

Senate Standing Committees on Environment and Communications
Committee Secretary
PO Box 6100
Parliament House
Canberra ACT 2600

10 August 2022

Greenpeace Australia Pacific Submission on the Climate Change Bill 2022 and the Climate Change (Consequential Amendments) Bill 2022

Dear Committee,

Greenpeace Australia Pacific (GPAP) welcomes the opportunity to provide a submission to the Senate Standing Committees on Environment and Communications on the Climate Change Bill 2022 and the Climate Change (Consequential Amendments) Bill 2022 (Consequential Amendments Bill).

Executive summary

Greenpeace

Greenpeace is a global environmental network dedicated to the mission of securing a world capable of nurturing life in all of its magnificent diversity. We are fully independent, accepting no funding from any government, business or political party anywhere in the world.

Greenpeace Australia Pacific is an autonomous entity headquartered in Sydney. More than 1.2 million people participate within the Greenpeace Australia Pacific network across all platforms, showing their support for ambitious climate action. Greenpeace considers the current trajectory of global warming to be the single greatest threat to human health, security, and well-being, as well as to global biodiversity. For these reasons we urge the Australian Government to take the strongest possible action on climate change, in line with credible pathways to limiting global warming to 1.5 degrees. We welcome the new Government's stated commitment to climate action after nearly a decade of inaction.

Greenpeace recognises that this Climate Change Bill is one of a suite of climate change commitments made by this Government. We welcome a broader dialogue on

the full range of laws and policies required to align Australia with the 1.5 degree goal of the Paris Agreement.

The Bill must lay groundwork for increasing targets in line with 1.5

A decade of inaction on climate change has seen Australia and its Pacific Island neighbours suffer through catastrophic bushfire, floods and cyclones, causing environmental, social and economic devastation. The Climate Change Bill thus provides a welcome foundation on which to build a safer climate future for Australians and our regional neighbours in the Pacific.

In regard to our neighbours it is important to note that while Pacific Islands countries rank high for vulnerability to climate change and low for preparedness to respond to its impacts,¹ they are amongst the lowest contributors to total historic emissions.² Vulnerability to climate change impacts such as rising sea levels and increased incidence of extreme weather events poses existential challenges to Pacific Islands peoples, who may be faced with loss of lands, livelihoods and culture. In addition to the profound impact on those affected, these impacts can be expected to contribute to regional instability including climate-induced migration.

Recent reports from the United Nations Intergovernmental Panel on Climate Change (IPCC) have found that climate impacts in Australia and the Pacific will be more intense, and take place sooner than expected, at lower climate heating thresholds than previously projected.³ There is a clear moral, environmental and economic imperative for high-emitting countries like Australia to vastly increase the urgency and scale of emissions reduction (and this is required by the principle of common but differentiated responsibilities). The years of inaction under the previous government have only increased the urgency of this task.

This Bill is a first step towards this, and amendments have made it clear that the 43% emissions reduction by 2030 target is a baseline upon which to build greater climate ambition. However, it must be understood by the Federal Government that 43% emissions reduction by 2030 is not sufficient to meet Australia's commitments under the Paris Agreement, let alone what climate science tells us is needed for a safer climate future for our region.

¹ University of Notre Dame, Global Adaptation Initiative (2020), *Rankings*:
<https://gain.nd.edu/our-work/country-index/rankings>

² ClimateWatch (2019), *Top 10 Greenhouse Gas Emitters*:
<https://www.climatewatchdata.org/key-visualizations?visualization=2>

³ Intergovernmental Panel on Climate Change, Working Group II (2022), *Climate Change 2022: Impacts, Adaptation and Vulnerability*, 'Summary for Policymakers', p. 13 (B.3.3.):
https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_SummaryForPolicymakers.pdf

The Bill must contain strong, clear language which sets out a pathway to increase Australia's emissions reduction target over coming years to match our commitments under the Paris Agreement.

