
10 AUGUST 2022

ACF Submission

Climate Change Bill 2022 and Climate Change (Consequential Amendments) Bill 2022

The Australian Conservation Foundation (ACF) 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.

Introduction

ACF is Australia's national environment organisation. We are over 700,000 people who speak out for the air we breathe, the water we drink, and the places and wildlife we love. We are proudly independent, non-partisan and funded by donations from our community.

ACF believes that Australia and the world face an unprecedented climate and mass extinction crisis caused first and foremost by digging up and burning fossil fuels like coal, oil, and gas. Australia needs a national approach to reduce climate emissions in line with the science-based temperature goals that Australia committed to under the Paris Agreement.

ACF welcomes the fact of that we can consider, and provide input, on a Climate Change Bill after nearly a decade of climate inaction.

A lack of climate policy and weak federal commitments have had both domestic and international impacts. Australia has been labelled [a global climate laggard](#), has offended Pacific neighbours, and in recent years has been noted for consistently ranking near the bottom of global climate performance comparisons, including the climate change performance index, which ranked Australia [last on climate policy](#). Australia's global standing has been reduced by our refusal to do our part on climate change and without action it is likely that our trade negotiations and exports would be impacted negatively including through carbon border adjustment taxes.



Domestically, our greenhouse gas emissions have been on an upward trend. Despite a dip due to covid-19, emissions in many sectors continue to increase. This includes sectors such as transport, fugitive emissions, stationary energy, and agriculture.¹

We have seen positive results in the electricity sector, but these emissions reductions have occurred despite a lack of federal climate and energy policy-- largely driven by states and territories, households choosing solar PV and the fact that renewable energy is the cheapest form of new energy in Australia.

Many Australians have experienced stress and frustration seeing the climate crisis unfold in ways that are frightening and increasingly impacting their lives, but without sufficient federal government response. Most Australians know that climate change is here now and requires urgent action.

As such, ACF appreciates the opportunity to provide input on the Climate Change Bill 2022 and the Climate Change (Consequential Amendments) Bill 2022, which are before the Committee.

ACF recognises that the Climate Change Bill 2022 was constructed for a narrow purpose:

- To enshrine Australia's 2030 and net zero emissions reduction targets formally committed under the Paris Agreement, in legislation.
- To give new advisory functions to the Climate Change Authority.
- To commit to an annual climate change statement to Parliament.

While there is much more that is needed, and much more that has been committed by the Albanese Government that will require further legislation, ACF will focus our comments on maximising the objectives that have been set for the two Bills, trusting that additional policy and legislation will follow.

Climate Change Bill 2022

Signal intention to exceed emissions reduction targets

The government has made clear its position that a commitment to 43% emissions reduction based on 2005 levels by 2030 was taken to the election, received a mandate, and is all that will be enshrined in law at this stage. The government has accepted that 43% will be treated as a floor, not a ceiling, and words

¹ <https://www.dceew.gov.au/climate-change/publications/national-greenhouse-gas-inventory-quarterly-update-december-2021>



have been added to the Bill to that effect. Still, it would be remiss not to state in this submission that 43% is a good step forward but is not enough to meet the Paris Agreement commitment of keeping global warming to 2 degrees or to pursue a 1.5-degree limit to global warming.

Australia has benefitted from the work of climate policy experts including the Climate Targets Panel, which recently applied the methodology used by the Climate Change Authority in 2014 to provide updated advice on a fair carbon budget and appropriate emissions reduction targets. The Climate Targets Panel's expert analysis 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 2035.²

Noting that Australia must increase ambition as soon as possible to be consistent with Paris temperature goals, it is critical that the Bill state clearly and explicitly that 43% is a floor, and that there is no limit on exceeding 43% by 2030. This is particularly important since states, territories and many in the finance and business sectors already have commitments that exceed 43% by 2030 and are working to net zero by 2050.

