



An Act for Climate Leadership

A submission by Climate Tasmania and the Tasmanian Independent Science Council in response to the consultation on the draft Bill

14 November 2021

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Summary of recommendations

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R.6	A revised Act should require the development of legally binding emissions reduction targets for five-year periods between 2030 and 2050 and beyond, see decade ahead and aligned with the timing of COP meetings.	t a 11
R.7	Sector based Decarbonisation and Resilience Plans should be developed under a revised Act, as recommended by the Jacobs Final Report, and should be framed to achieve sectoral targets that are, in total, consistent with an overall 2030 emissions reduction target. The first round of sectoral Decarbonisation at Resilience Plans should be developed by the end of 2023.	
R.8	As part of the introduction of a revised Act, the state government should commit to ensuring that no state government subsidies are paid for exploration or development of oil, gas or coal resources in lutruwita/Tasmania or its offshore waters.	n 14
R.9	The state government should announce an investigation, to report in less than six months, on what legislative changes would be required to prevent any future development of oil, gas or coal resources in lutruwita/Tasmania or its offshore waters.	14
R.10	Private entities whose greenhouse gas emissions exceeds a nominated trigger point and all government agencies should be required to enter information on their quarterly emissions into a publicly accessible database.	ı 15

- R.11 A revised Act should implement recommendation 4 from the Final Report that climate change be considered in the development of government policies, plans and strategies.
- R.12 A revised Act should make provision for the establishment and guaranteed ongoing resourcing of an independent advisory body to ensure that the best possible account is taken of emerging climate science in the overall program of activities established under the Act.
- R.13 A statutory authority established under a revised Act should be resourced to provide expert assistance and advice in the development of sectoral plans and plans for individual entities. The statutory body should have the mandate to collect and make public information on greenhouse gas emissions in Tasmania by sector and fuel type.
- R.14 A revised Act should provide for resourcing of public engagement and consultation activities across all aspects of climate adaptation and mitigation policies and plans.
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- R.15 Parliament should establish a Standing Committee with representation of all political parties and independent members to monitor government activities in response to climate change.
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Summary

A Tasmanian Climate Change Act that drives rapid action on emissions reduction and demonstrates leadership on climate action should include:

- A level of ambition in emissions reduction in all sectors that genuinely sets lutruwita/Tasmania on a path to being a global leader in climate action.
- Sectoral (e.g. transport, agriculture) and fuel specific (e.g. oil products, gas, coal) interim targets with dates.
- Explicit targets and mechanisms for phasing out use of fossil fuels.
- Provision and funding for an independent body to provide ongoing specialist advice to the Tasmanian government, Parliament, and the community.
- Establishment of a capability within Tasmania to collect, report and make public information on emissions sources by both fuel type and sector.
- Explicit mechanisms to ensure public participation and parliamentary oversight in the development of climate actions.
- A requirement to produce five-yearly state-wide climate risk assessments as recommended in the Jacobs Final Report.

Glossary

Term	Description
Adaptation	Institutions and communities adjusting to the impacts of
	climate change.
CO ₂	Carbon dioxide. The gas responsible for most global
	warming.
CO_{2e}	CO ₂ equivalent. The combined warming potential of
	emissions of multiple greenhouse gases. See also methane.
COP	Conference of the Parties to the UNFCCC. COP meeting have
	been held for nearly three decades. COP26 was recently held
	in Glasgow.
Disallowable instrument	Disallowable instruments are instruments that must be
	tabled and are open to Parliamentary veto or disallowance
	for a set period.
greenhouse gases	A range of gases contribute to global warming. See <u>Main</u>
	Greenhouse Gases for more details.
Gross emissions	Total emissions of greenhouse gases from all sources without
	allowing for sequestration
LULUCF	Land use, land use change and forestry
	See appendix 4

Term	Description
Methane	Methane (CH ₄) is released through agriculture and escapes into the atmosphere from fossil fuel infrastructure. It has a greater warming potential than CO ₂ but remains in the atmosphere for a shorter time. Reducing methane emissions is therefore important in meeting short term emissions reduction.
Mitigation	Reducing the impacts of climate change by reducing emissions of greenhouse gases.
Net emissions	Net emissions are gross emissions minus sequestration.
Net zero	A situation in which sequestration is as large as gross emissions.
Resilience	The ability of institutions and communities to recover from the impacts of climate change.
Sequestration	The removal of greenhouse gases from the atmosphere.
UNFCCC	United Nations Framework Convention on Climate Change

Background

This submission focuses on actions required for lutruwita/Tasmania to show real leadership on climate action. It is framed in the context of the recently released exposure draft of changes to the Tasmanian Climate Change Act which are expected to be introduced in state parliament late in 2021.

Other key documents and process referred to in this submission include:

- The 2008 Act (the Act) as currently amended
- The conduct of a review into the Act (the review)
- The initial discussion paper prepared by Jacobs (the Discussion Paper)
- The Climate Tasmania submission to the review
- The final report produced by Jacobs (the Final Report)
- The government's response to the final report

Response to the Jacobs final report and the government's response

Climate Tasmania and the Tasmanian Independent Science Council congratulate the state government on the conduct of a genuine consultation process on the revision of the Act. The Jacobs Final Report and the government's response have taken into account many of the concerns expressed by the community as part of the consultation process.

The Jacobs Final Report and the government's response have moved the discussion on climate action in lutruwita/Tasmania forward and are strongly supported, but are not of themselves sufficient to ensure an adequate response to the challenges and opportunities of climate change.

