

**Labor**



# **LABOR'S CLIMATE CHANGE ACTION PLAN**

## OVERVIEW

The Labor Party is the only major party committed to real action on climate change.

Labor accepts the science of climate change and endorses the Paris Agreement to keep global warming well below two degrees Celsius as well as a more qualified commitment around a 1.5 degree threshold.

Labor knows it is the responsibility of federal government to implement credible policies to avoid the worst impacts from climate change, including policies to keep global warming to below two degrees Celsius, policies to protect our economy and policies to adapt to the inevitable impacts of climate change.

While pollution declined by 11 per cent under the last Labor government, under the Liberals, pollution has risen every year and is projected to keep rising all the way to 2030.

Consistent with our obligations under Paris of keeping global warming to well-below two degrees above pre-industrial levels, and informed by independent Climate Change Authority advice, Labor is committed to reducing Australia's pollution by 45 percent on 2005 levels by 2030, and to reach net zero pollution by 2050.

Failure to act on climate change will expose the Australian people and environment to devastating costs for our economy, society, security, health and environment. Experts at the ANU, University of Melbourne and CSIRO estimate failing to keep global warming to below two degrees will eventually cost the average Australian household \$14,000 per year.

Labor will take real action on climate change, by working with industries to bring down pollution, protect competitiveness and jobs, and build the industries of the future. Our plan will provide the stability and certainty business need, while reducing pollution. We won't be introducing a carbon tax, carbon pricing mechanism or raising any revenue from climate policies. Our approach is cooperative and tailored to keep the economy strong while bringing down pollution to protect our future.

## **A Shorten Labor Government will take real action on climate change by:**

1. **Making Australia a Renewable Energy Superpower** by ensuring that 50 per cent of the nation's electricity is sourced from renewable energy by 2030, and empowering households and businesses to take advantage of cheap, clean renewable energy and storage.
2. **Supporting the Transition to Cleaner and Cheaper Power** by implementing Labor's National Energy Plan and ensuring an orderly transition for industries, communities and workers.
3. **Boosting Clean Transport and Infrastructure** through Australia's first National Electric Vehicle Policy and implementing vehicle emission standards.
4. **Building Jobs and Industry** by partnering with industry to help businesses find innovative solutions to bring down pollution, support trade exposed industries, and build the new jobs and industries of the future.
5. **Kickstarting Australia's Hydrogen Economy** with a \$1 billion plan to create new jobs, support new businesses and supercharge Australia's renewable energy industry.
6. **Cutting Pollution by Extending the Safeguard Mechanism** to bring down pollution from Australia's biggest polluters, in line with our international obligations, while supporting jobs and competitiveness.
7. **Reducing Pollution on the Land** by reinvigorating the Carbon Farming Initiative to supply carbon offsets and reduce pollution on the land, and taking action to deal with broad-scale land clearing.
8. **Increasing Energy Efficiency** by implementing a comprehensive Energy Productivity and Efficiency Review and through measures like our Manufacturing Energy Efficiency Accelerator program, harmonising state energy efficiency schemes and allowing ARENA to invest in energy efficiency projects.
9. **Reviving International Engagement on Climate Change** by reinstating an Australian Climate Ambassador, reengaging constructively in the UNFCCC process and supporting our Pacific neighbours.
10. **Restoring Australia's Climate Change Institutions** by restoring and reforming the Climate Change Authority and implementing triennial Climate Change Assessments.



## WHY WE MUST TAKE ACTION

Australians know climate change is already doing real damage to Australia's environment, economy and society. In the last summer alone, we have seen record breaking floods, fires, droughts and heatwaves.

Ignoring climate change is simply not an answer.

Each year there are more extreme weather events like droughts and floods – natural disasters are already costing the economy \$18 billion a year and could increase to \$39 billion by 2050.

The most recent Bureau of Meteorology State of the Climate Report notes we have already seen significant impacts from climate change, including more frequent heatwaves, floods, storms, droughts, ocean acidification and fires, as well as serious impacts on our natural icons like the Great Barrier Reef, and Tasmanian wilderness.

These natural impacts have flow-on impacts to the economy, infrastructure, health, and financial system.

The RBA has warned about the costs of further delaying action on climate, in terms of economic prosperity and financial stability. Experts from the ANU, Melbourne University and the CSIRO have estimated the cost to the Australian economy of the failure to achieve the goals of the Paris agreement will eventually be \$126 billion per year, and \$14,000 per year for each household in Australia. The 2019 Townsville floods alone cost the insurance industry over \$1 billion.