Australia is a wealthy country with one of the highest per capita emission rates. Doing our "fair share" in global efforts to combat climate change therefore should entail emissions reductions greater than the global average. The Climate Targets Panel, a group of climate scientists and experts found that:

for Australia to remain within its remaining '2°' carbon budget, we would need to reduce emissions by 50% on 2005 levels by 2030, reaching net zero emissions by 2045. To remain within the remaining '1.5°' carbon budget, the targets would be 74% below 2005 levels by 2030 and net zero emissions by 2035.⁴

To remain consistent with our global commitments and the climate ambition required to protect Australians and the Pacific from worsening climate impacts, Australia's emissions reduction must increase to at least 75% by 2030. It is likely that this target will need to be revised upwards over time in line with the latest science, as the remaining carbon budget further declines.

Fossil fuel exports

Increasing Australia's domestic emissions reduction target is an important first step; however, it is important to recognise that Australia's greatest contribution to global warming is in the fossil fuels we export overseas. The total greenhouse gas emissions caused by the coal and oil we export greatly exceeds our domestic emissions.⁵ That means that the coal and gas we export is contributing directly to the devastating climate impacts we are seeing in Australia and the Pacific. For Australia to have a credible climate change policy consistent with the Paris Agreement, therefore, it must phase out fossil fuel exports in line with the 1.5 degree goal. We strongly urge the Australian government to introduce legislation to ensure alignment with this goal.

As a first step, this should include a commitment to ruling out new coal and gas projects, in line with the recommendation of the United Nations and International Energy Agency (IEA). The IPCC's latest report found that existing fossil infrastructure

⁴ J. Hewson et al. (March 2021), *Shifting the Burden: Australia's Emissions Reduction Tasks over Coming Decades*, Climate Targets Panel Report:

<https://www.climatecollege.unimelb.edu.au/australias-paris-agreement-pathways>

⁵ The Australia Institute (July 2019), *High Carbon from a Land Down Under: Quantifying CO2 from Australia's fossil fuel mining and exports*, https://australiainstitute.org.au/wp-content/uploads/2020/12/P667-High-Carbon-from-a-Land-Down-Under-WEB_0_0.pdf

alone will push the world over 1.5 degrees.⁶ Continuing to develop fossil fuel-based infrastructure will only ‘lock-in’ this high emissions trajectory.⁷ The clear implication is that opening up new fossil fuel basins, on land and at sea, is incompatible with limiting global warming to 1.5 degrees. The United Nations Secretary General, Antonio Guterres, recently put this starkly: “*Investing in new fossil fuels infrastructure is moral and economic madness*”.⁸

The International Energy Agency’s Net Zero Emissions by 2050 Scenario (NZE) also concludes: “*The rapid drop in oil and natural gas demand in the [Net Zero Emissions by 2050 Scenario] means... no new oil and natural gas fields are required beyond those that have already been approved for development*” (at May 2021).⁹ Greenpeace Australia Pacific welcomes a dialogue about the specific legislative mechanisms by which stopping new coal and gas projects can be achieved.

As a specific interim action tied to these Bills, we recommend that the Consequential Amendments Bill’s provision regarding the *Export Finance and Insurance Corporation Act 1991* requires the Export Finance and Insurance Corporation to align its investment decisions with the Paris Agreement.

Any new coal and gas projects will undermine Australia’s climate plan, and the intent of the Climate Change Bill to protect Australians and the Pacific from worsening climate impacts.

Another important place to address the climate impacts of new fossil fuel projects will be in the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). Currently, as the Samuel Review identified, the Act does not adequately address climate change.¹⁰ Greenpeace Australia Pacific recommends the insertion of a climate trigger into the EPBC Act. This would ensure that approval is required for new developments which have a significant impact on climate change and that those impacts would be taken into account in determining whether to approve the development. As a first step, the EPBC Act should be amended (by inclusion in the

