

24 February 2023

Submitted [online](#)

GS Submission Re. Safeguard Mechanism Reform

Geelong Sustainability welcomes the opportunity to provide this submission regarding the government's reforms to the Safeguard Mechanism. We congratulate the Albanese government on taking practical climate action including legislating a 43% emissions reduction target by 2030 and for ramping up the Safeguard Mechanism to require big emitters to start taking climate change seriously.

About Geelong Sustainability

Geelong Sustainability (GS) is a not-for-profit incorporated community association established in 2007. Our volunteer-led, independent and apolitical organisation is also a Registered Environmental Organisation and charity with DGR status. We recognise that there is a global climate emergency and that effective climate action over the next decade is crucial! We also know that a fast and fair transition will deliver economic opportunities and ecological benefits for Geelong and its people. We work to empower the bold transformative action with activities focused on four UN Sustainable Development Goals: 1) Climate Action, 2) Renewable Energy, 3) Circular Economy and 4) Sustainable Cities.

As the Safeguard Mechanism applies to facilities emitting more than 100,000 tonnes CO₂-e each year, these 215 large industrial facilities are clearly the nation's biggest emitters. It's only fair that they are required to act decisively to progressively reduce their emissions. It's abhorrent to realise that in the first five years, the Safeguard Mechanism let pollution from oil and gas mining increase by 20%.

Australia cannot meet its legislated emissions reduction targets and make real progress on tackling harmful climate change if we do not get the levers of the Safeguard Mechanism right. We cannot solve the climate crisis if polluters can just buy their way out of action with much cheaper carbon offsets. Polluters must be required to make genuine verifiable reductions in their emissions intensity. The recent Four Corners program exposed shady carbon offset schemes in Papua New Guinea. The more recent natural disasters in New Zealand have destroyed carbon storage forestry projects. The public needs to see real climate action from the big polluters, not clever carbon accounting that's covering up pollution-as-usual.

In keeping with the scientific data, our supporters oppose new coal and gas projects. We do accept that during the energy transition to net zero, new sources of coking coal may be required. However all new fossil fuel projects must fit within the existing finite carbon budget.

As a nation, we need to get gas out of our homes and workplaces. It is an inefficient and unhealthy way to heat water and spaces. Geelong Sustainability will be running an All-Electric program for households and businesses with support from local councils this year. We continue to advocate for a ban on reticulated gas supply to new and in-fill housing estates. We are strongly opposed to Viva Energy's proposed LNG import terminal in Corio Bay on environmental, social and safety reasons. As Dr Saul Griffith has shown in his recent text, *The Big Switch*, Australia could be a winner in a decarbonised world if we went hard and electrified everything.

It is very worrying to know that there are currently over 100 new coal and gas projects in the development pipeline in Australia. It is estimated these planned projects could result in almost 1.7 billion tonnes more CO₂-e emissions annually if they all proceeded. This is more than three times Australia's annual emissions. While a large portion of these emissions would be released overseas, when it comes to climate change, national boundaries are meaningless.

If the government contends that the Safeguard Mechanism is not the appropriate vehicle to use to ban new coal and gas projects, then it must find the right vehicle. We urge the government to insert a climate trigger into the *Environment Protection and Biodiversity Conservation (EPBC) Act*.

Geelong Sustainability supports the views of the Australian Conservation Foundation and the Climate Council. We believe the revised Safeguard Mechanism must achieve the following objectives.

- To ensure its levers are strong enough to force the big polluters to actually start cutting their pollution now and to develop staged plans to reduce emissions progressively towards net zero over the next decade.
- To require facilities to demonstrate practical steps and/or investments that they are taking to genuinely reduce emissions **before** being able to purchase Safeguard Mechanism Credits (SMCs) or Australian Carbon Credit Units (ACCUs) to meet their regulated baselines.
- To require polluters to phase out their reliance on ACCUs. These offsets must be a last resort, for dealing with the small share of emissions that cannot be avoided or reduced, rather than an easy opt-out of action pathway.
- To require facilities to use SMCs to account for any remaining emissions before purchasing ACCUs, given their more direct equivalence to the type of emissions produced within the scheme.
- To require all funding provided to facilities through the Powering the Regions Fund to be used to support business transformation by investing in genuine process and/or technology changes.
- To require all new fossil fuel facilities to account for all their emissions without reliance on ACCUs. Neither should they have access to more lenient baseline decline rates.
- To provide a legislative pathway that provides certainty for investment in renewables and emissions reduction.
- To consider establishing a scheme whereby SMCs were paid directly to the government to fund energy efficiency and renewable projects in the community, especially for disadvantaged households.

As Mary Robinson, chair of the Elders Group of former world leaders said at COP27 in Egypt, 'The world remains on the brink of climate catastrophe. Progress made on cutting emissions has been too slow. We are on the cusp of a clean energy world, but only if G20 leaders live up to their responsibilities, keep their word and strengthen their will. The onus is on them.'

Climate action was the key issue at our federal election last year. Australians are increasingly experiencing the devastating impacts of climate change from bushfires to floods to droughts to cyclones to coastal erosion to biodiversity loss and soil degradation.

The window of opportunity to stabilise our climate is closing. It's must be now ie. this decade or it'll be too late! We urge the Albanese government to structure the Safeguard Mechanism to deliver real emissions reductions, to include transparent public reporting requirements and levers to enable it to be ramped up as required by the scientific data.

Getting the policy levers right will deliver enormous environmental, economic and social benefits as our nation transforms and transitions to a net zero clean energy circular economy.

Thank you for the opportunity to submit a public comment and contribute to the environmental assessment of this proposal.

Yours sincerely,

Vicki Perrett, Climate Advocate

Geelong Sustainability

| w: www.geelong sustainability.org.au