



# Friends of the Earth Australia

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## **Re: Climate Change Bill 2022 and the Climate Change (Consequential Amendments) Bill 2022**

Friends of the Earth (Australia) welcomes both the introduction of the Bill and the opportunity to provide comment on it.

Friends of the Earth Australia (FoEA) is a member-based, not-for-profit organisation that has existed for nearly 50 years in Australia, and is part of FoE International—the world’s largest grassroots environmental network. Our work embodies the belief that social and environmental issues cannot be separated from each other. With this philosophy, FoE campaigns for climate solutions that have both social and environmental justice at their core. We seek to work toward a sustainable and equitable future, and to operate in a way that empowers communities.

### **A welcome first step to lift national ambition**

After a decade of inaction under Coalition governments led by climate action laggards, this piece of legislation represents a significant step forward for Australia. It signals that Australia has re-entered the global community as a responsible member, rather than a blocker on collective action, as the world grapples with worsening impacts of the climate crisis. The target is now seen as a ‘floor’ rather than a ‘ceiling’ and paves the way for policies that drive continued upward ambition.

We note that the 43% target is a massive improvement on the previous 26-28% target - a target which was consistent with a catastrophic 3-4°C of warming. The target was also lower than the amount of emissions reduction that Australia is expected to achieve by 2030 on the current ‘business-as-usual’ trajectory.

We commend several notable positive aspects of the legislation:

- The amendments will provide more rigour to the system by establishing a process to review the target every five years. This was done by adding reference to Article 2 of the Paris

Agreement – which aims to limit global temperatures to 2°C maximum and strive for closer to 1.5°C above pre-industrial levels.

- The amendments mean that the independent Climate Change Authority must include the Paris Agreement obligations when advising on setting new emissions reduction targets.

### **The target weighed against the latest climate science**

Using the 43% target to establish broad consensus among stakeholders for stronger ambition is an initial important step to reset Australia's approach to climate action under the Albanese government.

However, climate science makes it abundantly clear that a 43% reduction on 2005 levels by 2030 is nowhere near enough to avert catastrophic climate impacts.

Over the last twelve months, the IPCC and International Energy Agency (IEA) have released updated analysis which shows that urgent accelerations in emissions reductions are now needed.

The IEA's 2021 report on decarbonising the energy sector makes the case that for the world to meet the 1.5°C challenge, 'there can be no new investments in oil, gas and coal, from now – from this year.'

In 2021, research by the Climate Targets Panel—a group of eminent climate scientists—showed emissions must be eliminated by 2035 for Australia to deliver a Paris-compliant target for 1.5°C.

The case for accelerated emissions reduction is strengthened by the evidence that climate impacts are already hitting communities and ecosystems to levels worse than scientists predicted.

According to research from Climate Analytics:

*'The ALP's 2030 target of a 43% emissions reduction is consistent with 2°C of warming globally. Under this level of warming, if sustained, the Great Barrier Reef would very likely be destroyed, along with all other tropical reefs in Australia and elsewhere. At the global level the most extreme heat events could be about three times more frequent than in recent decades, and in Australia the highest maximum temperatures about 1.7°C hotter. In other words, an intense heat event that might have occurred once in a decade in recent decades could occur about every three years and would be significantly hotter.'*

Backing the latest and best-available climate science, Friends of the Earth supports the call for the national emissions reduction target to be increased 75% by 2030.

It is essential that the climate bill continues to be strengthened as it is debated in the Senate, including the inclusion of stronger language to make it easier for legislated targets to be updated when Australia strengthens its targets as part of the Paris Agreement. **To align with the science, the target will need to be ratcheted up quickly and significantly.**

### **Australia's responsibility in the international community**

There is acceptance among global leaders that the COP26 agreement was not enough to avert dangerous climate impacts.

As a country with abundant resources to drive the society-wide transformation required, Australia is in a position to significantly increase our domestic ambition. Under the UNFCCC principle of Common But Differentiated Responsibility, Australia, as a wealthy country and large exporter of fossil fuels, has an obligation to accelerate our national emissions reduction faster than developing countries which have historically contributed less to the causes of climate change.

Bolder action from Australia will signal our Pacific Island Nation neighbours that we are responding to the climate crisis with the urgency required. The island nations, many of which are threatened with inundation from sea level rise this century, repeatedly condemned the Morrison government for its failure to set strong targets aligned with limiting warming to 1.5°C. While welcoming Australia's increased ambition since the election of the Albanese government, several leaders have emphasised that our national target is still not high enough to limit global warming to levels which would protect the vulnerable nations.

### **Recommendations to strengthen climate commitments**

Friends of the Earth makes the following recommendations to strengthen the Bill:

**Scope 3 Emissions:** The Climate Bill's emissions reduction target does not consider Scope 3 Emissions; that is emissions from the fossil fuels that Australia exports. Australia is the world's third largest exporter of fossil fuels, behind Russia and Saudi Arabia. The emissions from the coal and gas extracted in Australia and burnt overseas should be considered and accounted for in our national climate policy. When Australia's fossil fuel exports and what is burned domestically are combined, Australia ranks fifth behind China, the US, Russia and Saudi Arabia in global responsibility for carbon dioxide from extractive fossil industries. The federal government should be considered responsible for all fossil fuels extracted in Australia: fossil fuels that use up the global carbon budget no matter where they are burnt. New fossil fuel export projects should not be approved under our new climate commitments, and planning is required to phase out our current fossil fuel export industry.