⁶ Intergovernmental Panel on Climate Change, Working Group III (2022), *Climate Change 2022: Mitigation of Climate Change*, Summary for Policymakers, p. 20 (B.7.1):

https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SPM.pdf

⁷ Intergovernmental Panel on Climate Change, Working Group III (2022), *Climate Change 2022: Mitigation of Climate Change*, Summary for Policymakers, p. 20 (B.7.1):

https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SPM.pdf

⁸ United Nations (April 2022), Press release, Secretary General, ‘Secretary-General warns of climate emergency, calling Intergovernmental Panel’s report a ‘file of shame’, while saying leaders ‘are lying’, fuelling flames: <https://press.un.org/en/2022/sqsm21228.doc.htm>

⁹ International Energy Agency (May 2021), *Net Zero by 2050: A Roadmap for the Global Energy Sector*, pp. 20-21:

https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

¹⁰ Australian Government, Department of Agriculture, Water and the Environment (October 2020), *Independent Review of the EPBC Act*, Executive Summary:

<https://epbcactreview.environment.gov.au/resources/final-report/executive-summary>

Consequential Amendments Bill), to insert meeting the goals of the Paris Agreement (in particular as provided in Article 2) into the objects of the Act. We recognise that there is a broader process of EPBC Act Reform that will soon commence, and we welcome opportunities to feed into that process to ensure that our environmental protection laws are fit for purpose in light of ever-increasing climate change and climate impacts.

We also recommend including the full Scope 3 emissions of Australian fossil fuel projects in the advice required to be provided by the Climate Change Authority, and in the Climate Change Minister's regular Statement to Parliament. This will ensure that the welcome transparency measures in this Bill are extended to Australia's full climate contribution.

For existing major emitting projects, it is essential that there is an enforceable legal framework for emissions reductions in line with the 1.5 degree goal. Under the previous Government, unfortunately the Safeguard Mechanism was operated in such a way that emissions from most covered entities increased. Greenpeace Australia Pacific recommends that this is addressed by amending the *National Greenhouse and Energy Reporting Act 2007* (by including it in the Consequential Amendments Bill) to require that the caps placed on the facilities governed by the Safeguard Mechanism are consistent with Australia's commitments to the objectives of the Paris Agreement. It will also be essential to ensure that land-based offsets are not being used by covered entities to increase their fossil fuel emissions. Again, Greenpeace Australia Pacific would welcome the opportunity to provide input to the future design of the Safeguard Mechanism.

Transport emissions

The transport sector is Australia's third largest and fastest growing source of emissions after electricity and stationary energy.¹¹ Australia is one of the last developed countries in the world without standards regulating vehicle pollution, leaving our country as a dumping ground for high emitting vehicles that are driving up our carbon pollution and restricting electric vehicle opportunities for Australians.

As noted above, a 43% cut in emissions by 2030 is not sufficient to meet Australia's obligations under the Paris Agreement. However, even meeting the 43% emissions reduction target would require rapid cuts to transport emissions that are not detailed in the Climate Change Bill or Consequential Amendments Bill. GPAP urges the Federal Government to promptly legislate strong mandatory light vehicle emissions standards that would reduce CO₂ emissions as required to limit global warming to 1.5 degrees celsius. These standards must be robust enough to ensure that the transport sector

¹¹ PWC (2020), *Australia's Road to Zero Transport Emissions*, p. 3:
https://www.pwc.com.au/government/Australias-road-to-zero-transport-emissions_1.pdf

does its fair share of emissions reduction at the speed and scale required, rapidly addressing new vehicle sales as well as existing internal combustion engines in the national fleet.

Any standard introduced to regulate carbon emissions for road transport must match international benchmarks set by our neighbours in New Zealand and large international markets like the European Union, United Kingdom and United States. Without consequential amendments that adhere to the Climate Change Bill, by regulating sectors like road transport to support a 43% emissions cut, we will fail to meet the ambition of the Bill.

