

AIGN Comments on
National Adaptation Plan
Issues Paper
(March 2024)

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1 INTRODUCTION

AIGN welcomes the opportunity to contribute to the Department of Climate Change, Energy, the Environment and Water's (the Department) work on the **National Adaptation Plan** and its related issues paper.

2 ABOUT AIGN

The [Australian Industry Greenhouse Network](#) (AIGN) is a network of industry associations and individual businesses.

AIGN provides a forum for discussion on key climate change issues, offering information and analysis in the consideration of national and international climate change policy and the role industry can play in the transition to net-zero emissions by 2050.

AIGN supports an evidence and principles-based approach to climate policy development that prioritises environmental and social integrity, and economic efficiency; focuses on developing enduring policies; delivers broad coverage; and creates an environment in which Australia's trade competitiveness is supported.

AIGN has a broad membership base with a range of expertise in various sectors of the economy. In conjunction with this submission, the Department should consider submissions made by individual AIGN members.

3 CONTEXT

It is important that effective and enduring policies are in place to manage risk, as well as support investment and an orderly transition to a net-zero economy. This is the best way to meet our obligations under the Paris Agreement, including the Global Goal on Adaptation.

AIGN supports the Government's overall objective of a national climate change policy that reduces domestic greenhouse gas emissions at least cost and supports effective international efforts.

With the right policy signals, this can be achieved while maintaining a robust economy.

AIGN's members have a long history of compliance with national climate policies including the National Greenhouse and Energy Reporting Scheme (NGERS) and the related Safeguard Mechanism.

AIGN continues to support local approaches that can respond to the specific needs of a community and/or ecosystem.

3.1 Investment stability

Australia must prioritise the setting and maintaining conditions that support growth in a thriving economy transitioning towards a sustainable pathway, in line with Australia's net-zero by 2050 goal and broader Paris Agreement objectives.

These conditions should be designed thoughtfully, drawing on diverse expertise from both public and private sectors.

3.2 Investment settings

The issues paper addresses the need for investment across both adaptation and mitigation activity to achieve domestic and global climate ambition:

“The 2023 Intergenerational Report found that sustained action across adaptation and emissions reduction will be required to maintain productivity and fiscal sustainability, as well as achieve better social and environmental outcomes, with effective investments in resilience reducing costs to the economy in the long run.” (Issues Paper, p1)

One of the key objectives of the **National Adaptation Plan** is to drive a substantial uplift in private-sector investment (Issues Paper, p.10).

Policy uncertainty is a key risk factor for private investment and can act as a significant disincentive.

Long-term policy stability is highly desirable to potential investors. If incremental adjustments to the policy suite accrue over time and compliance complexity builds, it can erode the integrity of a strategic, long-term approach.

In the face of increasing uncertainty, investors become less likely to make significant capital investments.

Over time, this could result in ageing assets and diminished innovation, culminating in a stagnating economic landscape.

4 FEEDBACK ON ISSUES PAPER

AIGN's feedback on the issues paper highlights common themes that are relevant across our members' operations and sectors.

Addressing these collective issues will help unlock local adaptation capacity and initiative - AIGN members are committed to working effectively within the local communities in which they operate to support adaptation action.

4.1 Policy coordination

AIGN acknowledges the complexity of the adaptation agenda, including enhancing national resilience to climate-related impacts.

This is demonstrated in this issues paper, and highlighted in the recently released [National Climate Risk Assessment First pass assessment report](#).

This report is the second stage of three stages in the assessment process; with the anticipated second pass report elaborating on the eleven nationally significant adaptation and resilience risks identified. This work will inform the development and adoption of the National Adaptation Plan.

At present, there are around 60 implemented and developing Government policies, strategies, measures, and initiatives in place that have relevance to the adaptation agenda (see Appendix).

AIGN hopes the National Adaptation Plan will succeed in unifying the adaptation agenda into a coordinated, orderly policy space that promotes efficient and collective progress toward adaptation goals.

4.2 Roles and responsibilities for adaptation

AIGN agrees that adaptation policy should be a shared responsibility and that empowering those who are best placed to manage adaptation outcomes should be prioritised (Issues Paper, p.3).

We recognise that the Australian Government works on adaptation with state, territory, and local governments through the Energy and Climate Ministerial Council – which in 2012 under the previous COAG [Select Council on Climate Change](#) agreed to the role of the three levels of government.

AIGN supports an approach that empowers and assists locals in affected communities to effectively implement adaptation initiatives, bringing together local expertise and national support, including for disproportionately vulnerable communities and people.

In the interests of effective knowledge-sharing, the role of the Commonwealth Government could usefully include coordination to ensure Australia's adaptation approach is in line with the framework for assessing progress on the Global Goal on Adaptation and feeding information back to key adaptation players, for example through the Adaptation Working Group.