Positive aspects of this progress include:

- Acknowledgment that "A distant State-wide target, without sustained pressure by way of interim or sectoral targets, can introduce complacency and a lack of urgency to act in the near- and mid-term resulting in increased risk of emissions growth and lagging in the low carbon transition." (p.44 of the Final Report)
- Acknowledgment that Tasmania cannot continue to rely solely on land use sequestration to claim net zero emissions.
- Setting a process for development of sector-based decarbonisation plans.
- Formalising a process for development of state-wide climate risk assessment.
- Some recognition of the issue of stranded assets.

We welcome and support the government's acceptance of recommendations 2 and 6 in the Final Report ('consolidate the existing objects of the Act' and 'five-yearly state-wide climate risk assessment').

Legislative strategy

While there is no doubt that the Jacobs Final Report and the draft amendments to the Act are a significant step forward in Tasmania's plans to act on climate, those plans can be strengthened by considering whether the overall legislative strategy is a complete and comprehensive response to the problems posed by climate change. Table 1 is an overview of Climate Tasmania's analysis of this issue.

Table 1: Does the Legislative Strategy Match the Problem?

Problem Dimension	Jacobs Legislative Strategy	How the strategy could be strengthened
Reducing emissions is urgent. The amount of global warming depends on total emissions. Any delay in reducing emissions results in greater warming.	No indication of urgency in the Jacobs final report or in the draft amendments to the Climate Change Act. For example, sector decarbonisation plans are scheduled for 2025. The draft Act can do very little to influence the pace of change.	A substantial Act that includes mechanisms and penalties will be able to control the pace of change. Mechanisms that put the onus on the largest users of fossil fuels to develop reduction plans will mean that multiple parties, not just the government, will drive change.
Scale and scope of transformation. Adequate mitigation and adaptation responses will transform our society and bring about the rise and fall of industries, trades, and physical assets.	The Jacobs final report is silent on this issue, and it is not discernible in the draft amendments to the Climate Change Act. While the Parliament will debate the draft amendments, all the actions after that are up to the government of the day.	Such a major transformation should be controlled by lutruwita/Tasmania's supreme decision making body: its Parliament. This control should be exercised through the level of detail in the initial Act, and by an on-going parliamentary oversight process.
Clear communication to community. Tasmanians need to understand that "reducing emissions" requires the phasing-out of fossil fuels (coal, oil, and gas) and the implications for their current assets and possible future assets.	Neither the current Act nor the proposed amendments mention "fossil fuels" or coal, oil, and gas.	An Act which contains specific provisions about the phasing-out of coal, oil, and gas will make the clearest statement to Tasmanians that this is the necessary response to the climate emergency.

Problem Dimension	Jacobs Legislative Strategy	How the strategy could be strengthened
Powerful incumbents can delay, derail action. While all Tasmanians will benefit from the energy transformation, there will be losers. The oil and gas industry is large, rich, and powerful and has a history of delaying action on climate.	The strategy recommended by Jacobs and included in the draft amendments leaves the actual work of reducing emissions to the government of the day. Governments which are not protected by detailed ambitious legislation are susceptible to the influence of powerful lobby groups.	If the Tasmanian Parliament can overcome the efforts of incumbents and legislate in some detail for a just transition from fossil fuels, successive Tasmanian governments will have some protection from attempts by vested interests to delay or derail that transition. That protection will be strengthened if the legislation places the onus on the largest users of fossil fuels and if there is transparency and public accountability.
Long timescale for action. The phasing-out of fossil fuels is likely to take several decades, so actions to bring about and to manage a just transition will need to be sustained for several decades.	The main strategy is through the periodic review process; everything else is left up to the government of the day. Recent history has not been reassuring: successive Tasmanian governments published 6 climate change strategies/action plans over the period 2007 to 2017, with almost all of these being superseded prior to their full implementation.	Climate Tasmania's vision is for a State Climate Change Act that establishes policy mechanisms and a new statutory agency to implement them. Such an approach would set Tasmania up for the long haul. Not doing this would be akin to trying to respond to Covid-19 without a Public Health Act and without a public health agency.
Need to protect social equity. There will be some really hard parts to the energy transformation. The Fingal Valley and Railton communities are currently dependant on the continued mining and use of coal, for example. The need to do the maximum possible to assist such communities through the transition should be recognised and built into the legislation.	The sector-based transition planning approach in the draft amendments to the Act will go a long way towards meeting this need. However, the draft amendments do not require social equity (the "just" in "just transition") to be included in the planning process.	Climate Tasmania recommends the formation of an Energy Transition Authority which will be expressly charged with considering social equity in all its considerations.
Some mandatory compliance necessary. A societal transformation required to protect the whole community inevitably requires some mandatory requirements affecting a small group of individuals and businesses. Covid-19 vaccination mandates are a current example.	The draft amendments to the Act do not mention the possibility of penalties for non-compliance. Indeed, the only entity required to do anything in those amendments is the government.	Climate Tasmania's vision for the Climate Change Act includes a regulatory agency (the Energy Transition Authority) and the ability to impose penalties if necessary.

Principles to guide climate action

The Jacobs Final Report recommendation 3 is that a revised Act include a set of principles to guide climate action and suggests the following:

- Sustainable development and social equity;
- Transparency and reporting;
- Science-based approach;
- Integrated decision making;
- Risk management;

- Community engagement; and
- Complementarity with national and international climate change developments.

These are important principles that should be legislated. We do not accept the government response that legislating these principles would prevent desirable flexibility in the government's future climate action but rather they would underpin such flexibility.

R.1 A revised Act should be restructured around the objectives of the Act and include a set of principles to guide climate action as recommended in the Final Report. Additional principles should be included in the revised Act covering intergenerational equity and protection of biodiversity.

Setting emissions reduction targets

The 2008 Act specified the State's target to reduce emissions to 60% below 1990 levels by 2050. The current government subsequently committed to achieving net zero emissions by 2050 and committed to "Undertake community consultation on an ambitious Net Zero Emissions Target" involving "a detailed analysis of the pathway Tasmania would need to take to achieve a target of net zero emissions prior to 2050". The results of this are the Emissions Pathway report [Point 2021b].