Renewable energy

A central component of the Federal Government's climate policies is a suite of measures to reduce emissions in Australia's domestic energy sector. These collectively amount to a commitment to achieve at least 82% renewable energy in the National Electricity Market (NEM) by 2030.¹² This aligns with the Australian Energy Market Operator's (AEMO) "step change" scenario in its 2022 Integrated Systems Plan, which forecasts the accelerated closure of polluting coal-burning power stations and concurrent rapid build of new renewable energy generation.¹³ This scenario is considered by the energy sector as the most likely to occur at this stage.

However, it is probable that AEMO's "hydrogen superpower" scenario will be considered the most likely scenario when AEMO updates its Integrated Systems Plan in 2024. This follows the pattern of past AEMO forecasts where the most ambitious scenario quickly becomes the new reality (in the 2020 Integrated System Plan the step change scenario was considered the ambitious but not likely scenario).¹⁴ If this does occur, this would see even greater investment and jobs in renewable energy and the closure of all coal-burning power stations in Australia by the early 2030s. This scenario aligns with calls from the United Nations and International Energy Agency for Australia to cease burning coal for electricity by 2030.^{15 16}

¹² RepuTex Energy (December 2021), *The Economic Impact of the ALP's Powering Australia Plan*, <https://www.reputex.com/research-insights/report-the-economic-impact-of-the-alps-powering-australia-plan/>

¹³ Australian Energy Market Operator (June 2022), *2022 Integrated System Plan (ISP)*, <https://aemo.com.au/en/energy-systems/major-publications/integrated-system-plan-isp/2022-integrated-system-plan-isp>

¹⁴ Australian Energy Market Operator (July 2020), *2020 Integrated System Plan (ISP)*, <https://aemo.com.au/en/energy-systems/major-publications/integrated-system-plan-isp/2020-integrated-system-plan-isp>

¹⁵ M. Mazengarb (March 2021), 'UN chief demands Australia ends "deadly addiction" to coal by 2030', *Renew Economy*: <https://reneweconomy.com.au/un-demands-rich-countries-end-deadly-addiction-to-coal-by-2030/>

¹⁶ International Energy Agency (May 2021), *Net Zero by 2050: A Roadmap for the Global Energy Sector*, pp. 20-21:

The Federal Government should prepare for and pursue AEMO's hydrogen superpower scenario. This would allow for the significant lifting of ambition of the 43% emissions reduction target and position Australia well for the economic benefits of a rapid and clean energy transition. This will involve the expansion of policies to support renewable energy growth and importantly, planning and support packages for local communities affected by coal power station closures.

Forests and land

The land sector is an area of significant potential additional emission reductions beyond the current suite of Federal Government policies. In particular, halting deforestation and investing significantly in landscape-scale restoration will allow the Federal Government to further raise ambition well beyond the 43% emission reduction target. This aligns with the Glasgow Leaders' Declaration on Forests and Land Use, of which Australia is signatory, "to halt and reverse forest loss and land degradation by 2030".¹⁷

Carbon emissions from deforestation are buried in Australia's Land Use, Land-Use Change and Forestry sector (LULUCF) accounts. This masks the significant source of emissions caused by land use and forestry, as the sectoral figure is presented as a net number - including gains from regrowth of ecosystems following flood, fires and land clearing. Currently, the Federal Government estimates emissions from deforestation at about 31 million tonnes per annum (about 6% of Australia's annual domestic emissions).¹⁸

However, this data is both seriously flawed and incomplete, representing a significant underestimate of both the problem and opportunity. For example, the Federal Government data (National Greenhouse Accounts) vastly underestimates deforestation in Queensland - in 2019 by a staggering 463,000 hectares.¹⁹ In addition, the data does not account for land clearing of sparse bushland, does not incorporate disaggregated data of emissions from native forest logging and fails to account for ongoing soil

https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

¹⁷ UN Climate Change Conference UK (COP26) (November 2021), 'Glasgow Leaders' Declaration on Forests and Land Use': <https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/>

¹⁸ Australian Government, Department of Industry, Science and Resources (December 2020), 'Australia's Emissions Projections 2020':

<https://www.industry.gov.au/data-and-publications/australias-emissions-projections-2020#:~:text=Australia%20has%20committed%20to%20reduce,the%20period%202021%20to%202030>.