In addition to wording in the Bill that establishes that 43% is a floor, the Bill should reflect the intention to **preferably exceed** the targets (i.e., that the Australian Government and relevant statutory authorities are working to 'meet and (preferably) exceed' the targets). Explicitly stating that the 'target' is to 'preferably' exceed the Nationally Determined Contribution (NDC) would give relevant statutory authorities a clear mandate to seek to exceed those reductions even if the federal government (or a future government) did not increase the target. The definition in clause 5, which points to Section 10 of the Climate Change Bill could include a reference to exceeding targets.

Current text:

Subsection (1) does not prevent or limit the exercise of the executive power of the Commonwealth to:

- (a) prepare and communicate a new nationally determined contribution in accordance with Article 4 of the Paris Agreement; or
- (b) adjust Australia's nationally determined contribution in accordance with paragraph 11 of Article 4 of the Paris Agreement

² <https://www.climatecollege.unimelb.edu.au/australias-paris-agreement-pathways>



Recommendation: Add (c) and (d) as below:

(c) meet and preferably exceed the greenhouse gas emissions reduction targets set out in paragraphs 10(1)(a) and (b); and

(d) in any other case— **meeting, and preferably exceeding**, the greenhouse gas emissions reduction targets included in Australia’s nationally determined contribution communicated in accordance with Article 4 of the Paris Agreement, as adjusted and in force from time to time.

Targets should be implemented as emissions budgets in line with NDC updates beyond 2030

In addition, in defining Australia’s greenhouse gas emissions reduction targets it should be noted that they will be implemented as a series of emissions budgets beyond the period 2021 to 2030 established in Section 10 (below).

10 Australia’s greenhouse gas emissions reduction targets

(1) Australia’s greenhouse gas emissions reduction targets are as follows:

- (a) reducing Australia’s net greenhouse gas emissions to 43% below 2005 levels by 2030:
 - (i) implemented as a point target; and
 - (ii) implemented as an emissions budget covering the period 2021 to 2030;
- (b) reducing Australia’s net greenhouse gas emissions to zero by 2050.

Recommendation: Add a further clause to Section 10 (b), that would read as follows:

- (i) implemented as a series of emissions budgets calculated in increments in line with progressive updates to Australia’s national determined contributions.

Reflect updated NDCs back into the Bill

The definition of Australia’s greenhouse gas emissions reduction targets in the Climate Change Bill does not automatically get updated when Australia increases our NDC under the Paris Agreement. Neither does the Bill provide a mechanism by which the targets may be updated through a legislative instrument, an option that would provide Parliamentary oversight through disallowance.

Instead, it anticipates the making and variation of Australia’s Nationally Determined Contributions directly under the Paris Agreement. One of the problems related to this disconnect is that the remainder of the Bill including the progress reports delivered in annual climate change statements will remain connected to the legislated target. Any new or updated targets will require an amendment to the existing



legislation.

Recommendation: Ensure that increases to Australia’s NDC are reflected back into the Bill so that all of the provisions in the Bill remain connected to our enhanced targets under the Paris Agreement. To maintain Parliamentary scrutiny this could be via legislative instrument, or by updating the current Bill to have this effect.

Re-word so that statements become obligations when setting new NDCs

Subclauses 10(5) and (6) of the Bill relates to the process for setting the new nationally determined contribution under the Paris Agreement, however these subclauses are written as *statements rather than obligations*.

Recommendation: Replace Subclauses 10(5) and (6) with a new subclause 10(5), which imposes an obligation. The new subclause 10(5) could read:

- (5) The Commonwealth must, in accordance with the Paris Agreement, prepare and communicate a new nationally determined contribution, which must represent an enhancement of Australia’s level of ambition and a progression beyond:
 - (a) Australia’s then current nationally determined contribution communicated in accordance with Article 4 of the Paris Agreement; or
 - (b) if that nationally determined contribution has been adjusted in accordance with paragraph 11 of Article 4 of the Paris Agreement—that nationally determined contribution, as adjusted and in force from time to time.