While the 60% target was seen as ambitious in 2008, many governments and businesses now accept that a minimum commitment towards a safe climate is a 50% reduction in emissions by 2030 and net zero by 2050 at the latest. lutruwita/Tasmania is well placed to set and achieve ambitious targets that are beyond commitments by other states and countries.

The Jacobs Final Report recommends that the Act legislates net emissions (gross emissions less any carbon removals) are not to exceed net zero beyond 31 December 2030. This is based on an acknowledgement that the current situation of claimed net-zero status (sequestration from land use exceeds emissions) is unlikely to continue without additional action.

2050 target

In summarising key themes from community consultation, the final report states that

"A 2050 net zero emissions target is conservative. Decarbonisation should be pursued to the extent possible across all sectors and not just rely on the land use, land use change and forestry (LULUCF) sector." (p.2)

While 2050 targets, by themselves, can have little effect in reducing emissions in the short term, a legislated 2050 target does indicate an in-principle acknowledgement that full decarbonisation is the intended long term outcome.

R.2 A revised Act should legislate a 2050 target of near zero net emissions excluding LULUCF.

For example this could be a 90% reduction on 1990 emissions by 2050, excluding LULUCF.

An alternative formulation would be to achieve total net zero emissions excluding existing LULUCF. In other words, any remaining emissions would be offset by new sequestration that is not captured by existing land use calculation.

2030 target

The state government claims that Tasmania has met a net zero target in six of the last seven years. Given the necessity to reduce emissions substantially over the next decade, there is no reason why a legislated net zero target should be deferred until 2030.

R.3 A revised Act should legislate for lutruwita/Tasmania to remain permanently below net zero emissions (including LULUCF) from 2022.

The necessity of reducing emissions globally by 50% is now well documented and accepted by 733 cities, 31 regions, 3,067 businesses, 173 of the biggest investors, and 622 Higher Education Institutions who are part of the Race to Zero coalition who have pledged to:

"Set an interim target to achieve in the next decade, which reflects maximum effort toward or beyond a fair share of the 50% global reduction in CO₂ by 2030 identified in the IPCC Special Report on Global Warming of 1.5C" Race to Zero website.

In this context the question arises as to what Tasmania's 2030 emissions reduction target should be. This involves considerations of:

- what is achievable given 'maximum effort'
- what is a 'fair share' given Tasmania's natural advantages
- whether a Tasmanian target should include LULUCF sequestration
- what target would be seen as providing global leadership.

In addition to the international commitments listed above it is notable that the NSW government has recently announced that it expects to achieve emissions reductions of 47-52% below 2005 levels by 2030 [NSWGov 2021].

We believe that a Tasmanian 2030 target should exclude the impact of land use sector because:

- Estimates of LULUCF are very uncertain and the methodology is opaque.
- It is unclear which parts of LULUCF are natural and which have human causes.
- Carbon dioxide can move from forests to the atmosphere relatively quickly (for example, during a forest fire).
- Claiming Tasmania is already at net-zero emissions blunts the imperative to address other sectors.

A target of a 60% reduction in emissions (excluding land use) would:

• Provide genuine global leadership.

- Indicate a level of ambition that would drive sectoral Decarbonisation and Resilience Plans.
 - R.4 A revised Act should set an objective to reduce emissions from all sectors excluding LULUCF by at least 60% by 2030 compared with 2005.

Climate Tasmania's recommended process for emissions reduction is explained in Appendix 2, which forms part of this submission.

The case for sectoral and interim targets

Overall emissions reduction targets set a level of ambition but because the challenges in each sector are different, and of differing levels of difficulty, more specific sectoral and interim targets are required for driving down emissions. For example further reductions in emissions from electricity generation in Tasmania are relatively straightforward (mainly requiring the construction of additional wind farms) whereas emissions from some industrial uses of gas and coal require greater planning.

The choice of sectors

Tasmania's greenhouse gas emissions are reported as part of the Australian National Greenhouse Accounts which are in turn based on international greenhouse reporting standards.

At the top level emissions (and sequestration) is reported under the headings:

- Energy (which includes both electricity and transport)
- Industrial processes and product use
- Agriculture
- Land use, land use change and forestry (LULUCF)
- Waste

Use of these standard categories allows for national and international comparisons but is not sufficient for detailed reporting and planning at the state level.

Energy is often treated as a single sector; however the dynamics of Tasmanian electricity generation are quite different from those of other stationary energy (gas, coal etc) let alone the different challenges of the transport sector.

Sequestration and forestry

Long term sustainability and a safe climate are likely to require drawdown (sequestration) of existing atmospheric CO₂ as well as reaching net zero emissions as rapidly as possible. lutruwita/Tasmania's large forested areas and fertile soils provide a basis for the state to contribute to nature based solutions to sequestration in the longer term. In the short to medium term (now to 2050) these capabilities provide the sequestration that allow the state to claim net zero status has already been achieved.

As argued above, emissions reduction targets should exclude Land Use, Land Use Change and Forestry (LULUCF). However, understanding and maximising the contribution from this sector is an important part of lutruwita/Tasmania's contribution to climate solutions.

R.5 A specialist unit should develop an independent capability to understand and forecast the capacity for the LULUCF sector in lutruwita/Tasmania to contribute to sequestration of CO₂ and hence to reaching and exceeding net zero emissions.

The specialist unit could be part of the Carbon Farming Unit that the Climate Tasmania drafting instructions recommends be established in the Department of Agriculture.

The specialist unit should publicly report annually on the current and projected impact of the LULUCF sector.

This reporting should include a description of the methodology used and the potential impact of environmental, policy and technology changes. For example, this would include how CO₂ sequestration would be impacted by wildfires and changes to forestry policy.