While the economic costs of unmitigated climate change are only projected to increase, benefits from acting on climate change are immense and growing, in terms of new industries, new jobs, a more efficient economy and a healthier natural environment. New technologies like renewable energy are helping to create whole new supply chains, from mining of the minerals needed to fuel renewable energy, to processing, manufacturing and service delivery. New energy sources like hydrogen and bioenergy present Australia with huge opportunities for new export industries and jobs. Existing industries like manufacturing stand to benefit from new products and greater energy efficiency.

Against all the evidence, the Liberal government has failed to develop or implement any serious climate change policies to cap, let alone bring down Australia's pollution. They have presided over an energy crisis that has seen both energy prices and pollution skyrocket. They have failed to bring down pollution, even after spending \$2.25 billion of taxpayer money on Tony Abbott's ineffective Direct Action Plan. The Liberals' own data projects under their policies, Australia's pollution will continue to rise to 2030, failing to meet even their own weak 26 per cent pollution reduction targets by 19 per cent. In addition, by allowing the carryover of Kyoto credits, the Liberals' already weak target effectively falls from 26 per cent to 16 per cent. Labor has taken the decision not to allow the use of Kyoto credits to meet its Paris targets.

The Liberal Party is full of climate sceptics and hopelessly divided on climate change - Scott Morrison even brought a lump of coal into Parliament.

Only a Shorten Labor Government will deliver the stability needed to take real action to reduce pollution, meet our international obligations, and deliver real action that partners with industries, supports jobs and competitiveness, grows new industries and secures a more prosperous future for all Australians.



## **MAKING AUSTRALIA A RENEWABLE ENERGY SUPERPOWER**

*A Shorten Labor Government will make Australia a renewable energy superpower by ensuring 50 per cent of our electricity generation comes from renewable energy by 2030, modernising our energy systems, and empowering households and businesses to take advantage of cheap, clean renewable energy and storage.*

### **THE ISSUE:**

Renewable energy is good for the environment, good for jobs and good for the economy, and is one of the fastest growing global industries. Between 2018 and 2050, it is estimated that \$11.5 trillion will be invested in new power generation, with \$8.4 trillion of that in solar and wind. Australia has some of the best renewable energy resources and expertise in the world. We should be a global leader when it comes to investing in, generating and exporting renewable energy.

Renewable energy plus storage is also the cheapest source of new energy, offering immense opportunities for Australian businesses and households to reduce pollution while also reducing their power bills. Households in Australia are already seeing the benefits, with the number of households with rooftop solar rising from 7000 in 2007 to around two million today.

The Liberals have done everything they could to destroy the renewables industry in Australia, while climate change worsens, pollution rises and power bills soar. The Liberals' attacks on renewable energy and energy policy means that industry and workers face more uncertainty, higher prices and more pollution, and billions of investment in renewable energy has been put at risk. Globally, renewable energy jobs have skyrocketed in recent years to almost 10 million. If Australia had just kept pace with global renewable jobs growth since 2014, we would have 26,500 renewable energy jobs, almost 12,000 more renewable energy jobs than we do.

## LABOR'S PLAN:

A Shorten Labor Government will:

- **Ensure 50 per cent renewable energy by 2030** for the nation's electricity generation, resulting in cleaner and cheaper power and more than 70,000 new jobs due to renewable energy investment.
- **Double the original investment in CEFC by \$10bn** to support new generation and storage, concessional loans for household purchases of solar and battery systems, commercial community renewables projects and the transformation and growth of new and existing industries.
- **Future-proof our energy networks by creating a \$5bn independent Energy Security and Modernisation Fund.** This will build and upgrade Australia's energy transmission and distribution systems, including transmission links to Renewable Energy Zones, to unlock the supply of cheaper, cleaner energy.
- **Encourage the uptake of household solar and battery systems** by setting a target of one million household battery systems by 2025 and providing a \$2,000 rebate for 100,000 households on incomes of less than \$180,000 per year to purchase and install battery systems, as well as low-cost loans for households.
- **Establish a Neighbourhood Renewables Program** to ensure renters and social housing residents can benefit from cheaper and cleaner renewable energy. Labor will establish community power hubs to support the development of projects in local communities – such as solar gardens on apartment rooftops, community wind farms and energy efficiency upgrades for social housing.
- **Develop a Bioenergy Strategy** to boost the development of this important industry in Australia (\$2 million over the forward estimates). Bioenergy has significant potential in helping Australia meet its emission reduction goals, help reduce waste, improve energy security and boost regional development.

