

# Response to the Albanese Government's Consultation on the Proposed Design of the Safeguard Mechanism Reform

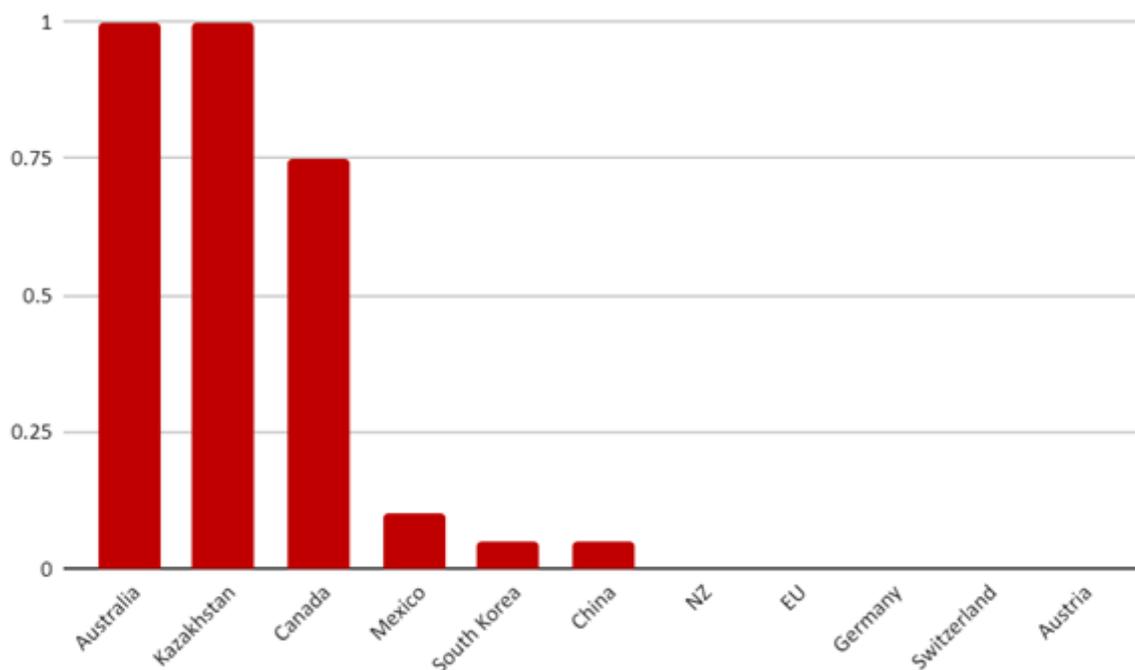
February 2023

From the signatory organisations

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The signatory community organisations, representing ordinary people from across Australia, welcome the opportunity to provide input to the proposed changes to the climate Safeguard Mechanism.

- Australia needs to genuinely cut pollution to protect our communities. We need quick and deep reductions to emissions, by far more than 43%, to avoid the worst impacts of harmful climate change. If Australia fails to reduce pollution, our communities will be exposed to intensified climate-caused catastrophes in Australia. **We call on the Albanese Government to back the community, not the polluters.**
- Our members and their communities are doing their bit. Households are installing rooftop solar at a world-leading pace and signing up to green electricity providers. People are cycling to work, shifting to public transport, and adopting electric vehicles.
- The same cannot be said of most facilities covered by the Safeguard Mechanism. Collectively, the pollution from these major emitters has increased over the last decade. Industrial polluters are responsible for 28 percent of Australia's emissions. It's time for them to pull their weight and genuinely reduce climate pollution. If the 12 largest fossil fuel polluters - the 'Dirty Dozen' - and the industrial sector do not do their fair share, other parts of our community will have to do more. A greater burden will be put on Australian households, small businesses, farmers and others.
- **The proposed reforms must do more to protect our communities.** We recommend the following minimum changes to ensure industry reduces emissions to protect us from the worst impacts of harmful climate change.
- First, we need real cuts to carbon emissions at their source, not continued pollution-as-usual plus offsets. If Australia allows unlimited use of offsets, we will have policies in stark contrast to the rest of the developed world. The country with the closest policy alignment will be Kazakhstan.