¹⁹ Queensland Government (August 2019), *Statewide Landcover and Trees Study (SLATS) 2018-2019 Report*:

<https://www.qld.gov.au/environment/land/management/mapping/statewide-monitoring/slats/slats-reports/2018-19-report>

erosion caused by deforestation. When factoring in these important omissions, the true emissions from deforestation could be well above 50 million tonnes per annum.²⁰

The Federal Government should develop a comprehensive suite of policies to reduce emissions in the land sector and encourage mass drawdown of carbon through natural ecosystem restoration. This includes tighter regulation of deforestation through the reform of Australia's national environment laws and a role for the national Environment Protection Agency to oversee improved monitoring and the phase out of this destructive practice across the country.

Australia's fair share of climate finance

Climate scientists have calculated that countries with the most responsibility for greenhouse gas emissions must contribute their 'fair share' of climate finance to poorer countries to fund large-scale mitigation. Without this, it will not be possible to achieve the 1.5 degree global warming limit outlined in the Paris Agreement.²¹ The obligation of developed countries such as Australia to make climate finance contributions to developing countries is covered by the Copenhagen Accord and the Paris Agreement. Australia was one of several UN member states that signed the Copenhagen Accord at COP15, a commitment for developed countries to jointly mobilise \$100 billion USD a year by 2020 to address the mitigation and adaptation needs of developing countries. This commitment was reaffirmed in the Paris Agreement.

The \$100 billion USD annual target has still not been reached and will not be reached until 2023, based on analysis from the OECD.²² The Climate Action Tracker run by climate scientists at Climate Analytics ranks Australia's climate finance as "critically insufficient", as its contributions "have been low and are not in line with any interpretation of a fair approach to meeting the Paris Agreement's 1.5 degree limit".²³

Greenpeace Australia Pacific supports the demands of developing countries, particularly the Pacific Island countries in our remit, for increased climate finance from Australia. Between 2022 and 2025, the Federal Government should commit to

²⁰ The Wilderness Society (2017), *Towards Zero Deforestation*, https://www.climatechangeauthority.gov.au/sites/default/files/2020-06/CFI%202017%20August/Submissions/TWS_ZERO_DEFORESTATION.pdf

²¹ United Nations Framework Convention on Climate Change (nd.), 'Introduction to Climate Finance': <https://unfccc.int/topics/climate-finance/the-big-picture/introduction-to-climate-finance>

²² OECD (2021), *Forward Looking Scenarios of Climate Finance Provided and Mobilised by Developed Countries in 2021-2025*, OECD Publishing Paris: <https://www.oecd.org/environment/forward-looking-scenarios-of-climate-finance-provided-and-mobilised-by-developed-countries-in-2021-2025-a53aac3b-en.htm>

²³ Climate Action Tracker (August 2022), 'Australia: Country summary': <https://climateactiontracker.org/countries/australia/>

increase its climate finance contributions to \$3 billion annually.²⁴ By 2026, this must increase to \$12 billion annually for Australia to meet its fair share.²⁵

While the Climate Change Bill and Consequential Amendments Bill are understandably domestic in focus, climate change is a global problem and Australia's emissions have contributed to climate impacts experienced around the world - including by our Pacific Island neighbours. As such, our international and domestic climate mitigation policies must be aligned.

Equality and Inclusion

While the impacts of climate change affect everyone, people experiencing social and financial disadvantage are likely to feel these impacts first and worst. Likewise a slow and poorly managed transition to net zero has the potential to exacerbate inequality in our communities. Greenpeace Australia Pacific supports the call from the Australian Council of Social Service to strengthen the Climate Change Bill by ensuring government and agencies have regard to social equity and inclusion in developing policies, procedures and processes to achieve emissions reduction targets.

