup> highest per capita and 8<sup>th</sup> highest overall emitter of greenhouse gases in the OECD (OECD & Leandro 2024).

The impacts of these and other climate change-related events are not experienced equally. Along with exposure to climate risks, socio-economic, cultural and other factors often exacerbate vulnerability to climate change extremes and other climate impacts, largely due to insufficient resources and reduced capacity to adapt to climate extremes (see Li, Toll & Bentley 2023). Examples include but are not limited to:

- People with disability may face heightened negative impacts of higher temperatures and extreme weather events (Stein & Stein 2022).
- Aboriginal and Torres Strait Islander people face particular risks such as heightened health impacts and exposure to extreme heat (Standen et al. 2022), sea level rise in the Torres Strait (Green et al. 2010) or the threats to belonging and sense of identity from damage to Country (NSW Government 2024).

- People living on low incomes may have insufficient resources to adapt their homes to climate change, or renters who often face a split incentive (where the property owner has to pay for the upgrade however the renter receives much of the financial benefit).

For other people facing disadvantage, or living on low incomes, impacts may be felt through social and economic changes rather than extreme events. For example, sectors such as agriculture, tourism, energy and property are all likely to face major challenges as a result of climate change (IPCC 2023a), impacting people's livelihoods.

Adaptation to climate change can help limit the direct impacts of these extremes. However, adaptation has limits, which will be reached if the average temperatures rise too significantly (IPCC 2023b). For this reason, it is essential to limit temperature increases by reducing greenhouse gas emissions and simultaneously adapt to the inevitable impacts of climate change.

Given the heightened impact of extreme weather events and climate change on people facing disadvantage, those living on low incomes and people with a disability, BSL views it as essential that Australia sets its emission reduction target in line with the best available science and our international responsibilities.

Climate action also presents opportunities. Many actions that lower greenhouse emissions can also improve people's lives in other ways, such as better valuing Aboriginal and Torres Strait Islander knowledge about land management, or improving people's health and comfort by increasing home energy efficiency, or creating jobs in clean manufacturing or renewable energy.

Drawing on our recent work, this submission recommends government policies that could accelerate these emissions reductions in relation to energy efficiency and electrification, particularly in ways that are equitable for people facing disadvantage.

### **Recommendations**

1. The CCA recommends a 2035 target in line with limiting global warming to 1.5°C.
2. The CCA should not consider targets that are less ambitious than existing commitments made by states/territories.
3. The Commonwealth should undertake an independent review of the current governance and planning arrangements for the energy market.
4. The Commonwealth should develop a comprehensive, staged plan to support customer-centred, residential electrification, including standards for rented homes.
5. Governments should provide support to enable households to act to lower their emissions.

## **2 Brotherhood of St. Laurence and climate change**

BSL is a social justice organisation working towards an Australia free of poverty. Our purpose is to advance a fair Australia through our leadership on policy reform, our partnerships with communities, and the quality of our services. Our approach is informed directly by people

experiencing disadvantage and uses evidence drawn from our research, together with insights from our programs and services, to develop practical solutions that work.

Many of those we work with face heightened threats from climate change and barriers to effective adaptation, for example, people on low incomes facing financial constraints, people with disability and those living in rental properties. In many cases these challenges intersect, magnifying the vulnerabilities posed by climate change and exacerbating existing structural inequities.

Our Climate Change and Energy program has been undertaking research, advocating for equitable policies and delivering innovative pilots to low-income households since 2007. We are working for a just, inclusive and timely transition to a low-carbon future with healthy, efficient homes; affordable, clean energy; and low-emissions jobs for all.

Our recent work includes:

- research, such as [Enabling electrification](#) (on the barriers facing low-income households who may wish to electrify their homes) and [Power pain](#) (on energy stress)
- advocacy to government on the importance of addressing climate change fairly and ambitiously
- pilots, such as the [Climate Safe Homes program](#) and assisting over 9000 people to claim Victoria's Power Saving Bonus.

### 3 Response to submission questions

#### **How should the authority take account of climate science and Australia's international obligations in considering possible emissions reductions targets for 2035?**

Australia's 2035 emissions target should contribute our fair share of emissions reduction to limit global warming to 1.5°C, as consistent with our Paris Agreement commitment (United Nations Climate Change 2016).

Accordingly, BSL believes the Authority should recommend a more ambitious 2035 target than the 65–75% it is considering.

Expert analysis from ClimateWorks (2023), the Climate Council (2023), and Climate Resource (2023) show that a 65-75% target is not aligned with limiting warming to 1.5°C (see Table 1 and Figure 1 below).