4.2.1 Role of public funding

The issues paper notes the Government is seeking feedback on the role the Clean Energy Finance Corporation (CEFC) could play in supporting the scaling up of adaptation investment (Issues Paper p.20).

AIGN notes the Energy Savings Package, which is designed to help households, local councils, and businesses access energy efficiency upgrades, includes \$1 billion to the CEFC to provide low-cost finance for energy-saving home upgrades.

The CEFC could offer comparable support to businesses seeking to invest in their adaptive capacity.

The Government should expand the remit of its considerations, including how agencies such as the Australian Renewable Energy Agency (ARENA) and others could contribute to catalysing private investment and growing public investment in adaptation initiatives.

4.3 Draft vision and key objectives

AIGN supports the draft vision for the plan, to see a reduction of climate impacts and harnessing of opportunities to manage and invest in Australia's economy, society, and natural and built environments by all levels of government, business, and the community.

The National Adaptation Plan can be instrumental in coordinating and disseminating information to promote effective adaptation, and AIGN supports efforts to improve the quality and provision of data to the community to guide adaptation priorities.

Analysis commissioned by the UK Climate Change Committee on Adaptation could be worth considering. The analysis indicated that the benefit-cost ratios for adaptation responses typically yield a £2 to £10 net economic benefit for every £1 invested (see [Watkiss 2022](#)).

For AIGN members, current operations and new projects will continue to consider climate mitigation, adaptation, resilience, and risk management in a conjoined way.

Similarly, it will generally be difficult to separate climate risk from other types of risk. These and other matters will need to be deliberated holistically at the project level.

Considering and managing climate risk is, in effect, already part of business-as-usual for AIGN members.

An important anticipated change to improve adaptation capacity will be the way information is gathered, reported, and shared so that informed investment and organisational choices can support domestic and global adaptation objectives.

4.4 Australian policies

The issues paper covers key existing and developing Australian Government policies that are (or will be) complementary to strengthening adaptation, reducing climate risk, and promoting sustainable prosperity.

AIGN members are, or will be, participating under several of these policies, including the National Greenhouse and Energy Reporting Scheme (NGERS) and the Safeguard Mechanism, as well as the impending Climate-Related Financial Disclosure framework.

AIGN members are committed to supporting the mandatory disclosure framework to improve the flow of information to investors to support investment in decarbonisation projects.

The Treasury is also working to develop a Sustainable Finance Strategy for Australia, which will be built around a sustainable finance taxonomy currently under development by the Australian Sustainable Finance Institute.

The establishment and operationalisation of the Net Zero Economic Authority is an important development in facilitating and coordinating Australia's climate policy response. A key focus of the Authority will be regional climate impacts on vulnerable communities, which will include meeting adaptation priorities.

AIGN members are involved in the consultation around the development of the six sectoral plans to support the Net-Zero 2050 Plan. It is unclear to what extent these processes may result in additional policies and changes to the existing climate policy suite. AIGN notes each sectoral plan will also consider adaptation and disaster resilience.

Climate risk and, to some degree, adaptation, are being considered as part of these processes and, as reflected in section 4.3 above, in AIGN members' business operations.

It is worth noting that potential decarbonisation projects are expected to be subject to multiple obligations under the above policies, including:

- New assurance requirements under the Safeguard Mechanism
- Climate-Related Financial Disclosure requirements
- Possible taxonomy screening
- Existing environmental approvals
- Other relevant policies (e.g. low-carbon fuel standard)

4.5 Managing adaptation and risk at the business level

A crucial consideration for AIGN members in this context revolves around the approvals processes for developing new projects which would contribute to Australia's decarbonisation pathway.

4.5.1 Project approvals

Australia's approvals policy framework is no longer fit for purpose.

Extensive work is required to achieve an approach capable of meeting the nation's need to achieve energy and industrial transformation in a relatively short timeframe.

AIGN urges the Government to undertake comprehensive and inclusive consultation on any proposed reforms.

Some AIGN members have reported concerns that communities and stakeholders are experiencing consultation fatigue from the demands being placed on them (e.g. cultural heritage surveys, and planning approvals).

This consultation often falls to a small group of people in these communities. This engagement is legitimately needed but is putting a significant burden on affected communities and stakeholders.

AIGN encourages the Government to investigate developing a single, integrated approval process. This process should involve all relevant parties (e.g., government, industry, First Nations, local communities, councils, health and safety services, etc) and should review how risk is defined and addressed in project approvals, to meet project and climate ambition timeframes while upholding environmental and social values.