In reporting sequestration capability it is necessary to differentiate between different types based on their 99% probable half lives of sequestration. For example, sequestration pathways could be classified as short term (half life 99% probability of 20 years), medium term (half life 99% probability of 100 years) or long term (half life 99% probability of 500 years).

At this stage we are not recommending a separate target for the contribution of the LULUCF sector but government policies should be consistent with maximising the sequestration potential of our native forests and ensuring that the sector remains a net carbon sink every year. This should include at least an immediate end to mature forest loss and a 2030 target to end native forest degradation.

For more information on the role of LULUCF and our reasons why we believe they should not be used as a basis for meeting an emissions reduction target see Appendix 3 and the Climate Tasmania fact sheet <u>Is Tasmania a world leader in mitigating climate change?</u>

Interim targets between 2030 and 2050

Interim targets should be set for five-yearly periods, aligning with the timing of UNFCCC COP meetings. As noted in the Discussion Paper, this is the approach taken in Victoria, New Zealand, Denmark, and the United Kingdom.

R.6 A revised Act should require the development of legally binding emissions reduction targets for five-year periods between 2030 and 2050 and beyond, set a decade ahead and aligned with the timing of COP meetings.

These targets should be informed by both the latest scientific understanding at the time of the need for emissions reductions and the success or otherwise of Decarbonisation and Resilience Plans developed under the Act. Interim targets should be framed excluding LULUCF but in line with recommendation 5, the projected impact of land use should be reported separately.

The UK Climate Change Act provides a useful model for the development of legally binding targets set by an expert committee (in this case the UK Climate Change Committee (CCC)):

"The Climate Change Act requires the UK government to set legally-binding 'carbon budgets' which act as stepping stones towards the 2050 target. A carbon budget is a cap on the amount of greenhouse gases emitted in the UK over a five-year period. Budgets must be set at least 12 years in advance to allow policy-makers, businesses and individuals enough time to prepare. The CCC advises on the appropriate level of each carbon budget. Once accepted by Government, the respective budgets are legislated by Parliament. The budgets describe the cost-effective pathway to achieving the UK's long-term climate change objectives." https://www.theccc.org.uk/about/our-expertise/advice-on-reducing-the-uks-emissions/

Sectoral plans

The Final Report recommends that "Plans for key sectors are to be completed before the year 2026" but notes that "The review suggests sectors with readily available and demonstrated low emissions technologies and solutions should be completed as a priority and well before 2026." (p.72)

These are unnecessarily long timelines and would make it very difficult for their implementation to meet 2030 targets.

These Plans should, in total, provide actions which meet a legislated 2030 gross emissions target. The development of Plans should be coordinated by the recommended statutory authority and should be tabled in Parliament as a disallowable instrument.

Trade-off between sectors

Sectoral plans and targets can provide guidance to affected industries and allow the Government to apportion reductions between easy- and hard-to-mitigate sectors.

It is essential that these trade-offs take place within an overall target. Total emissions reduction are what matters. It is not sufficient that easier to abate sectors meet a target and more challenging sectors don't.

The UTas discussion paper [UTas 2021, p.27] includes an illustration of how, within an overall target (37% reduction by 2030 in their document), reductions could be apportioned differently across sectors depending on the difficulty of abatement in that sector.

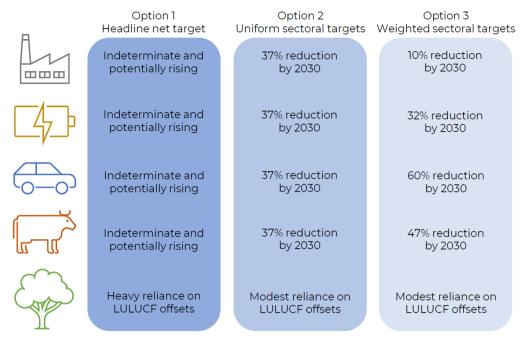


Figure 1: Sectoral reduction options (source UTas 2021, p.27)

R.7 Sector based Decarbonisation and Resilience Plans should be developed under a revised Act, as recommended by the Jacobs Final Report, and should be framed to achieve sectoral targets that are, in total, consistent with an overall 2030 emissions reduction target. The first round of sectoral Decarbonisation and Resilience Plans should be developed by the end of 2023.

Note that we have used the Jacobs term "Decarbonisation and Resilience Plans" but it is essential that the Plans include the impact of all greenhouse gases.

Responsibility for Decarbonisation Plans

The draft legislation puts the onus on the government, in partnership with emitters, to prepare decarbonisation plans. Climate Tasmania's strategy (as detailed in its drafting instructions and in Appendix 2 to this submission) reverses this arrangement so that emitters lead the fuel use reduction process with the assistance of the government. Some classes of emitters will need to gain formal government approval of their plans, while others (typically smaller users) will not be required to submit draft plans for approval, but can seek advice and assistance at any time. A statutory authority, the Energy Transition Authority, will work with emitters to ensure sectoral targets are met.

Climate Tasmania's view is that businesses are best placed to know how to reduce their own emissions, particularly the largest businesses, which are the one most impacted by Climate Tasmania's recommended approach.

Challenges and opportunities in particular sectors

Emissions reduction provides many opportunities for the development of new industries and job creation. Tasmania has many advantages in the development of new, more sustainable industries. These arise from both natural advantages (wind and hydro potential, a rich coastal environment, fertile soils) and the skills and initiatives of Tasmanians.

These advantages provide a head-start in the development of Tasmania-specific sectoral emissions reduction plans with ambitious targets. We will not canvass these advantages in detail as they are well described in section 7.2 of the UTas Discussion Paper [UTas 2021] as well as in the Sectoral Opportunities and Challenges section of the Climate Tasmania submission to the Review [Climate Tasmania 2021]. Estimates of potential abatement are in the summary of the Emissions Pathway Review [Point 2021c, p.6-7].