The middle of the Authority's range (70%) may be consistent with the target suggested by one older international analysis (Climate Action Tracker 2020), however there are several reasons why taking stronger action sooner through a more ambitious 2035 target is prudent, which include:

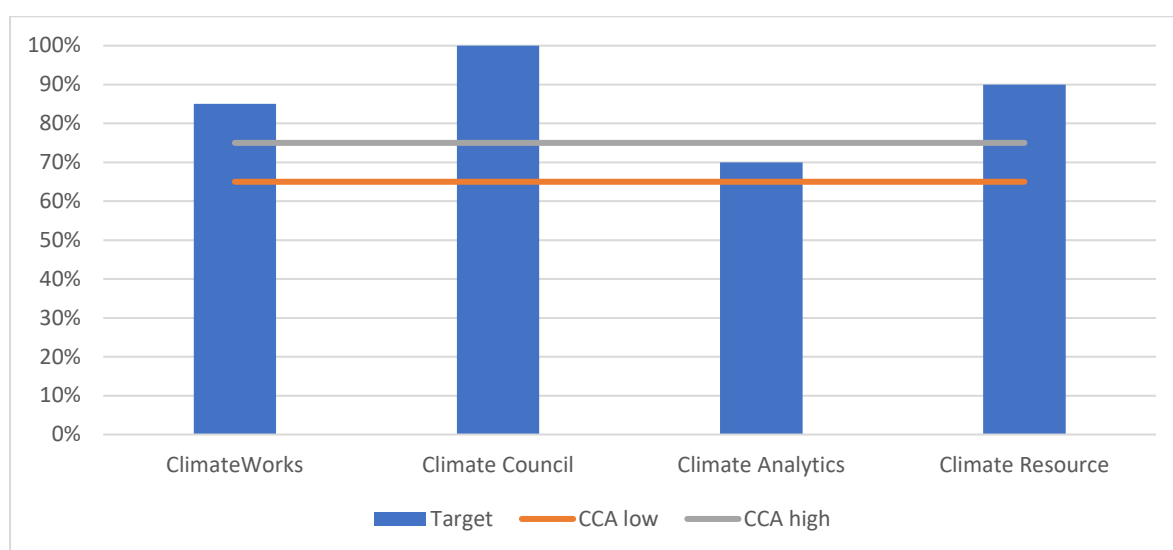
- the tremendous harm that climate change poses to Australia's economy and society, and the ability to reduce that harm. Australia has been shown to be particularly vulnerable to the impacts of climate change (IPCC 2023a).
- planned action over the coming decade reduces the likelihood of needing more dramatic structural adjustments in future. Dramatic emission reductions are likely to be demanded if, as

projected, warming occurs more intensely, and the impacts of climate change grows. Dramatic structural adjustments are likely to take a greater toll on those facing disadvantage, than slower more deliberate action.

**Table 1**

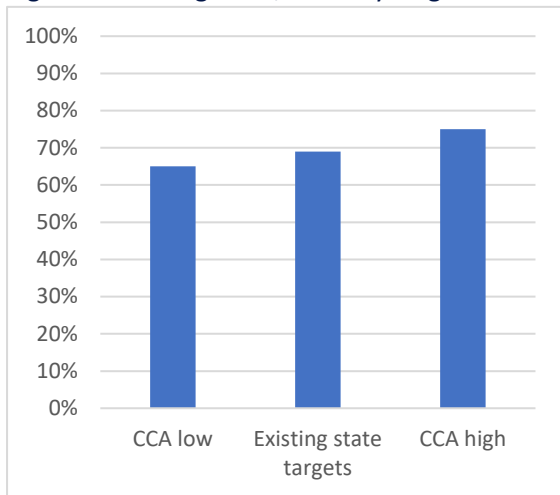
Source	1.5 °C-aligned 2035 target for Australia
Climate Action Tracker / Climate Analytics 2020	~70% (approx.)
ClimateWorks Centre 2023	85%
Climate Resource 2023	90%
Climate Council 2023	100%

**Figure 1: 1.5°C-aligned expert targets and CCA targets**



As the Authority notes, Australia’s existing state/territory targets are roughly equivalent to a national target of 69% by 2035 (as shown in Figure 2). Therefore, setting a target at or below 69% seems to add no – or negative – ambition on the part of the Commonwealth. The Australian Government should do more, and the Climate Change Authority should not consider targets less ambitious than existing commitments.

Figure 2: existing state/territory targets and CCA targets



### Recommendations

1. The CCA recommends a 2035 target in line with limiting global warming to 1.5°C.
2. The CCA should not consider targets less ambitious than existing commitments by states/territories.