Ensure that Climate Change Authority provides science-based advice

In all references to Climate Change Authority advice, ‘science-based’ should be inserted before advice. In Section 5, (Definitions), science-based advice should be defined as follows:

Science-based advice means advice informed by the latest available scientific evidence and data, prepared by individuals with relevant scientific expertise.

Recommendation: Update all references to Climate Change Authority advice - relevant sections include 4, 5, 14, and 15 – to include ‘science-based’ and define science-based advice as above in Definitions.



Add reporting requirement for scope 3 emissions to the Annual Climate Change Statement

The annual climate change statement is intended to be a transparent progress report, which will be tabled in Parliament and will deliver accountability in achieving Australia's emission reduction targets. As outlined in the Bill, it will cover:

- the progress made during the year towards achieving the targets;
- international developments during the year that are relevant to addressing climate change;
- climate change policy; and
- the effectiveness of the Commonwealth's climate change policies in contributing to the achievement of the targets.

The annual statement is not currently intended to cover how Australia is progressing on emissions that are not directly covered under the Paris Agreement – specifically, scope 3 emissions—but it is an important opportunity to add this requirement. There is no doubt that as one of the largest fossil fuel exporters in the world Australia's scope 3 emissions are globally significant. Even though national emissions reported to the United Nations only include domestic emissions, the impacts of the CO₂ on the climate are the same, whether they are burned in Australia or overseas.

For example, in 2020, it was calculated that emissions from coal mined in Australia but exported and burnt overseas were almost double the nation's domestic greenhouse gas footprint.³

Australia's exported emissions principally come from two sources: coal and liquefied natural gas (LNG). Australia also exports relatively small amounts of crude oil and liquefied petroleum gas (LPG), a refinery product. There is limited understanding of the impacts of these exports on the climate. Although it is possible to claim they are the responsibility of the countries that import, and then burn them, Australia has a global responsibility—and an enormous opportunity -- to transition our climate damaging exports to clean options. The opportunities include exports related to clean energy such as green hydrogen and ammonia, green metals, clean products, manufactured goods using renewable energy, and related skills. The annual climate change statement provides an opportunity to begin tracking the progression of this transition from dirty to clean and Australia's efforts to assist with global decarbonisation instead of fuelling the crisis.

³ <https://www.theguardian.com/environment/2021/jun/02/australian-coal-burnt-overseas-creates-nearly-twice-the-nations-domestic-emissions>



Recommendation: Add a tracking and reporting on exported emissions (i.e., scope 3 emissions) to the annual climate change statement.

Safeguard Mechanism should be added to future consequential amendments and assist in stopping new coal, oil and gas projects

As noted in the introduction to this submission, ACF accepts that the Climate Change Bill has a narrow focus and there will be other legislation and additional policy development to fulfill the federal government's climate commitments. However, it must be noted that the current climate emergency does not leave room for new fossil fuel projects. The International Energy Agency stated clearly in May 2021 after conducting analysis on the remaining feasibility of keeping global warming as close to 1.5 degrees as possible and identifying a roadmap to net zero by 2050, that there can be no new coal, oil, or gas projects if the global energy sector is to help avoid catastrophic climate change.

As such, in parallel with the effort to pass the Climate Change Bill and enshrine targets in law, a link should be made to other policies that will do the work to achieve the targets. A central policy mechanism that the federal government has committed to use for this purpose is the Safeguard Mechanism. The Safeguard Mechanism will help to predictably drive down the emissions of Australia's approximately 215 biggest polluters. Turning the Safeguard Mechanism into an emissions reduction tool will be a welcome revision that will also provide greater certainty for the facilities captured under the Mechanism.

The Safeguard Mechanism can also play a part in changing the economics of potential new coal, oil, and gas projects. This should be a further goal of the revised Safeguard Mechanism.