Some particular highlights include:

- Short travel distances and renewable electricity make Tasmania an ideal location for reducing transport emissions through accelerated take-up of electric vehicles.
- A diverse agricultural sector with strong local interest in regenerative agriculture.
- The combination of renewable electricity, water availability and a deep-water port at Bell Bay provide a strong base for green hydrogen based industries.

Phasing out of fossil fuels

Preventing new fossil fuel developments

"If governments are serious about the climate crisis, there can be no new investments in oil, gas and coal, from now – from this year." Fatih Birol, the IEA's executive director of the International Energy Agency. The Guardian, 18 May 2021.

R.8 As part of the introduction of a revised Act, the state government should commit to ensuring that no state government subsidies are paid for exploration or development of oil, gas or coal resources in lutruwita/Tasmania or its offshore waters.

While it is clear that no serious plan for emissions reduction can allow the development of new fossil fuel resources, there are many existing regulations and frameworks that support and allow for resource development. A ban on new fossil fuel developments will need to be carefully planned to ensure that it is not subject to legal challenges.

R.9 The state government should announce an investigation, to report in less than six months, on what legislative changes would be required to prevent any future development of oil, gas or coal resources in lutruwita/Tasmania or its offshore waters.

Examples of changes required to the Mineral Resources Development Act, 1995 are included in the Climate Tasmania drafting instructions. There may be other relevant provisions.

Reporting and reducing existing fossil fuel usage

The Climate Tasmania drafting instructions recommend the establishment of an online database into which Government Departments, GBEs and other government-controlled entities are required to report their use of fossil fuels every quarter. Non-government entities whose fossil fuel use exceeds trigger levels must also report their use into the public database. The intention is to use fossil fuel quantities as surrogates for Scope 1 emissions: reporting fuel use in the measurement units used for trade is simple, direct, and

easy to understand. All other non-government entities would be able to report their fuel use into the public database on a voluntary basis.

Entities (including Tasmanian operations of national or international businesses) whose fossil fuel use exceeds nominated trigger points would be required to develop Energy Transition Plans that publicly disclose their fossil fuel use and set out their plans for reducing fossil fuel use. The trigger levels for the development of Energy Transition Plans would be higher than the trigger levels requiring just the reporting of fossil fuel use.

All entities required to report into the database would be required to reduce their fossil fuel use year on year, and develop reports from the database so any person can see how each entity is performing with respect to this requirement in absolute terms, and relative to other reporting entities.

In a recent budget estimates discussion the Premier accepted the logic of requiring government entities to publicly report their fossil fuel use:

Tuesday 7th September. Peter Gutwein (as Minister for Climate Change)

Ms WEBB - If we put aside land use and forestry, reducing greenhouse gas emissions requires a reduction in the use of fossil fuels - coal, petroleum fuels, natural gas and LPG. Would you commit to government departments publishing their use of those fuels, say, every quarter or on some periodic basis so that it's publicly available to see how the emission reduction effort is progressing on that front?

Mr GUTWEIN - I think in some annual reports that already occurs in some agencies. I would need to check. That level of information detail, I have no issues at all in working towards that. I think that is a sensible thing for government to do.

Section 3 of Appendix 2 to this submission describes Climate Tasmania's process in more detail.

R.10 Private entities whose greenhouse gas emissions exceeds a nominated trigger point and all government agencies should be required to enter information on their quarterly emissions into a publicly accessible database.

Consideration of climate change in all government strategies

The Jacobs final report recommendation 4. is to "Amend the Act to include the consideration of climate change in the development of relevant government policies, plans and strategies."

Jacobs point out (page 36) that in the absence of such a requirement "it is possible for the State to develop policy which could result in adverse outcomes with respect to the State's emissions profile and exposure to climate risk, as well as conflict with the Act's objectives." Even routine decisions can lock in fossil fuel use over many years; for example, a decision to support the refurbishment of a municipal swimming pool which is to be heated with natural gas will lock in that use of gas for the useful life of the heating system.

R.11 A revised Act should implement recommendation 4 from the Final Report that climate change be considered in the development of government policies, plans and strategies.

An independent advisory body

The original Act provided for the establishment of a Tasmanian Climate Action Council to report directly to the Minister with independent advice on climate change issues as they affect lutruwita/Tasmania. In September 2014 this section of the Act was repealed.

lutruwita/Tasmania needs an independent body created by legislation to provide ongoing specialist advice for the Tasmanian government, the Parliament, and community. The Covid 19 pandemic is showing us the importance of understanding the science and developing good policies. Climate change is a much more complex set of problems and here for the long-term.

A new body would provide independent advice on State emissions targets and carbon budgets, adaptation measures, sectoral policies, and health impacts and draw on the best available science, energy and economic research. Its membership would include expertise in science, economics, business, government, public, environment, health and education.

Local government plays a crucial role in the development and delivery of resilience and adaptation measures. It also has important roles in some mitigation measures through planning, building approvals and local transport infrastructure. Local government should be formally represented on the advisory body.

An independent body would provide Tasmanian governments and members of Parliament with a non-political adviser. For too long, the State has suffered with policy churn in this area, resulting in short-lived or ineffective efforts to reduce emissions. An independent adviser could take a long-term view and support continuity of effort.

R.12 A revised Act should make provision for the establishment and guaranteed ongoing resourcing of an independent advisory body to ensure that the best possible account is taken of emerging climate science in the overall program of activities established under the Act.

Establishment of a statutory authority

The Climate Tasmania drafting instructions propose the establishment of an independent statutory authority called the Energy Transition Authority tasked with ensuring that lutruwita/Tasmania's energy transition is a "just transition": speedy, equitable and as minimally disruptive as possible under the circumstances. The agency would also assist with the development of Energy Transition Plans.