# SUPPORTING THE TRANSITION TO CLEANER AND CHEAPER POWER

*A Shorten Labor Government will support the transition to cleaner and cheaper power by implementing Labor's National Energy Plan and ensuring an orderly transition for industries, communities and workers.*

## THE ISSUE:

Electricity generation is the largest source of pollution in the economy, producing around one third of the nation's pollution. The Liberals' policy chaos has stalled this transition towards clean energy by attacking renewable energy, undermining investor confidence, causing power prices to skyrocket and putting at risk billions of dollars of investment in clean energy.

At the same time, Australia is facing an inevitable transition, with 75 per cent of coal-fired power stations in Australia operating beyond their design life. These eventual closures will create major structural adjustment challenges concentrated in specific regions and communities, including the Hunter, Latrobe Valley, central Queensland and Collie River Valley. We need a plan to support these workers and communities.

The Coalition Government has consistently failed to provide support for workers and communities impacted by economic transition. Not only has the government failed to act to support Hazelwood and Northern power station workers after plant closures, they even argued against the inclusion of a Just Transition clause in the Paris Agreement.

## LABOR'S PLAN:

A Shorten Labor Government will:

- **Give businesses the policy certainty to invest in clean energy** by implementing Labor's National Energy Plan. Labor will continue to pursue a bipartisan mechanism, such as a National Energy Guarantee, that could deliver on our commitment of 50 per cent renewable energy by 2030. But we won't wait for the Liberals. We will double the CEFC's capital and establish an Energy Security and Modernisation Fund.
- **Establish an independent Just Transition Authority (JTA)** to plan and coordinate the structural adjustment response to inevitable future station closures. The JTA will be a statutory body that works with companies, workers, unions, local communities, state governments and other Commonwealth departments to:
  - Develop and implement transition plans for affected regions, including economic diversification;
  - Develop and oversee pooled redundancy schemes; and
  - Develop and administer labour adjustment packages

The JTA will ensure that representatives from the energy industry, unions and the local communities have direct input into its operations. The establishment of the Authority will have a budget cost of \$8.5 million over the forward estimates.

- **Require all large generators to provide at least three years notice of closure**, as recommended by the Finkel Review and enshrined in an Australian Energy Market Commission rule. Sufficient notice is critical to plan for the economic diversification of a region, put in place worker transition plans, replace generation capacity and maintain energy security.

## **BOOSTING CLEAN TRANSPORT AND INFRASTRUCTURE**

*A Shorten Labor Government will introduce Australia's first National Electric Vehicle Policy, to reduce pollution in the transport sector, slash fuel costs for consumers, improve our fuel security, and create new jobs in local manufacturing, transport and clean energy.*

### **THE ISSUE:**

Transport emissions make up almost 20 per cent of Australia's emissions and are one of the fastest growing sources of pollution. Without additional climate policies, pollution from transport is projected to increase by more than nine per cent by 2030. Passenger motor vehicles represent the largest single source of transport emissions.

Electric vehicles (EVs) have huge potential to reduce pollution in the transport sector, boost jobs and slash fuel costs for millions of Australian consumers. According to the Electric Vehicle Council, EVs can deliver annual savings of up to \$2,300 from reduced fuel and maintenance costs for the average driver, with savings rising as EV energy efficiency increases. The benefits for fleet and commercial vehicle operators would be even greater given greater distances covered.

The global transition to EVs is well underway, but Australia lags behind other countries in EV take-up due to the Government's failure to put in place credible climate change and EV policies. Australia is now last among western countries for electric vehicle take-up, and New Zealand has more electric vehicles than Australia. While EVs now have a global market share of around 2 per cent, the share in Australia is only 0.2 per cent.

In some countries such as Norway, EVs already make up half of new car sales. According to analysis from PwC, if Australia achieved an EV take-up rate similar to that of Norway by 2030 it would inject \$2.9 billion into the economy and lift net employment by 13,400, eliminate 16 million barrels of imported oil annually and result in a cumulative reduction in emissions of 18 million tonnes.

There are a number of barriers to EV take-up in Australia, including costs relative to combustion engine cars, lack of access to charging stations, limited model availability and the lack of a second hand market. These barriers are compounded by the lack of a national policy for EVs, which has sent the wrong signal to consumers and car makers.

A lack of EV policy means that Australia captures very little of the industry and jobs created by value chain opportunities associated with a robust EV market, in mineral mining, to processing, design, and EV component manufacture.



## Vehicle emission standards

Australia is one of the only countries in the OECD that does not have a policy on vehicle emissions standards. According to the Government, this means Australians will be paying as much as \$500 each year more in petrol than they should be, as well as seeing pollution on our roads skyrocket.

Vehicle emissions standards also provide additional incentive for car sellers to sell EVs, as they lower the average emissions of cars sold. As a result, vehicle emissions standards will result in lower prices for EVs, and a greater range of EVs on the market.