Given the reform process underway and the potential amendments that may be required to the *National Greenhouse and Energy Reporting Act 2007*, it is understandable that it is not included in the current Consequential Amendments. However, it should remain under consideration for future amendments.

Recommendation: Consider consequential amendments to the Safeguard Mechanism through the process committed by the Minister that will proceed over the next 12 months. Ensure the Safeguard Mechanism contributes effectively to achieving Australia's emissions reduction targets and meeting commitments under the Paris Agreements.

Environment Protection and Biodiversity Conservation Act

The Environment Protection and Biodiversity Conservation Act (EPBC Act) is undergoing reform and is not currently noted as a consequential amendment. However, as with the Safeguard Mechanism mentioned above, the EPBC Act should be included in consequential amendments once settled.



Equally, climate change considerations including Australia's climate commitments and the impacts of climate change on Matters of National Environmental Significance (amongst many other considerations) will need to be included in decision making under the EPBC Act including any assessment or approval processes under the Act.

One of the glaring deficiencies of the EPBC Act is that it does not integrate climate change considerations, and there is no means to ensure that climate resilience and climate change impacts can be directly accounted for in the EPBC decision making process. Among other matters, consideration of a 'climate trigger' or threshold that ensures climate change is brought into the Act will be essential to ensure this integration.

Recommendation: ACF will provide detailed recommendations through the EPBC reform process. However, for the purposes of this submission we recommend that the EPBC Act be included in Climate Bill 2022 consequential amendments once the existing process to update the EPBC Act ensures clear integration of climate commitments and climate impacts in all assessment and approval processes, including through implementation of a 'climate trigger'.

Whole of government contribution to meeting emissions reduction targets

The Climate Change (Consequential Amendments) Bill 2022 is a welcome addition to the Climate Change Bill, yet even with this range of consequential amendments, there is more that can be done to extend the reach of Australia's climate commitments across government including through funding and expenditure decisions.

Recommendation: Add a provision to the Climate Change Bill that:

- (a) funding and expenditure by the Commonwealth, Commonwealth entities and Commonwealth corporations should, where practicable, contribute to Australia meeting its greenhouse gas emissions reduction targets; and
- (b) an entity which is granting a licence, permit, approval or other authorisation (however described) under a law of the Commonwealth must (in addition to any matter referred to in that law) must have regard to whether the licence, permit, approval or other authorisation (however described) will contribute to Australia meeting its greenhouse gas emissions reduction targets.



Climate Change (Consequential Amendments) Bill 2022

Consequential Amendments to the Australian Renewable Energy Agency Act 2011

The consequential amendments related to the Australian Renewable Energy Agency (ARENA) Act 2011 would (amongst other amendments) add a third object to the Act.

Currently, the object of the ARENA Act, as set out in Section 3 is as follows.

The main object of this Act is to:

- (a) improve the competitiveness of renewable energy technologies; and
- (b) increase the supply of renewable energy in Australia.

The consequential amendments would add (c) facilitate the achievement of Australia's greenhouse gas emissions reduction targets.

It is a useful update to ensure that ARENA facilitates the achievement of the targets, however adding this as an object of the Act would expand ARENA's remit, and potentially allow inclusion of 'technologies' such as carbon capture and storage, which would be a distraction from ARENA's core mission. The additional wording should be included, but not as a new object of the Act.

Recommendation: Instead of adding a new element to the object of the ARENA Act, which includes 'facilitate the achievement of Australia's greenhouse gas emissions reduction targets' this wording should be added to the existing object as follows:

The main object of this Act is to:

- (a) improve the competitiveness of renewable energy technologies; and
- (b) increase the supply of renewable energy in Australia, in a way that contributes to the achievement of Australia's greenhouse gas emissions reduction targets.

Consequential Amendments to Renewable Energy (Electricity) Act 2000

The Objects of the Renewable Energy (Electricity) Act would be updated by the Consequential Amendments to add (d) below.