**Consistency in legislation:** The consequential amendments to the Bill are both inconsistent and weak. Some require agencies to consider the targets when making decisions, while others make it optional. The Climate Bill should require that government agencies not make decisions that are inconsistent with the targets and inconsistent with the commitment to reach net zero by 2050.

**Ruling out biomass:** The Climate Change (Consequential Amendments) Bill 2022 would add another objective to the Renewable Energy (Electricity) Act's objectives. The added object is for the Renewable Energy Act 'to contribute to the achievement of Australia's greenhouse gas emissions reduction targets.'

While this is a welcome addition, the definition of what is defined as Renewable Energy needs to be amended. The current definition of renewable energy in the Renewable Energy Act allows for burning of wood waste, including native forest wood waste for electricity generation. The definition of Renewable Energy should be changed to exclude burning wood waste and native forest wood as an allowable source of renewable energy.

The classification of native forest biomass and wood waste burning as an allowable source of renewable energy could facilitate further destruction of Australia's native forests and wildlife habitat by creating a new market for burning native forest wood for electricity.

All forms of wood burning should be removed from the definition of renewable energy. The consequential amendment of the Climate Bill should be used to update the definition of renewable

energy to exclude wood burning and native forest biomass and ensure that all renewable energy generation is ecologically sustainable.

Specifically, the Renewable Energy (Electricity) Act 2000, and any other relevant instruments, must prohibit “wood obtained from native forests” being eligible for Renewable Energy Certificates, particularly large-scale generation certificates (LGCs). This can be done by amending clause 17 “(2) Despite subsection (1), the following energy sources are not eligible renewable energy sources” to include “wood obtained from native forests”

### **Beyond the climate legislation: consistency in a whole-of-government approach**

The Climate Bill will need to be backed up by a consistent approach across government, to ensure that our emissions reduction efforts under the Bill are not undone by contradictory policies elsewhere. Complimentary policy action to go with strengthened climate legislation will need to include:

**Linking with environmental law reform:** It is essential that Australia adds a ‘Climate Trigger’ into our federal environmental laws. This would give the government legal power to stop new coal and gas extraction projects on the basis of the environmental damage caused by the projects’ contribution to the climate crisis. The national environmental laws (the EPBC Act) currently do not require new coal and gas projects to be assessed for their contribution to climate change. The Climate Bill should require that all new proposed projects' impact on the climate be assessed. Projects that are inconsistent with the targets set by climate legislation should not be approved.

**The Safeguard Mechanism:** The government will soon need to legislate how pollution will be cut with the ‘Safeguard Mechanism’. It is essential that government strengthen this mechanism.

**Integrity in spending:** The government must prevent further subsidies, handouts or concessions going to fossil fuel corporations from the federal budget.

**A Just Transition Authority.** The transition to 100% renewables, storage and energy efficiency is happening faster than many people expected. With the inevitable change comes anxiety about job loss, and the resulting impacts on affected communities. Workers, communities and business all need certainty in how the transition will occur. The federal government should establish a Just Transition Authority to help all affected communities, business and state and local governments to ensure a Just and Fair Transition.

**No new coal, oil or gas:** To align with the best-available science, the government must refuse any new coal or gas projects, including Beetaloo and Scarborough.

Additionally, Australia’s coal mines are emitting huge amounts of methane: a greenhouse gas with a global warming potential 25 times that of carbon dioxide. New research by climate think tank Ember shows Australia's methane emissions from coal mines are twice as high as nationally reported estimates, with some mines leaking up to 10 times more methane than officially reported. Methane emissions are scope 1 emissions: the emissions at the mine site. These emissions are considered in the Climate Bill’s emissions reduction target. If we are to meet the Climate Bill’s target, new methane emitting coal mines cannot be opened, and we need to begin to phase out coal mines.

The International Energy Agency, in its report outlining that the world does have a viable pathway to building a global energy sector with net-zero emissions by 2050 notes that to have an ‘even chance of limiting the global temperature rise to 1.5 °C’ then ‘from today, (there can be) no investment in

new fossil fuel supply projects, and no further final investment decisions for new unabated coal plants’.

**CONCLUSION:**

We are facing a climate crisis. When it comes to tackling this issue, governments must acknowledge that an ounce of prevention is worth a pound of cure. All levels of government must act on the best available science and set out to eliminate human sources of greenhouse gas emissions as soon as possible.

FoE acknowledges the work of all stakeholders and parties involved to get us to this point of upward ambition and collaboration for stronger climate action, and welcomes the opportunity to have input into the process. We believe the recommendations presented in this submission will strengthen our national response to the climate crisis.

For further comment on this submission, please contact:

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