## LABOR'S PLAN:

### National Electric Vehicles Policy

- **National EV target of 50 per cent new car sales by 2030:** Labor's national EV target will send a strong signal to car makers to ship a greater range of more affordable EVs to the relatively small Australian market. It will reduce the cost of EVs, create thousands of jobs and substantially cut pollution.
- **Government EV target of 50 per cent of new purchases and leases of passenger motor vehicles by 2025:** A Shorten Labor Government will be a leader in the transition to EVs. This government fleet target will send a strong signal that we expect cost competitive vehicles to be available for fleet purchases and leases. Government EV fleets will also be important in developing a second hand market. Labor will work towards requiring all Commonwealth-owned and -leased office buildings to include the provision of charging infrastructure where appropriate.
- **Growing private EV fleets:** The Australian Investment Guarantee will allow businesses to immediately deduct 20 per cent off any new EV valued at more than \$20,000.
- **Regulatory reforms and COAG agenda:** Labor will require all federally funded road upgrades to incorporate EV charging infrastructure, work with states to ensure new and refurbished commercial and residential developments include EV charging capacity, promote national standards for EV charging infrastructure and ensure investment in public charging stations meet these standards. Labor will establish an EV COAG agenda to improve coordination of EV take-up and related infrastructure planning.
- **EV Innovation and Manufacturing Strategy:** Labor will work with Industry, State Governments and the Research sector to implement an EV innovation and manufacturing strategy. The strategy will support the establishment of manufacturing, assembly and retrofitting capability in EV vehicles, transportation and supporting infrastructure and services.
- **Introduction of vehicle emission standards:** Labor will introduce vehicle emissions standards to reduce pollution and make the cost of driving a car cheaper for consumers. Labor will aim to deliver standards in line with 105g CO<sub>2</sub>/km for light vehicles, consistent with the US standards and Climate Change Authority advice, but will consult on the phase-in timeline and coverage to maximise savings for motorists. Standards will be applied to car retailers to meet average emissions standards, rather than imposing blanket mandatory standards on manufacturers. This will allow retailers to meet the standards by offsetting high emissions car sales with low or zero emissions car sales.

## Other transport

- **Heavy vehicles:** While there is currently no commercially viable alternative to the internal combustion engine when it comes to powering heavy vehicles, emission reductions can be achieved by modernising the Australian trucking fleet. Labor's Australian Investment Guarantee will help incentivise trucking operators to upgrade their vehicles to modern, safer and far less polluting vehicles.
- **Public transport:** One of the most environmentally sustainable ways of moving people around our big cities is to provide reliable, affordable public transport. For example, completion of Brisbane's Cross River Rail project will take up to 18,500 cars off the city's major arterial roads every day. Labor will make big investments in upgrading and expanding the passenger rail networks in Brisbane (Cross River Rail), Sydney (Western Sydney Rail and Western Metro), Melbourne (Monash Rail and Frankston to Baxter Rail Upgrade), Canberra (Light Rail – Stage 2) and Perth (METRONET).
- **Low Emission Transport Strategy:** Labor will also develop a Low Emission Transport Strategy to inform future policy development across transport more broadly, including maritime, aviation, rail and heavy vehicles.



## BUILDING JOBS AND INDUSTRY

*A Shorten Labor Government will partner with industry to help businesses find innovative solutions to cut pollution, support trade exposed industries and build the new jobs and industries of the future. Labor will support the competitiveness of emissions intensive trade exposed sectors (EITEs) through tailored treatment under an extended Safeguard Mechanism, while our Strategic Industries Taskforce and \$300m Strategic Industries Reserve Fund will help industries cut pollution and support competitiveness.*

*This support will work in unison with many of our existing policies to help businesses transition and boost jobs and investment, including our Australian Investment Guarantee, supercharged CEFC, Advanced Manufacturing Future Fund, and energy efficiency measures.*

### THE ISSUE:

Real action on climate change is not only good for the environment but critical for a strong economy. All serious economic modelling demonstrates that the economy can prosper while making meaningful cuts to pollution.

But Labor recognises there are uneven impacts of transition to a clean economy across industries and regions, particularly for emissions intensive trade exposed sectors (EITEs), such as steel, aluminium and cement. These industries are strategically important to Australia's future, support high quality jobs, and in many cases are concentrated in specific regions, such as the Latrobe Valley, Illawarra, Hunter, and Collie River Valley. Maintaining strong, viable local industries is vital for Australia's economic development and our successful transition to a clean economy.

### LABOR'S PLAN:

A Shorten Labor Government is committed to partnering with businesses and communities to maintain their competitiveness, and support jobs and investment while finding industry-specific solutions to reduce pollution.