The objects of this Act are:

- (a) to encourage the additional generation of electricity from renewable sources; and



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- (b) to reduce emissions of greenhouse gases in the electricity sector; and
 - (c) to ensure that renewable energy sources are ecologically sustainable; and
 - (d) to contribute to the achievement of Australia's greenhouse gas emissions reduction targets.

This is a useful addition but there is a further adjustment that should be made to ensure that renewable energy sources are genuinely ecologically sustainable and contribute to achieving emissions reduction.

In particular, the definition of renewable energy should be revised to exclude burning wood waste (i.e., biomass), particularly native forest wood waste. Reasons are set out below.

- **The most desirable path to draw down carbon is to protect and restore natural forests**, thereby reducing emissions and removing atmospheric carbon dioxide while supporting biodiversity, resilience and well-being.
- **The conservation values of Australia's native forests are already under threat.** Australian forests have been over-exploited for decades to meet unrealistic supply contracts. We face a wildlife extinction crisis and loss of habitat from logging is a major cause. Throughout the country logging degrades vast tracts for native forest, reducing water quality and quantity in catchments and lessening rain-making capacity.
- **Forest burning burns the lungs of our land and there is no need for it because Australia has some of the best solar and wind resources in the world.** Our renewable energy goals can be more than met by wind and solar, which are genuinely renewable energy sources. Classifying biomass as 'renewable energy' allows it to take assistance from the real renewable energy industry – including new, large-scale wind and solar PV plants, and green hydrogen made via electrolysis – while also harming ecosystems and emitting greenhouse gases as further outlined below.
- **Native forests are more valuable left intact, sequestering huge stores of carbon.** Logging and burning native forests release a lot of CO₂ pollution. Burning native forest biomass for electricity generation depletes forest carbon stocks and emits more carbon pollution than burning fossil fuels per unit of energy. According to the global [Environmental Paper Network](#) (EPN) burning huge volumes of wood as a substitute for burning coal is at least as emissive and climate damaging as coal in the short time frame to 2050. Despite efforts to develop a means of burning forest biomass, then applying carbon capture and storage technologies to address the emissions, such technologies remain unproven at scale and cannot be relied upon as a solution to allow forest burning. Protecting Australia's native forests would reduce emissions by tens of millions of tonnes of carbon per year and should be a priority.



- **Burning biomass drives deforestation.** There is already enormous pressure on Australia's remaining native forests and encouraging biomass for energy – even if from plantation forest wood - drives deforestation. Eastern Australia was recently highlighted as a **global deforestation hotspot** and government policies should not encourage further deforestation.
- **Biomass power is very inefficient.** Burning biomass requires a huge amount of wood to make a small amount of electricity and they therefore need a large, ongoing source of wood for fuel.
- **Whole trees can be used to fuel the furnaces:** The definition of 'waste' already used by the woodchip industry is any tree not suitable for saw-logging. This ranges from 30–75 per cent of the total volume, and in some instances up to 90 per cent, of the wood removed from a logged forest.

Recommendation: Remove all forms of wood burning from the definition of renewable energy and use this consequential amendment to update the renewable electricity definition to ensure that all renewable electricity genuinely contributes to the achievement of Australia's greenhouse gas emissions reduction targets.

Consequential Amendments to Clean Energy Regulator Act 2011

Items 19 to 22 of Schedule 1 to the Consequential Bill provides for amendments to the *Clean Energy Regulator Act 2011 (CER Act)*. However, the consequential amendments to the CER Act do not amend the definition of 'international climate change agreement' in section 4 of the CER Act. Further, while there is the ability to develop regulations that would prescribe functions for the Regulator that relate to contributing to the achievement of Australia's greenhouse gas emissions reduction targets, if there are no regulations, the amendments made by the Consequential Bill will have no impact on the Regulator. The recommendations below would address these issues.