Kazakhstan is the only other country to allow unlimited access to carbon offsets. Canada is next in line with offsets being available for up to 75% of emissions reduction accounting. The Canadian Government restricts the types of offsets, however, so in practice this figure is more restrained.

- Carbon offsets and directly cutting pollution are not the same. Regenerating and protecting forests is good for climate and nature, but it is not the equivalent to stopping emissions at sources. Regenerated forests cannot be guaranteed as permanent, due to risks such as fires and droughts, which will increase with climate change. Will a regenerated forest be there in 50 or 100 years? Much of the carbon dioxide and methane released by Woodside and Santos will be.
- The Safeguard Mechanism should therefore prioritise genuine emissions reduction from industrial polluters. Offsets should be a last resort, only for hard to abate sectors demonstrating that reducing their emissions is impossible. Australia needs industries and jobs fit for future Australians, which means changing practices and adopting technologies for our net zero future. Facilities must demonstrate they have adopted practices and are implementing technologies that cut their emissions before having access to offsets. And the offsets they access should be of the highest integrity, prioritising credits from emissions reductions by other Safeguard Mechanism facilities.
- At a minimum, we recommend the following changes:
  - Facilities should show there are steps being implemented to genuinely reduce emissions before being able to purchase Safeguard Mechanism Credits (SMCs) or Australian Carbon Credit Units (ACCUs) to meet their regulated baseline limits.
  - Facilities should 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.
  - The use of offsets should be progressively phased down.
  - All funding provided to facilities through the Powering the Regions Fund should be used to support genuine process or technology changes, not offsets.

- **Second, new coal, oil and gas projects cannot proceed if we are to hold back catastrophic climate change.** Every new coal and gas project would push Australia even further on the highway to climate hell. The estimated emissions of the more than 100 proposed new fossil fuel projects are more than three times Australia's annual emissions. Emissions from the proposed Scarborough project alone would make it nearly impossible for Australia to meet its 43% emissions reduction commitment.
- Huge amounts of additional pollution come at a significant cost to Australian communities, who will suffer the impacts of harmful climate change. The government should require any new fossil fuel facilities under the safeguard mechanism to operate at net zero emissions from day one. In addition the government should rule out any special deals for these facilities. Will the Albanese Government show leadership by stopping new highly polluting fossil fuel projects?
- If governments do permit new fossil fuel projects as addressed in the previous point, we recommend no less than the following changes:
  - New fossil fuel facilities should be required to account for all of their emissions without reliance on ACCUs.
  - This would mean new coal and gas projects would need to first avoid and minimise emissions to ensure they are as low as possible, and then acquire SMCs to address any remaining emissions over their baselines. In practice, this means new fossil fuel entrants would be required to achieve net zero emissions from facility commencement, without the use of offsets outside the scheme.
  - New coal and gas facilities should not have access to special deals or support which is intended to help existing facilities cut their emissions.
  - This includes no access to funds offered to trade-exposed facilities through the Powering the Regions Fund nor a more lenient baseline decline rate.

## Conclusion

**We cannot afford to miss this opportunity and call on the Albanese Government to be bolder.** Australia must do its bit to prevent harmful human-caused global warming. We need real cuts to carbon emissions at their source and we need to stop opening new coal, oil or gas projects. A stronger Safeguard Mechanism would ensure our members and communities benefit from the many opportunities ahead: job and industry creation and a safe and liveable environment for Australians now and in the future.

**We, the following community organisations, call on the Albanese Government to show leadership and back our communities, not polluters.**



**Friends of the Earth Melbourne**



**GLEN EIRA EMERGENCY CLIMATE ACTION NETWORK**



**FutureSooner**

Working towards a clean energy future for the Central Coast and Lake Macquarie



**MACKAY CONSERVATION GROUP**



**SHASA**  
Southcoast Health and Sustainability Alliance



**Sustainable Living Armidale**



**Bushfire Survivors for Climate Action**



**ACF Community Albury Wodonga Region**  
Independently organised ACF group



**AUSTRALIAN PARENTS FOR CLIMATE ACTION**



*lighter footprints*



**darebin climate action now**  
alphington - fairfield - northcote - preston - reservoir - thornbury