- **Ensure tailored treatment for EITEs as part of the safeguard mechanism:** In determining baselines for pollution reduction, we will adopt a 'comparative impact' principle, ensuring these industries face comparable impacts from climate change policies in relevant international markets.
- **Establish a Strategic Industries Taskforce** to undertake in-depth engagement with strategic industries to support competitiveness and cut pollution by developing and delivering industry specific Low Carbon Strategies. Solutions will be tailored to the challenges and opportunities of each industry, taking into account technological and other barriers to cutting pollution and protecting long term competitiveness. Solutions could include targeted assistance to developing new low pollution technologies and processes and enabling firms to more easily invest in energy efficient capital and low emissions technologies, products and processes. As well as industry, the Taskforce will work with a range of experts, including ARENA, the CEFC, the CSIRO, unions and peak bodies.
- **Establish a Strategic Industries Reserve Fund of \$300 million** over six years. This Fund will support the ongoing competitiveness of strategic industries, helping to deliver on industry specific Low Carbon Strategies, as well as other recommendations of the Strategic Industries Taskforce.
- **Other Labor policies** will also provide support for businesses of all sizes and sectors in this transition, including our Australian Investment Guarantee, supercharged CEFC, Advanced Manufacturing Future Fund and energy efficiency measures, including the Manufacturing Energy Efficiency Accelerator program.

# KICKSTARTING AUSTRALIA'S HYDROGEN ECONOMY

*A Shorten Labor Government will invest more than \$1 billion in a National Hydrogen Plan to make Australia a world leader in the burgeoning hydrogen industry – boosting jobs, exports, fuel security and reducing pollution in our energy, transport and industrial sectors.*

## THE ISSUE:

Hydrogen is an emerging industry that has huge potential to deliver significant economic, jobs, fuel security and environmental benefits to Australia. From transforming transport, to providing secure, affordable and clean energy for industry, the potential of an Australian hydrogen industry is massive.

As demonstrated by Japan's making the 2020 Tokyo Olympics the 'Hydrogen Olympics', some of Australia's most important trading partners, such as Japan and South Korea, are committed to transitioning their economies to clean hydrogen. Due to Australia's low cost renewable energy and proximity to Asian markets, we are projected to have a significant cost advantage compared to other hydrogen producing nations such as Qatar and Norway. This means that as well as playing a key part in Australia's own transition to clean energy, hydrogen also represents a huge export opportunity, with the global market for hydrogen expected to be worth \$215 billion by 2022 according to the International Energy Agency. Due to existing LNG infrastructure and a proof of concept Hydrogen Plant, Gladstone has enormous potential as an export hub for hydrogen.

ACIL Allen Consulting projects that Hydrogen exports alone could contribute \$3.6 billion per annum to the economy and generate nearly 6,000 jobs by 2030. This is projected to grow to \$10 billion of exports per annum by 2040, and 16,000 new jobs, with most of these jobs in regional areas.

## LABOR'S PLAN:

A Shorten Labor Government will support the hydrogen economy through research and development, commercialisation, deployment, infrastructure and regulatory reform. We will do this by:

- **Research, development and commercialisation:** Labor will require ARENA to direct up to \$90 million of its investment budget to support the development and pre-commercial deployment of hydrogen technologies, as well as making hydrogen production, storage and transport a funding priority of the Australian Research Council.
- **Hydrogen deployment and industry development:** Labor will allocate \$1 billion of CEFC funding to support clean hydrogen, from Labor's commitment to double CEFC's capital by \$10 billion, allocate \$40 million from the CEFC Clean Energy Innovation Fund to demonstration and development hydrogen technologies, and require ARENA to allocate \$10 million of its funding to establish hydrogen refuelling infrastructure across Australia.
- **Hydrogen regulatory reforms:** Labor will deliver regulatory changes for hydrogen use, including developing a 'Guarantee of Origin' scheme to certify hydrogen as carbon neutral, having AEMC to examine rule changes to allow for compensation for grid firming by electrolysers, developing international export agreements on hydrogen, and work with states to harmonise regulations for hydrogen vehicles.
- **The National Hydrogen Innovation Hub:** Labor will invest \$3 million to establish the National Hydrogen Innovation Hub in Gladstone. Building on existing expertise and infrastructure, the centre will kick-start early commercialisation of hydrogen technologies, provide a hub for ARENA, researchers and other agencies, and develop opportunities for leveraging LNG infrastructure to support hydrogen exports. Labor will seek expressions of interests from joint ventures between industry and research providers in allocating funding.