The scale and timing of transformation the Government is aiming for is unprecedented. The sheer volume of project planning, approvals, and construction that must be contemplated is not possible within the current approvals system, while being consistent with a net-zero by 2050 target.

AIGN members are committed to continuing to be active and conscientious members of the communities in which they operate.

We look forward to further opportunities to engage with the Government on beneficial actions corporate citizens can take to support the adaptation and mitigation goals we have committed to under the Paris Agreement.

5 CONCLUSION

Thank you for the opportunity to provide input to the Department on this Issues Paper. AIGN welcomes future opportunities to engage in this process.

AIGN's position on climate change and energy policy is underpinned by our principles, which have been the basis of AIGN's contributions to the climate change policy discussion for many years (available on our website: www.aign.net.au).

6 APPENDIX: GOVERNMENT ADAPTATION FRAMEWORK

1. National Climate Risk Assessment (n.b., this Report is the ‘first’ of two ‘passes’).
2. National Adaptation Plan (responses to adaptation risks identified in the National Climate Risk Assessment).
3. Net Zero Plan (including 6 sectoral decarbonisation plans: electricity and energy, transport, industry, resources, the built environment, and agriculture and land).
4. Department of Health and Aged Care [National Health and Climate Strategy](#).
5. Department of Home Affairs National Emergency Management Agency (NEMA) - [National Disaster Risk Reduction Framework](#) including [Australia’s Second National Action Plan](#).
6. [National Partnership for Climate Projections](#).
7. National Environmental Science Program (NESP) [Climate Systems Hub](#).
8. [Australian Climate Service](#).
9. [Climate Risk and Opportunity Management Program](#).
10. [Sustainable Finance Strategy](#) (TSY); including [Australian sustainable finance taxonomy](#) (being developed by the Australian Sustainable Finance Institute).
11. Mandatory climate-related financial disclosure (TSY) and standards (AASB).
12. [Hazards Insurance Partnership](#) (partnership between the Government and the insurance industry, managed by NEMA).
13. [Disaster Ready Fund](#) (\$1B over 5 years from 1 July 2023; NEMA).
14. [Protect our Communities](#) (Disaster Resilience) Program (NEMA).
15. [Critical Infrastructure Risk Management Program](#) (Department of Home Affairs, Cyber and Infrastructure Security Centre).
16. [Critical Infrastructure Resilience Strategy](#) (2023); supported by the [Critical Infrastructure Resilience Plan](#).
17. [National Construction Code](#) (Australian Building Codes Board).
18. [Trajectory for Low Energy Buildings](#).
19. [Nationwide House Energy Rating Scheme](#) (NatHERS).
20. [National Australian Built Environment Rating System](#) (NABERS).
21. [2023 Infrastructure Policy Statement](#) (Department of Infrastructure Australia).
22. [Infrastructure Priority List](#) (Department of Infrastructure Australia).
23. [National Water Initiative](#).
24. [Water Efficiency Labelling and Standards scheme](#).
25. [National Freight and Supply Chain Strategy](#) (currently being updated).
26. [National Energy Performance Strategy](#).
27. \$1.6B [Energy Savings Package](#).
28. [Community Energy Upgrades Fund](#).
29. [National Urban Policy](#).
30. The [State of the Cities](#) report.
31. [National Cabinet priorities](#) include developing a national standard for considering disaster and climate risk in land use planning (by Plannig Ministers) – led by NSW.
32. The [Royal Commission into National Natural Disaster Arrangements](#).
33. [Australia’s Strategy for Nature](#) (2019-30).
34. [Nature Repair Act 2023](#) establishing a voluntary Nature Repair Market (biodiversity).
35. [Nature Positive Plan](#).
36. [Blue Carbon Conservation, Restoration and Accounting Program](#).
37. [Reef 2050 Long-Term Sustainability Plan](#).
38. [Reef Restoration and Adaptation Program](#) (NGO).
39. [Sustainable Ocean Plan](#).
40. [Murray-Darling Basin Plan](#).
41. [Great Artesian Basin Strategic Management Plan](#) (2019).
42. [Threatened Species Action Plan](#).
43. [Indigenous Protected Areas Program](#).
44. [National Representative System of Marine Protected Areas](#).
45. [National Seed Bank](#).
46. [Climate change toolkit](#) for Australia’s World Heritage properties.
47. [National Statement on Climate Change and Agriculture](#).
48. [National Drought Agreement](#).
49. \$5B [Future Drought Fund](#).
50. [National Soil Strategy](#).
51. [Climate-Smart Agriculture Program](#).
52. [Australian Agricultural Sustainability Framework](#) (NFF in partnership with Government).
53. [National Biosecurity Strategy 2022–2032](#).
54. [National Agreement on Closing the Gap](#).