Recommendation: The Consequential Bill should:

- (c) amend the definition of 'international climate change agreement' in section 4 of the CER Act, to explicitly provide that the Paris Agreement is an international climate change agreement; and
- (d) add a new item 20A of Schedule 1 to the Consequential Bill should insert a subsection 11(3) into the CER Act, to provide that the Clean Energy Regulator is to contribute to Australia achieving its greenhouse gas emissions reduction targets.



Consequential Amendments to Export Finance and Insurance Corporation Act 1991

The current draft of the Climate Change (Consequential Amendments) Bill 2022 requires Export Finance Australia (EFA) to have regard to the Paris Agreement and Australia's greenhouse gas emissions reduction targets in performing its functions. Although this would be a step forward, the impact would likely be limited.

The requirement for EFA to consider emissions reduction targets would not limit financing of Australian fossil fuel projects where the coal or gas is entirely or largely intended for export, as the emissions from the burning of these fuels would not count towards Australia's emissions reduction targets. It also would not prevent investment in fossil fuels overseas.

In addition, the requirement for EFA to consider the Paris Agreement is general and leaves loopholes for EFA to finance fossil fuel companies. It would be challenging to show that any individual fossil fuel investment is inconsistent with the Paris Agreement, and EFA will only be required to 'have regard to' the agreement.

Recommendations: The Consequential Bill should require EFA to align its investment decisions with the Paris Agreement and Australia's greenhouse gas emissions reduction targets, rather than just 'have regard to' these matters (which is the current wording). This could be done by inserting a new subsection 8(2)(c) into the EFIC Act:

(2) In performing its functions EFIC must:

(c) Align its investment decisions with the Paris Agreement and contribute to achieving Australia's greenhouse gas emissions reduction targets.

Consequential Amendments to Northern Australia Infrastructure Facility Act 2016

The current draft of the Climate Change (Consequential Amendments) Bill 2022 empowers Northern Australia Infrastructure Facility (NAIF) to make investments that contribute to the achievement of Australia's greenhouse gas emissions reduction targets.

However, these amendments are very limited in their potential effect for the following reasons.

- The amendments, in effect, extend the functions of the NAIF so that it can fund entities other than States and Territories to fund infrastructure 'contributing to the achievement of Australia's greenhouse gas emissions reduction targets.'
- NAIF already has the power to invest in projects that reduce Australia's emissions, so this change is unlikely to modify NAIF's investments. The change to the NAIF Act only applies to direct investments from the Commonwealth, not to investments through States and Territories, which are majority of their investments.



- Moreover, the amendments:
 - do not provide that it is an objective of the Act to facilitate the achievement of Australia's greenhouse gas emissions reduction targets;
 - do not provide that the Facility should have regard to Australia's Greenhouse Gas Emissions Reduction Targets.

Recommendations: Strengthen wording related to the Paris Agreement and Australia's emissions reduction targets. Require NAIF to align its investments to the Paris Agreement and Australia's greenhouse gas emissions reduction targets. This could be done by inserting a new subsection into section 9 (Investment Mandate) of the [NAIF Act](#):

9(5) The Investment Mandate must require NAIF to ensure its investments align with the Paris Agreement and contribute to achieving Australia's greenhouse gas emissions reduction targets.

The Board must take all reasonable steps to ensure that the Facility and its subsidiaries comply with the legislated investment mandate.

These changes would pave the way for the *Northern Australia Infrastructure Facility Investment Mandate Direction 2021* to be amended to either require all investment decisions to be aligned with the Paris Agreement, or to specifically restrict fossil fuel investments.

The [Northern Australia Infrastructure Facility Investment Mandate Direction 2021](#) is a legislative instrument that tells NAIF what to prioritise for financing. Schedule 1 sets out the Mandatory Criteria for all NAIF investments. This should be amended to add mandatory criteria that any proposed project aligns with the Paris Agreement and Australia's greenhouse gas emissions reduction targets.