The Climate Tasmania drafting instructions suggest Energy Transition Plans be mandatory for entities that exceed a trigger point for fossil fuel use and for all Government agencies, GBEs and local governments. Other organisation would be encouraged to develop voluntary Energy Transition Plans. Section 2 of Appendix 2 has more details.

R.13 A statutory authority established under a revised Act should be resourced to provide expert assistance and advice in the development of sectoral plans and plans for individual entities. The statutory body should have the mandate to collect and make public information on greenhouse gas emissions in Tasmania by sector and fuel type.

We recommend that a new independent statutory body be established for several reasons:

- A mandate is required which meets long term objectives which are independent of day-to-day Ministerial directions.
- An independent body can report direct to Parliament.
- Long term planning requires the development of expertise and organisational knowledge that survives changes of government.

The state government has announced the establishment of Renewables, Climate and Future Industries Tasmania (ReCFIT) as an agency within the Department of Treasury and Finance with the ability to report to several ministers. At the moment ReCFIT does not seem to have a legislative mandate but it may be able to be adapted to meet the requirements of an independent statutory authority as envisaged in the Climate Tasmania drafting instructions and discussed in some detail in Appendix 2 to this submission.

Transparency and accountability

Collection and publication of emissions data

The Discussion Paper states that "The Act includes provisions for regulation, measurement and reporting of emissions". The reporting of emissions on the Tasmanian Climate Change Office's website consists only of figures taken from the national State and Territory Greenhouse Gas Inventories: 2019 (the latest figures).

This is not an adequate basis for informing policy development in Tasmania because of:

- the delay in collating data
- the fact that it is not possible to see emissions resulting from particular fossil fuel sources (oil, gas and coal) by state or for individual sectors
- the fact that LULUCF figures, which form by far the biggest component of the claimed net zero emissions for Tasmania, do not allow an analysis of what role particular forestry areas and management practices contribute to the calculated sequestration and how this will change over time.

A recent question in Legislative Council Budget Estimates revealed that the Tasmanian Government cannot say who the top ten greenhouse gas emitters are in lutruwita/Tasmania. The Commonwealth's Safeguards Mechanism provides the details of the top six emitters, but no information is available on the next four or those further down the list. This is a problem for the Tasmanian Government: how can they develop sectoral Decarbonisation Plans in partnership with the largest emitters when they do not know who the largest emitters are outside the top six? It is also a problem for the companies on high positions in the list who are not in the top six: their employees, managers, shareholders and potential investors would be better informed as to the company's climate risk if they were aware of its relative position in the list of high emitters in lutruwita/Tasmania.

While consistency with national and international reporting should be preserved, lutruwita/Tasmania should develop an independent capacity to analyse and report on use

of fossil fuels and emissions from particular sectors and industries as a basis for developing sectoral targets.

Public consultation and involvement

The development of climate adaptation and mitigation policies is of vital importance to all Tasmanians. The development of Decarbonisation and Resilience Plans should not be left to the Minister in consultation with directly affected industries.

R.14 A revised Act should provide for resourcing of public engagement and consultation activities across all aspects of climate adaptation and mitigation policies and plans.

Parliamentary oversight

Addressing climate change requires frameworks that remain effective across decades and across changes of government.

R.15 Parliament should establish a Standing Committee with representation of all political parties and independent members to monitor government activities in response to climate change.

The Standing Committee should have the power to request information, receive reports and question Ministers and senior public servants on all matters related to climate change.

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Appendices

Appendix 1: Summary of Climate Tasmania drafting instructions

More detailed recommendations on the content of a revised Act are in the Climate Tasmania Drafting Instructions [Climate Tasmania 2019]. These include proposals on:

- Establishment of an **Energy Transition Authority**A regulatory body tasked with ensuring that Tasmania's energy transition is a "just transition": speedy, equitable and as minimally disruptive as possible under the circumstances.
- Establishment of a **Committee on Climate Change**A high level advisory body on climate change and the energy transition. Its primary role will be to ensure that the best possible account is taken of emerging climate science in the overall program of activities established under the Act.
- The setting of sectoral **emissions reduction targets** to be reviewed annually by the Committee on Climate Change.
- The **control of methane emissions** to be regulated by the EPA.
- Measurement and public reporting of fossil fuel use to be mandated for state and local government organisations, GBEs and the largest private entities.
- The development of Energy Transition Plans by organisations
 The development of Plans will be assisted by the Energy Transition Authority.
 Plans will be mandatory for the largest emitters and voluntary for other organisations.
- Requiring the development of Climate Change Impact Assessments for large projects.
- Assessment, planning and advice on the Health Impacts of Climate Change
 The Director of Public Health to be responsible for providing scientific assessment,
 detailed planning and advice regarding the scope of known and emerging public
 health impacts.
- Management of adaptation to climate change

The Climate Change Act should amend a range of existing planning legislation to include climate impacts as a mandatory consideration.

- Management of agricultural emissions
 Including that the Agriculture Minister establish a Carbon Farming Unit to work with farmers and land managers.
- Prohibition of exploration for fossil fuels in Tasmania
- Public reporting and celebration of achievements.

Appendix 2: Climate Tasmania's Recommended Emissions Reduction Process

- **1. Introduction**. The emissions reduction task covers a number of sources and types of emissions, including:
 - 1 emissions mostly carbon dioxide from burning fossil fuels;
 - 2 fugitive fossil methane emissions from oil and gas production and from natural gas transmission, distribution and use;
 - 3 biogenic methane from animals (enteric fermentation), waste, and some food and beverage fermentation processes;
 - 4 nitrous oxide from some agricultural practices;
 - 5 carbon dioxide emissions from releases from carbon stores in soils and biomass through land use, land use changes, and events such as bushfires;
 - 6 industrial processes such as cement manufacture, aluminium smelting and steel making where carbon dioxide is given off by the process; and
 - 7 other greenhouse gases (see glossary).