# CUTTING POLLUTION BY EXTENDING THE SAFEGUARD MECHANISM

*A Shorten Labor Government will extend the Government's Safeguard Mechanism to reduce pollution for Australia's biggest polluters, while supporting competitiveness and jobs. The agriculture sector will not be covered under the extended safeguard mechanism and will be exempt. Labor will not be introducing a carbon tax or carbon pricing mechanism.*

## THE ISSUE:

Under the Liberals, industrial pollution has risen by 17 per cent, and on their own projections it will rise all the way to 2030. The industrial sector, excluding electricity, contributes around 30 per cent to Australia's emissions.

The Safeguard Mechanism was established under the Liberals to cap industrial pollution by setting limits or 'baselines' for covered entities. A facility that emits greater than its baseline must offset excess emissions by purchasing offsets from the land sector or other sources.

The Liberals have failed to make this mechanism effective by limiting coverage, providing no positive incentive for business to reduce below their baseline (i.e. cannot earn or sell credits), not allowing international offsets which reduce costs for business, and crucially not lowering baselines over time to drive down pollution. The Emissions Reduction Fund (ERF) has also failed to drive down Australia's emissions, while costing Australian taxpayers \$2.25 billion, with the Liberals pledging a further \$2 billion for this ineffective policy.

The agriculture sector will not be covered by the extended mechanism and Labor will work with Meat and Livestock Australia (MLA) to help it meet its objective to be carbon neutral by 2030.

## LABOR'S PLAN:

A Shorten Labor Government will extend the Government's existing framework, the Safeguard Mechanism, to cut pollution for Australia's biggest polluters (about 250 companies), while supporting competitiveness and jobs.

**Coverage:** Labor's Safeguard Mechanism will look to cover facilities polluting more than 25,000 tonnes of direct CO<sub>2</sub> emissions, consulting with industry and experts on this threshold and its phase-in. Facilities in the electricity sector will not be covered by the Safeguard Mechanism, but will be covered under Labor's National Energy Plan.

**Target:** The mechanism will reduce total pollution by covered entities by 45 per cent (on 2005) levels by 2030, but Labor will consult with industry on the baselines and trajectories that apply to each covered entity. Labor will provide tailored treatment for emissions intensive trade exposed industries (EITEs) to ensure they face comparable impacts from climate change policies as their competitors do in relevant international markets.

**Offsets:** Labor will make it easier for covered businesses to meet any offset obligations by allowing for the creation (and sale) of offsets if emissions fall below baselines, allowing for the (limited) use of international offsets, and exploring the option of allowing offsets to be generated in the electricity sector, boosting offset supply through Carbon Farming revitalisation reforms.

To develop a high quality, well-functioning and liquid offsets market, Labor will:

- Abolish the ineffective and expensive ERF (recently topped up by \$2 billion by the Liberals).
- Increase land sector abatement opportunities by reviewing and strengthening the Carbon Farming Initiative, making the creation of offsets smoother, and boosting scheme integrity to ensure real pollution cuts.
- Establish a Carbon Assessment Standard, a certification framework to mature the offset market and facilitate more efficient, low cost abatement. Labor will allocate \$1.5 million over the forward estimates.

Design details will be decided through a consultative process with industry, experts and stakeholders, including the trajectory of baselines, treatment of EITEs, limits to international offsets and timing/scope of reviews. Labor will review the mechanism no less than once every three years.

## REDUCING POLLUTION ON THE LAND

*A Shorten Labor Government will reinvigorate the land offset market, to help industry reduce pollution at least cost, and give farmers, the forestry industry and traditional land owners new opportunities to earn income. A Shorten Labor Government will also take action to deal with broad-scale unregulated land clearing.*

### THE ISSUE:

Australia's land sector offers huge potential to supply low cost offsets for Australian businesses, while supporting regional economic development, Indigenous economic development, and improved bio-diversity.

Australia's land sector is supplying the vast majority of Emission Reduction Fund abatement, through the Carbon Farming Initiative (CFI) established by the last Labor government. Labor wants to see land sector abatement grow.

The CFI architecture requires modernisation after five years of Liberal tinkering and neglect. Under the Liberals:

- Some land sector projects, while reducing pollution, have led to perverse environmental outcomes.
- The efficiency and growth of offset markets has been hampered by cumbersome development of offset methodologies, and offset producers face financing barriers due to a lack of carbon standards.
- Co-benefits such as biodiversity and Indigenous economic development are not being adequately recognised and prioritised.

