

Review of the *Climate Change (State Action) Act 2008*

Terms of Reference

Background

There is a legislative requirement to undertake an independent review of the *Climate Change (State Action) Act 2008* (the Act) every four years. The first review of the Act was completed in 2012; a second review was completed in 2016; and the third review is due to commence in 2020.

Subsection 18(2) of the Act provides that the review is to address:

- a. the extent to which the objects of the Act are being achieved;
- b. the extent to which additional legislative measures, if any, are considered necessary to achieve the targets set by the Act within the periods contemplated by the Act, including the introduction of performance standards or other mandatory requirements; and
- c. such other matters as the Minister may consider relevant to the review of the Act.

Subsection 18(3) of the Act provides that reasonable steps are to be taken to ensure the review is carried out in consultation with relevant business, scientific, environment and community bodies.

Subsection 18(4) of the Act provides that the persons who carry out the review are to provide a written report on its outcome.

Subsection 18(5) of the Act provides that a copy of the report is to be tabled in each House of Parliament within 10 sitting days after it is provided to the relevant Minister.

Context

Recent climate change developments

Climate change is an important issue that requires local, state and international action. Communities around the world are already experiencing increased climate impacts including droughts and floods, rising sea levels and extreme weather events. The World Economic Forum's Risk Report continues to rank these environmental threats as having the greatest impact on our economy. Since the Paris Agreement, there have been significant developments regarding climate-related financial and liability risks to government and business.

In May 2020, Tasmania's latest greenhouse gas emissions figures (the 2018 Australian Government's *State and Territory Greenhouse Gas Inventories* (STGGI)) were released. This showed Tasmania has achieved its target of net zero emissions by 2050 for the fourth year in a row. In 2018, Tasmania emitted negative 2.19 megatonnes of carbon dioxide equivalents, which represents a 111 per cent reduction from Tasmania's 1990 baseline emissions of 20.10 megatonnes.

The global transition to a low carbon economy is another important consideration. Given

Tasmania's low emissions status and high proportion of renewable energy generation, Tasmania has the potential to leverage key economic opportunities and play our role in Australia's transition to a low carbon economy.

The COVID-19 pandemic is also likely to have an impact on local, state and international action on climate change as governments work to respond and recover.

2016 independent review of the Act

The most recent review was completed in 2016 and made five recommendations for amending the Act:

1. set a target of zero net emissions by 2050;
2. consolidate the objects of the Act around four themes;
3. require Tasmanian Government agencies to consider the target, objects and principles of the Act when making relevant decisions;
4. include a set of principles to give greater effect to the target and objects of the Act and provide a set of expectations for government decision making; and
5. make a climate change action plan a statutory requirement.

In 2017, the Tasmanian Government released its response to the review. In its response, the Government indicated its support for the five recommendations (including amending the Act to establish a new net zero emissions target by 2050), noting recommendations three and five were supported in-principle due to the need for additional consultation and analysis.

The Tasmanian Government consulted Tasmanian Government agencies, business, industry and the community on the recommendations. There was strong community feedback to set an ambitious emissions reduction target for Tasmania.

The 2016 recommendations will be considered as part of the independent review of the Act, alongside recent climate change developments, as outlined in the Scope of the Review detailed below.

2020 Tasmanian Government State of the State Address (including review of Tasmania's emissions reduction target)

In his 3 March 2020 State of the State Address, the Premier of Tasmania, the Hon Peter Gutwein MP, announced the following Tasmanian Government climate change actions:

- review Tasmania's emissions reduction target;
- review the Act; and
- develop Tasmania's next climate change action plan.

With regards to the review of Tasmania's emissions reduction target, it was announced that the Tasmanian Government will conduct:

- a detailed analysis of the pathway Tasmania would need to take to achieve a target of net zero emissions prior to 2050; and
- an investigation of the resulting impacts on industry and jobs.

This process will be informed by scientific and economic analysis, and the views of Tasmanian businesses, industry and community.