Historically, efforts to craft emissions reduction mechanisms suitable for governments to enact have tried to find a way of reducing most or all of the above by finding a common thread – money. The various forms of carbon taxes and emissions trading schemes have been regarded as the gold standard in their economic efficiency and their potential to cover nearly all emissions. However, as Australia has found, such schemes are politically very difficult indeed.

Climate Tasmania's main current focus is on policies that can be enacted by Australian States, such as lutruwita/Tasmania. Carbon taxes/emissions trading schemes are impractical for a small State to enact on its own, so we have been looking for alternative emissions reduction strategies that lutruwita/Tasmania could enact. We have developed an approach – an integrated suite of measures – that meets the needs of States like lutruwita/Tasmania. Our approach does not use taxes or trading schemes, and instead is intended to build on existing structures and functions as much as possible and to be as simple and straightforward as possible.

- **2. Overview.**The essence of Climate Tasmania's approach is to pull apart the list of emission sources and types and to deal with some of them separately. This approach both builds on existing structures and functions and makes the separate strategies simpler and more straightforward. The approach groups the six sources and types listed in the introduction into three strategies, which are:
 - 1. Where possible, <u>control methane emissions as an air pollutant</u>. The existing air quality legislation, regulatory bodies and processes can be used to control fossil methane emissions (some of source 2) and some of the biogenic methane sources that are in fixed locations, such as waste handling and treatment operations (source 3). A modest increase in the staffing and resources of the

- Tasmanian EPA may be required, but otherwise this is the use of existing structures and functions to control these sources of emissions.
- 2. Have a separate mechanism for <u>reducing fossil fuel use</u> (and hence fossil fuel emissions source 1). The proposed mechanism is described in Section 3.
- 3. Use a third approach for the <u>land management related emissions</u> (some of source 3 and sources 4 and 5). This approach is described in Section 4.

This strategy does omit process emissions (source 6). In lutruwita/Tasmania the major process emitters are covered by the Australian Government's safeguards mechanism. Some of the food and beverage biogenic methane emissions are also not covered by the strategy.

3. Process to reduce fossil fuel emissions.

Climate Tasmania's strategy uses the management mantra "what is measured gets managed". The strategy:

- only impacts the larger users of fossil fuels, thus not impacting families and smaller businesses in any way;
- for simplicity and ease of use, measures fossil fuel use in the units in which they are traded, so conversion to emissions is not required the users required to do the measurement can take the data directly from their invoices for fuel;
- 3 provides great flexibility in which users are impacted and what they need to do;
- 4 builds in the need to take social equity into account throughout the transition; and
- 5 puts the onus on the fossil fuel users to propose how they will reduce their fuel use.

The draft legislation puts the onus on the government, in partnership with emitters, to prepare draft decarbonisation plans. Climate Tasmania's strategy reverses this arrangement so that emitters lead the fuel use reduction process with the assistance of the government. Some classes of emitters will need to gain formal government approval of their plans, while others (typically smaller users) will not be required to submit draft plans for approval, but can seek advice and assistance at any time.

The creation of a new statutory authority is central to Climate Tasmania's strategy. We call it the Energy Transition Authority, and we see it as having a degree of independence from the government of the day. Our Drafting Instructions contain some of the detail – such as the proposed membership of the Board of the Authority – but are silent on some other issues, such as the level of independence the Authority will have. Our perspective is that such a statutory authority is required to:

- regulate the fossil fuel use reduction process;
- assemble experience and expertise in the energy transition in order to be able to provide practical advice on the basis of local experience;

- where necessary, intervene in the development of energy transition plans to ensure social equity is properly considered;
- be alert for market opportunities to ensure that to the maximum extent Tasmanian businesses have the opportunity to take advantage of new markets for goods (e.g. biofuels) and services that arise as a result of the energy transition; and
- be alert for signs of market failure that could disrupt the Tasmanian economy and the transition away from fossil fuels.

The final point is very important. The "energy crunch" in gas and coal supplies, currently occurring in Europe and China has been described as the "first crisis of the energy transition" and cannot be expected to be the last crisis. Tasmania's small market, its distance from major sources of supply and its total dependence on imports of petroleum fuels and natural gas make it very vulnerable to supply disruptions as the transition unfolds. The Authority should be required to maintain a watching brief over such issues and to alert the government if there are grounds for concern.

The regulatory tools that Climate Tasmania thinks the Energy Transition Authority needs include the ability to:

- require wholesalers of petroleum, gas and coal fuels to provide details of their sales to their commercial and industrial customers. The Authority will be required to keep this information confidential and will use it to assemble lists of the larger users of each of the fuels.
- 2 issue disallowable Orders which specify trigger levels of fossil fuel use at which users are required to carry out the actions described later.
- 3 review draft Energy Transition Plans and either approve them or to negotiate improvements prior to approval.
- 4 set review periods for approved Energy Transition Plans appropriate to the circumstances, but typically around 5 years.
- take enforcement action if necessary against any party not fulfilling their obligations under the legislation.

The actual process used to phase our fossil fuel use will be:

- The Energy Transition Authority, after reviewing the confidential commercial and industrial fossil fuel sales data, will set two trigger levels for each of the fossil fuels. Level 1 will be the higher level and will define the top 5% to 15% of fossil fuel use for each fuel. Level 2 will be a lower figure than Level 1 and will pick up at least the same number of users as level 1, and possibly more. Because the Authority can revise these trigger levels, it is very possible it will decide to start with quite small numbers in each category and expand them later as a way of phasing-in the scheme.
- 2. Fossil fuel users who qualify to belong to either Level for just one of the fuels they use will be deemed to belong to the Level for all the fuels they use.