Broad-scale land clearing also needs to be brought under control to ensure Australia has a robust offset market and so we can meet our Paris targets. Land clearing creates pollution and removes vegetation that absorbs pollution. Rates of land clearing more than doubled in Queensland after the LNP abolished virtually all controls, peaking at about two-thirds the rate of the Amazon's deforestation and killing millions of native wildlife. While Queensland has re-instated sensible land clearing laws to reduce pollution and protect nature, including the Great Barrier Reef, sensible national vegetation protection controls are needed.

### LABOR'S PLAN:

A Shorten Labor Government will reinvigorate the land offset market and support reducing land sector pollution by:

- **Supporting the meat industry's commitment to be carbon neutral by 2030** through a Strategic Meat Industry plan, with funding of \$2 million over the forward estimates.
- **Reviewing and strengthening the CFI** with the aim of increasing land sector abatement opportunities and ensuring CFI methodologies are robust. This will include exploring the establishment of 'premium' land sector credits which provide substantial environmental, biodiversity and other co-benefits.
- **Improving integrity and growth of the offset market** by boosting carbon farming methodology research and development (\$40 million over forward estimates) and introducing a carbon assessment standard.
- **Ensuring the federal government can intervene to put in protections to stop broad-scale land clearing.** Where states properly regulate land clearing, such as Queensland, Labor will take no action. Importantly:

- Labor will build new tools and maps that help landholders understand if they are required to consider the federal land clearing protections (\$8 million over the forward estimates). This will be a quick and simple online process designed to make it easier for farmers to know if they need to comply with protections.
- Labor will work with the states to bring the rest of the country in line with Queensland's reporting of land clearing by implementing the state's ground-tested SLATS system nationwide, and re-invigorating COAG's National Vegetation Management Framework. Native title holders and traditional owners of the land would be exempt from land clearing protections while we consult with them on land clearing laws.
- **Develop and deliver a National Forestry Summit and a National Forestry Strategic Plan**, to support the growth of a more sustainable and prosperous forestry industry.



## INCREASING ENERGY EFFICIENCY

*A Shorten Labor Government will implement a comprehensive plan to improve energy productivity in industry, to cut power bills for households and businesses and lower pollution.*

### THE ISSUE:

Australian industry and households can substantially reduce energy bills by improving energy efficiency and decreasing energy waste, getting more out of each unit of energy. This will improve industry competitiveness, cut energy bills, protect and create jobs and cut pollution.

Australia's level of energy efficiency is very low by international standards. The latest American Council for an Energy Efficient Economy's *International Energy Efficiency Scorecard* ranks Australia 18<sup>th</sup> in the total measure of energy efficiency, and 22<sup>nd</sup> in terms of industrial energy efficiency, just behind Russia.

Australia's energy efficiency performance has also been falling over time. Australia's latest 18<sup>th</sup> overall energy efficiency ranking was preceded in 2016 by a ranking of 14<sup>th</sup>, and in 2014 by a ranking of 10<sup>th</sup>. The International Energy Agency also ranked Australia last out of developed countries in energy efficiency policy and performance.

### LABOR'S PLAN:

Labor will end the Government's negligence when it comes to energy efficiency. We will implement a comprehensive set of measures to get Australia on track to a more productive and lower energy cost economy, cut power bills for households and businesses and reduce pollution.

These measures will include:

- **Allowing ARENA to support energy efficiency:** ARENA is currently restricted to providing support for projects that include a renewable energy component. Allowing ARENA to support energy efficiency projects more broadly will support industry to develop new and innovative solutions to cut energy waste.
- **Re-focusing the efforts of the Clean Energy Finance Corporation (CEFC):** To support Labor's \$10 billion re-investment into the CEFC, Labor will increase the CEFC's focus and support for energy efficiency projects, new commercial community renewables projects and industrial transformation by consolidating some of its disparate programs into these three program streams.
- **Manufacturing Energy Efficiency Accelerator program (MEEA):** Labor will establish one thousand \$20,000 grants for Australian manufacturers over four years to 2022-23 to engage experts to provide manufacturers with preliminary advice on energy management and improvement, such as data gathering and analysis, data gathering, engaging service providers and ongoing support.
- **Developing an accreditation system for energy auditors and training programs for manufacturers,** with a commitment of \$10 million of funding support over four years to 2022-23.
- **Revitalise energy efficiency reforms at COAG:** Labor will commit up to \$10 million over four years to 2022-23 for an Energy Affordability and Productivity Review that will enhance COAG's National Energy Productivity Plan, reform energy efficiency governance, support the harmonisation state based Energy Efficiency Obligation schemes, and revitalise COAG's efforts to introduce a National Home Comfort Rating System.