Recommendations

To reiterate, GPAP welcomes the Climate Change Bill and Consequential Amendments Bill as providing an important baseline from which to build Australia's climate ambition. However, GPAP's position aligns with that of the scientific community: greenhouse gas emissions must be cut by at least 75% by 2030, and net zero by 2035, in order to limit global warming to 1.5 degrees. The IPCC's Sixth Assessment Report has reaffirmed the necessity to limit global warming to 1.5 degrees. 1.5 degrees is a critical threshold that, if surpassed, will lead to more severe and more frequent climate impacts, irreversible biodiversity loss and will make further mitigation and adaptation (including climate resilient development) more difficult.²⁶

In this submission, Greenpeace Australia Pacific has made the following recommendations:

²⁴ *Fairer Futures: Financing Global Climate Solutions*, co-led by Oxfam Australia, ActionAid Australia, Climate Council, The Australia Institute, Edmund Rice Centre and Greenpeace Australia Pacific (October 2021): <https://www.oxfam.org.au/wp-content/uploads/2021/10/OXF063-Climate-Finance-Report-WEB.pdf>

²⁵ *Fairer Futures: Financing Global Climate Solutions*, co-led by Oxfam Australia, ActionAid Australia, Climate Council, The Australia Institute, Edmund Rice Centre and Greenpeace Australia Pacific (October 2021): <https://www.oxfam.org.au/wp-content/uploads/2021/10/OXF063-Climate-Finance-Report-WEB.pdf>

²⁶ Intergovernmental Panel on Climate Change, Working Group II (2022), *Impacts, Adaptation and Vulnerability*, Summary for Policymakers, pp.13-19: https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_SummaryForPolicymakers.pdf

- The Climate Change Bill should contain strong, clear language that sets out a pathway to increase Australia's emission reduction target over the coming years to match our commitments under the Paris Agreement.
 - Australia's emissions reduction must increase to at least 75% by 2030 to ensure Australia is doing its fair share to limit global warming to 1.5 degrees.
- The Climate Change Bill should include a commitment to ruling out new coal, oil and gas projects in line with the recommendation of the UN and IEA.
- The Consequential Amendments Bill's provision regarding the *Export Finance and Insurance Corporation Act 1991* should require the Export Finance and Insurance Corporation to align its investment decisions with the Paris Agreement.
- The *Environment Protection and Biodiversity Conservation Act 1999* should be amended, by inclusion in the Consequential Amendments Bill, to insert meeting the Paris Agreement goals into the objects of the Act.
- Full scope 3 emissions should be included in the advice that the Climate Change Authority provides to the Climate Change Minister, and in the Minister's regular Statement to Parliament.
- *The National Greenhouse and Energy Reporting Act 2007* should be amended, by inclusion in the Consequential Amendments Bill, to require that caps placed on coal, oil and gas facilities governed by the Safeguard Mechanism are consistent with Australia's commitment to the Paris Agreement.
- The Federal Government should legislate strong vehicle emissions standards to ensure Australia's transport sector emissions do not undermine the objectives of the Climate Change Bill.
 - These standards should match international benchmarks set by similar markets such as NZ, the EU, UK and US.
- The Federal Government should act swiftly, through the introduction of a comprehensive suite of policies, to ensure that emissions from deforestation do not undermine the objectives of the Climate Change Bill.
 - This suite of policies should align with the Glasgow Leaders' Declaration on Forests and Land Use, of which Australia is a signatory, "to halt and reverse forest loss and land degradation by 2030".
- The Federal Government should increase its climate finance contributions to developing countries, in line with its fair share, to ensure that climate mitigation around the world is taking place at the scale and pace needed to limit global warming to 1.5 degrees.
 - Between 2022 and 2025, the Federal Government should commit to increase its climate finance contributions to \$3 billion annually. By 2026, this should increase to \$12 billion annually for Australia to meet its fair share.

- The Federal government and agencies should have regard to social equity and inclusion in developing policies, procedures and processes to achieve emissions reduction targets.

We thank the Committee for their time in considering our submission and would welcome the opportunity for further dialogue.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Regester', written in a cursive style.

Sam Regester
Campaigns Manager
Greenpeace Australia Pacific