The independent review of the Act will be used as the mechanism to consult with the community on the options to revise Tasmania's emissions reduction target. The consultant engaged to deliver Tasmania's Emissions Pathway Review will provide specialist input as part of the consultation on Tasmania's emissions reduction target (including a public report which will be used as the basis to consult on the options for Tasmania's emissions reduction target).

The independent review will build in reasonable time and processes to ensure broad community and stakeholder input. This is particularly important, given the review of the Act incorporates consultation on Tasmania's emissions reduction target.

Tasmanian Government's climate change action plan

Climate Action 21: Tasmania's Climate Change Action Plan 2017-2021 (Climate Action 21) sets the Tasmanian Government's agenda to take action on climate change through to 2021.

Climate Action 21 includes 37 actions grouped across six key priority areas and was developed in partnership with all spheres of government, industry, research institutions and the community. The actions focus on climate research; improving energy efficiency; reducing transport and agricultural emissions; and supporting businesses, local government and communities to reduce their emissions and manage the impacts of a changing climate.

In 2020, the Tasmanian Government will commence a process to build on the actions in Climate Action 21 and develop the next climate change action plan for Tasmania.

Scope of the Review

Pursuant to subsection 18(2) of the Act, the review will address:

1. the extent to which the objects of the Act are being achieved;
2. the extent to which additional legislative measures, if any, are considered necessary to achieve the targets set by the Act within the periods contemplated by the Act, including the introduction of performance standards or other mandatory requirements; and
3. such other matters as the Minister may consider relevant to the review of the Act.

Pursuant to subsection 18(2)(c) of the Act, other relevant matters to be addressed by the review include to:

1. examine whether the Act provides a sound foundation for action (by the Tasmanian Government, business and community) on both climate change mitigation and adaptation;
2. examine whether the Act provides a sound framework for consideration of climate-related risks and opportunities relevant to the Tasmanian Government, businesses and community;
3. consult on the options to revise Tasmania's emissions reduction target based on the outcomes of Tasmania's Emissions Pathway Review. As outlined in the Objects of the Act (section 4 of the Act) this is to include consideration of interim targets and sectoral

- targets;
4. take into account the international, national and State climate change policy context (as outlined in the Context) including:
 - recent climate change developments:
 - climate-related financial and liability risks to government;
 - Tasmania's latest greenhouse gas figures (the 2018 Australian Government's STGGI);
 - the global transition to a low carbon economy; and
 - the impact of COVID-19 on climate change action in Tasmania.
 - key Australian Government strategies including:
 - National Strategy for Electric Vehicles; and
 - National Hydrogen Strategy;
 - key Tasmanian Government strategies including:
 - Tasmanian Renewable Energy Action Plan and Tasmanian Renewable Energy Target;
 - Tasmania's Population Growth Strategy;
 - Tasmanian Infrastructure Project Pipeline; and
 - Agrivision 2050 and White Paper: Growing Tasmanian Agriculture Research, Development and Extension for 2050;
 - the 2016 review of the Act; and
 - the Tasmanian Government's *Climate Action 21* and development of the next action plan post-2021.

Subsection 18(3) of the Act stipulates that reasonable steps should be taken to carry out the review of the Act in consultation with relevant business, scientific, environment and community bodies. It is expected that, as part of the review of the Act, reasonable time and processes are built in to ensure broad input.

Deliverables

Pursuant to subsection 18(4) of the Act, the independent review will provide a written report on the outcome of the review to the Tasmanian Government.

Indicative timeline

The indicative timing for delivery of key milestones associated with the review of the Act is as follows:

| Activity | Date |
|--|---------------|
| Commence review | December 2020 |
| Undertake consultation with government, and relevant business, scientific, environment and community bodies. | 2021 |
| Delivery of report outlining interim findings to the Minister | 2021 |
| Delivery of final report outlining outcomes and recommendations to the Minister | 2021 |

Governance

Project management

The review will be managed by the Department of Premier and Cabinet's Tasmanian Climate Change Office.

External consultant

The Department of Premier and Cabinet will engage an external consultant (independent reviewer) through a formal procurement process to deliver the review.