# REVIVING INTERNATIONAL ENGAGEMENT ON CLIMATE CHANGE

*A Shorten Labor Government will restore Australia's reputation and revive international engagement on climate change.*

## THE ISSUE:

Under the Liberal government, Australia has gone from a constructive participant in international climate change efforts and negotiations, to a country that regularly seeks to undermine the spirit of the Paris Agreement and progress to cut pollution. Under the Liberals:

- The Climate Change Ambassador was removed.
- PM Abbott fought to have climate change taken off the agenda at the 2014 Brisbane G20 summit.
- In 2015, the Liberals argued against the inclusion of a Just Transition clause in the Paris agreement, which commits signatories to implement policies to deliver a socially and economically fair transition for affected workers and communities.
- In announcing a decision to no longer support the Green Climate Fund, Prime Minister Scott Morrison disparaged the entire UN climate change framework and the need to act on climate change.
- Scott Morrison brought a lump of coal into the Parliament, an unmistakable signal to the world that the Liberals aren't serious about tackling climate change.

The Liberals' destructive approach has severely damaged Australia's standing within the international community, especially with our Pacific Island neighbours, which are particularly vulnerable to the dangerous impacts of climate change.

## LABOR'S PLAN:

A Shorten Labor Government will revive Australia's international engagement on climate change by:

- **Re-instituting and re-badging the Climate Change Ambassador:** Labor will re-institute and re-badge the position of Climate Change Ambassador. The Climate Change Ambassador will have two areas of immediate priority – exploring the potential of bilateral trading agreements to support Australia's domestic climate change policies, and leading climate change engagement within our region, with a focus on the Pacific. This will be funded through existing departmental resources.
- **International assistance on climate change:** Climate change will be a priority for Labor's international development program. Australia's Pacific neighbours are particularly vulnerable to the impacts of climate change. A Labor Government will engage our Pacific neighbours bilaterally and through regional fora such as the Council of Regional Organisations of the Pacific, the Pacific Islands Forum, the Pacific Community and the secretariat of the Pacific Regional Environment Program, to provide leadership, assistance, and advice on climate change issues.

# RESTORING AUSTRALIA'S CLIMATE CHANGE INSTITUTIONS

*After years of neglect and de-funding under the Liberals, a Shorten Labor Government will restore Australia's domestic climate change institutions to provide credible information, analysis and advice on climate change policy and the impact of climate of climate change.*

## THE ISSUE:

The Liberals have not only failed to deliver any credible climate change policy, but have attacked, undermined and dismantled the institutions responsible for climate change policy and scientific research on the impacts of climate change.

The Liberals abolished the Department of Climate Change, abolished the position of Climate Change Minister, cut funding from the Climate Change Authority which they want to abolish, abolished the Climate Change Commission, and have attempted to dismantle CEFC and ARENA. As a result, the Liberals have seriously damaged the federal government's institutional capacity to address climate change issues.

This damage to Australia's climate change institutions is particularly problematic given pollution and the costs of inaction are rising, with Australia already seeing the dangerous impacts of climate change in more frequent and severe droughts and fires. Despite these costs, there is no comprehensive national assessment of the impacts of climate change in Australia that exist in other jurisdictions, including in the US and UK.

In order to inform policy, and ensure Australian business, government, and communities are equipped to address the impacts of climate change, Australia needs a comprehensive, independent, scientific, and Australia focussed assessment of likely climate change impacts over the next years and decades. It is impossible to properly plan for the impacts of climate change if we do not have Australian focussed assessments of what those impacts are likely to be under plausible scenarios.

## LABOR'S PLAN:

A Shorten Labor Government will restore Australia's domestic climate change institutions by restoring and reforming the Climate Change Authority and implementing triennial Climate Change Assessments.

- **Restore and reform the Climate Change Authority:** To support independent expert-driven advice to Government, Labor will commit \$24 million over the forward estimates to reverse the Government's abolition of the Climate Change Authority and ensure that it continues to be appropriately resourced to achieve its role. Labor will refocus the efforts of the Authority on regular national assessments of current and potential future climate change impacts (see below), as well reviews of climate policies and monitoring and advice on reaching climate change targets.
- **Triennial Australian Climate Change Assessments:** A Labor government will fill a massive information gap in Australia on detailed likely impacts of climate change on environmental, social and economic systems by introducing a triennial Australian Climate Change Assessment (ACCA). The first will be initiated as soon as practicable, overseen by an independent panel, with subsequent ACCAs conducted by a reformed Climate Change Authority. Funding for the assessments will be a core function of the reformed Climate Change Authority, with costs to be absorbed by the Authority. Labor will allocate \$5 million over the forward estimates for the first Assessment.

# A FAIR GO FOR AUSTRALIA



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