- 3. Level 2 users will be required to load their fossil fuel use data every quarter into an online public database maintained by the Authority, and will be expected to reduce their fossil fuel use over time. The online database will have a graphing function so anyone can see very easily how each user is going with their reduction program. Level 2 users will be able to access advice and technical assistance from the Authority.
- 4. Level 1 users will also have to report their use as if they are Level 2 users, but in addition will be required to develop formal Energy Transition Plans. Draft plans are to be submitted to the Authority for approval. Once approved, Plans will be public and accessible via the online database. Once a Plan has been approved, the user whose Plan it is would be required to comply with the Plan. Users can approach the Authority to negotiate a variance to their plan at any time.
- 5. Energy Transition Plans may cover many years; users in hard to abate sectors may just make small improvements at first while watching technological and other developments carefully. Accordingly, Plans would be current for no more than 5 years (less at the Authority's discretion) and be subject to review and reapproval on expiry.
- 6. Fossil fuel users who fall below the Level 2 trigger values may voluntarily sign up to report into the online database as if they were Level 2 users, and would receive advice and (potentially) assistance from the Authority in return.
- 7. Government Departments, GBEs and local governments would all automatically qualify for at least Level 2, regardless of their actual use. This requirement is intended to show government leadership. It would be good if the Authority could designate some members of this group as Level 1 users, for the same reason.

Finally, there should be a number of "carrots", particularly for the Level 2 users. Some possibilities are:

- Government Departments should have a formal policy of considering fuel reduction performance as an evaluation criterion for assessing potential suppliers for goods and services to the government.
- The Minister should host an annual Awards Night with awards given to Level 2 users for excellence in fuel reduction across various industry categories. There could be some separate awards for Level 1 users, and for voluntary reporters (those less than Level 2 users who voluntarily report into the online database).

4. Process to reduce emissions from land management.

The land management sector has several distinguishing aspects:

- 1 As carbon can be sequestered in soils and biomass, land can be managed to be a carbon sink as well as or instead of being a carbon source.
- 2 Some of the activities that farmers can do to help the climate emergency can also benefit their farming operations. For example: it is expected that methods

to reduce enteric fermentation methane emissions from livestock will increase their productivity; increasing the carbon stored in soil can improve its fertility and water holding properties; growing plantation shelterbelts on pastures can improve livestock well being and performance.

- 3 Many farmers take a long term view and wish to leave their properties in better condition than when they started.
- 4 Some mechanisms already exist which can provide famers and other land managers with an income stream from carbon sequestration activities. At the time of writing this is an area of active discussion within the Australian Government.

Climate Tasmania therefore recommends that a science focussed research, development, advisory, and agricultural extension approach is the most appropriate for the land management sector. Our recommendation is to:

- Establish a Carbon Farming Unit in the Department of Agriculture with strong links to the Tasmanian Institute of Agriculture. The Director, Carbon Farming should be a person with internationally recognised expertise and strong leadership.
- Develop the Carbon Farming Unit in two directions: the first being a research arm that carries out research in Tasmania on Tasmanian problems and issues; the second being an extension program with full-time extension officers in each of the three regions.
- Work with land managers to apply the latest science to their practices so they
 can emit less, sequester more, and take advantage of the productivity
 improvements and the income streams that are available.
- Include some carbon farming categories in the Minister's annual Awards Night
 to recognise exceptional land management achievements and to publicise what
 can be achieved in this area.

Finally, the Carbon Farming Unit's remit could be extended to include inshore Tasmanian waters to look at and, where possible, take advantage of the carbon sequestration and ecosystem restoration opportunities there.

Appendix 3: Summary of Jacobs recommendations and government response

The government's response to the final report [TasGov 2021] lists (p.11) the following responses to the Jacobs recommendations:

Jacobs recommendation	Government response
1. Amend the Act to legislate an emissions reduction target of net zero emissions from 2030.	Support
2. Amend the Act to consolidate the existing objects of the Act around five themes.	Support
3. Amend the Act to include a set of principles to guide climate action.	Support in principle*
4. Amend the Act to include the consideration of climate change in the development of relevant government policies, plans and strategies.	Support in principle*
5. Amend the Act to make the development of a Climate Action Plan a statutory requirement.	Support
6. Amend the Act to require a five-yearly statewide climate risk assessment to be completed.	Support
7. Amend the Act to include the completion of sector-based Decarbonisation and Resilience Plans.	Support

^{*} Although the government response says they support these recommendations 'in principle', implementation of them is not included in the exposure draft of legislative changes to the Act released by the Tasmanian Climate Change Office.

In relation to recommendation 3 the response argues that a government policy framework as part of a whole of government approach rather than legislated principles "provides for flexibility in the Government's future climate action".

In relation to recommendation 4 the government response again argues that a whole of government policy framework provides "flexibility for decision makers".

Appendix 4: A note on LULUCF

LULUCF is the acronym for "land use, land use change and forestry" – the sector which under the United Nations Framework Convention on Climate Change deals with terrestrial carbon sinks (processes, activities or mechanisms that remove greenhouse gases from the atmosphere).

Forests are a significant global carbon stock accumulated through growth of trees and an increase in soil carbon. Greenhouse gases are released when primary forests are converted to forests that are managed unsustainably. Conversely, sustainable management of degraded forests can increase carbon stocks and biodiversity.

The LULUCF sector has been the determining factor in lutruwita/Tasmania's achievement of net-zero emissions in recent years, due mainly to decreased harvesting activity since 2005.

For more information on this issue, see the Climate Tasmania fact sheet <u>Is Tasmania a</u> world leader in mitigating climate change?