### **What further actions can be taken by governments (e.g. through public funding), the private sector and households to accelerate emissions reductions, including in relation to the deployment of technologies and access to new opportunities in the transition to net zero? What barriers stand in the way and how could they be overcome?**

The Commonwealth Government should accelerate their shift towards a whole of government approach to reduce emissions across the economy and society. Recent efforts in the introduction of Net Zero Economy Authority and its associated bill have been positive. However, given the scale of the challenge, more is needed.

A carbon solutions levy applied to fossil fuel extraction, as proposed by Sims and Garnaut, with some revenue being returned to consumers on low incomes to assist in transitioning to energy efficient, 100% electric homes would be welcome.

It is essential our efforts to reduce emissions are fair and equitable, particularly for those facing disadvantage, or living on low incomes. All levels of government, including the Commonwealth, have an important role to ensure both the benefits and burdens of the shift to net zero are distributed equitably, so it does not negatively impact people facing disadvantage or living on low incomes. In practical terms this will mean putting in place appropriate governance and planning mechanisms to operationalise principles of justice and fairness and help guide the transition.

Of specific interest to BSL are the barriers low-income households face to transitioning their homes to be more energy efficient, climate-resilient and 100% electric. Our recent report [Enabling electrification](#) outlined some of the key barriers and possible enablers to this transition. Specific

actions the Australian Government can take to address these barriers (explored further below) include:

1. **undertaking an independent review of the current governance and planning arrangements for the energy market** to ensure they are fit for purpose to guide the unprecedented transition occurring across Australia's energy system
2. **developing a comprehensive, staged plan to support customer-centred, residential electrification** in collaboration with state and territory governments. This should:
  - a) be developed in consultation with all sectors of the community (including people in regional areas, those from culturally and linguistically diverse backgrounds, people living on low incomes and those facing financial hardship)
  - b) consider a 'grand bargain' for sharing costs between industry, taxpayers and consumers as an alternative to the status quo where costs will largely fall on consumers
  - c) include specific targets for electrification, such as the number of homes electrified by a certain year, including a sub-target for households facing disadvantage to help ensure the energy sector decarbonisation plan works towards outcomes that matter for people and the climate
  - d) include minimum standards for rented homes that phase out gas over time and prescribe a certain level of energy efficiency.
3. **providing support to enable households to act. As an outcome of the plan outlined above, the government should support households to transition to electric-only homes through:**
  - a) financial support for households to electrify, with the greatest support for low-income people. A focus should be incentives for products at, or near, replacement (such as hot water systems), and consideration should be given to incentivising 'smart' products that can engage with electricity networks to optimise costs
  - b) a strategy for rented homes, including a pathway for mandatory standards to require electrification and energy-efficiency features
  - c) support for the provision of appropriately tailored information, possibly via one-stop shops.

### Recommendations

3. The Commonwealth should undertake an independent review of the current governance and planning arrangements for the energy market.
4. The Commonwealth should develop a comprehensive, staged plan to support customer-centred, residential electrification, including standards for rented homes.
5. Governments should provide support to enable households to act to lower their emissions.

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## 4 Further information on barriers

This section provides further information on the barriers identified above.

### Lack of information and direction

It is inevitable that fossil-fuel-burning devices (such as gas appliances) will need to be phased out for Australia to reach net zero, but outside the ACT and Victoria, governments have provided very little direction or policy to do so. In the absence of such direction, households will continue buying products that create emissions, even where they are environmentally motivated. The case study below from BSL's recent research with the Life Course Centre (Chandrashekeran et al. 2023) demonstrates the need for direction and information from government.

#### Case study demonstrating information barriers

Diego\* is a renter with a postgraduate education who cares deeply about environmental issues. When his gas heater broke, Diego had an opportunity to request an electric replacement from his landlord, who he believed would have obliged. However, Diego was unaware of the benefits of electric appliances, and another gas heater was installed by his landlord, which is likely to lock in another decade or more of gas emissions. Information about support provided by government may have prevented these emissions, as well as the increasing cost to Diego of running the gas heater.

\*pseudonym

### Lack of finances

Policy direction and information will be necessary but not sufficient to enable households to reduce their emissions. Many households facing disadvantage will require financial assistance from government. Electrification often saves households money over the long term, but requires a significant upfront investment. Governments can lower this barrier by providing grants to households facing disadvantage.

### Tenure

Renting is a common barrier to lowering home emissions in that tenants do not have the authority or incentive to improve their home's energy efficiency or electrify it, and landlords have little incentive. Minimum energy efficiency standards are likely to be the best way to address this issue.

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