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REVIEW OF TASMANIAN CLIMATE CHANGE ACT

Thank you for the opportunity to provide comment on the Discussion Paper regarding the Climate Change (State Action) Act 2008.

As background AIGN represents peak industry associations and corporates with a strong interest in climate change policy and its approach to this subject is guided by a set of principles of which a copy is attached. Collectively those entities represented by AIGN are responsible for some 60% of Australia’s annual emissions of greenhouse gases. Our members have major operations in Tasmania in the manufacturing and resource processing industry.

AIGN advocates a policy environment that delivers least cost, environmentally effective and equitable outcomes for Australia. It is important that policies applying in this area are stable, predictable and avoid complexity to help minimise investment uncertainty and do not expose Australian export and import competing industries to costs not faced by these industries in other countries.

Whilst the Paris Agreement of late last year represents a significant commitment at the global level to reduce emissions, commitments put forward by individual countries (via their Intended nationally Determined Contributions) vary and it is important that costs are not imposed on Australian industry that are not borne by our trading competitors.

Climate change policies should be implemented at the national level to avoid the costly duplication that may arise from a competing set of national and state based mitigation policies. This includes a national emission reduction target.

AIGN is aware that under the Council of Australian Governments (COAG) a considerable amount of work has already been undertaken to remove competing policies, particularly in the area of energy efficiency, where the proliferation of policies added to industry costs for no appreciable outcome.

AIGN does not support state based renewable energy targets, as the potential development of uncoordinated policies and targets has the potential to cause distortions to the operation of the national electricity market and potentially increase costs as has been evidenced in recent weeks in South Australia. In an interconnected national electricity market the actions of one State has the potential to impact on others in an unplanned manner. Policy developments in such areas as energy efficiency should be undertaken through the work of the COAG Energy Council, and in close consultation with stakeholders, with the aim of securing a truly national approach.

We would hope that from the perspective of the Tasmanian Government that in reviewing its approach towards climate change that any consideration of implementing new policies would only apply in an environment of
demonstrated market failure or where there is strong evidence that a national approach is not working or has not been attempted.

With the return at the Federal level of the Coalition Government a major review of existing climate change policies (Direct Action) will be undertaken in 2017. This review will provide the opportunity for the Tasmanian Government, and other State Governments and stakeholders to provide input into future climate change policies to apply at the national level in Australia. By taking this opportunity hopefully we can avoid a re-run of past experiences associated with the costly duplication of competing policy measures in Australia.

State Governments have a major role to play in such areas as adaption. Any consideration of new policy measures should be developed transparently to engender broad community input support and AIGN would look forward to the opportunity for consultation.

Yours sincerely

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