Consequential Amendments to Infrastructure Australia Act 2008

Items 41 to 44 of Schedule 1 to the Consequential Bill provide for amendments to the *Infrastructure Australia Act 2008 (IA Act)*. The consequential amendments to the IA Act provide that Australia's emissions reduction targets need to be considered by Infrastructure Australia in various situations, but these considerations are subservient to the core concept of 'national productivity', which does not include consideration of greenhouse gas emissions.

Recommendations: The concept of 'productivity' should include consideration of externalities or greenhouse gas emissions. We recommend that a subsection 3(2) be inserted into the IA Act, which provides:

For the purposes of this Act, whether a proposed investment will improve national productivity or result in productivity gains, includes consideration of whether the investment will reduce greenhouse gas emissions.



Consequential Amendments to the Offshore Electricity Infrastructure Act 2021

Schedule 1 to the Consequential Bill amends the Offshore Electricity Infrastructure Act 2021 (**OEI Act**), however the Consequential Bill does not amend the objects of the OEI Act. It is important that the objects are amended so it is clear that general discretions under the OEI Act are exercised in a manner that facilitates the achievement of Australia's emissions reduction targets. A further issue is that it does not provide that the Minister must, when granting a commercial licence under s 42 of the OEI Act, have regard to the emissions reduction targets.

Recommendations: The Consequential Bill should amend the OEI Act by:

- (e) inserting a requirement into section 42(5) of the OEI Act that the Minister must have regard to Australia's emissions reduction targets;
- (f) inserting the following words into section 3 of the OEI Act (regarding Objects): 'facilitate the achievement of Australia's greenhouse gas emissions reduction targets';
- (g) as a result of the above amendment, section 3 of the OEI Act would read:

The object of this Act is to facilitate the achievement of Australia's greenhouse gas emissions reduction targets and provide an effective regulatory framework for:

- (a) offshore renewable energy infrastructure; and
- (b) offshore electricity transmission infrastructure.

Consequential Amendments to the Science and Industry Research Act 1949

Items 57 and 58 of Schedule 1 to the Consequential Bill amend the *Science and Industry Research Act 1949* (**SIR Act**). Item 57 of Schedule does not yet insert a definition of Australia's greenhouse gas emissions reduction targets (which means that it does not incorporate the proposed aspect of preferably exceeding Australia's Nationally Determined Contribution).

Item 58 provides that Commonwealth Scientific and Industrial Research Organisation (**CSIRO**) may carry out research for various purposes, including contributing to giving effect to Australia's obligations under the Paris Agreement. However, the functions outlined in paragraphs 9(1)(b) to (j) of the SIR Act do not need to be exercised consistently with the Paris Agreement.

Recommendations: The Consequential Bill should amend the SIR Act by:

- inserting a definition of Australia's greenhouse gas emissions reduction targets into section 7 of the SIR Act; and
- amending section 9(2) of the SIR Act to provide that CSIRO shall facilitate the achievement of



Australia's greenhouse gas emissions reduction targets.

Consequential Amendments to Offshore Petroleum and Greenhouse Gas Storage Act 2006

Schedule 1 to the Consequential Bill does not currently amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (**OPGGS Act**).

The OPGGS Act and associated regulations provide the legal framework for the exploration and recovery of petroleum and greenhouse gas activities in Commonwealth waters (those areas that are more than three nautical miles from the territorial seal baseline).

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) is established under the OPGGS Act with principal functions are as follows:

- to promote the occupational health and safety (OHS) of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations
- to develop and implement effective monitoring and enforcement strategies to ensure compliance under the OPGGS Act and regulations
- to investigate accidents, occurrences and circumstances relating to OHS, well integrity and environmental management
- to advise on matters relating to OHS, well integrity and environmental management
- to make reports, including recommendations, to the responsible Commonwealth minister and each responsible state and Northern Territory minister
- to cooperate with other Commonwealth and state or Northern Territory agencies or authorities having functions relating to regulated operations

It is a logical consequence of the Climate Change Bill that amendments be made to the OPGGS Act and that these amendments flow through to NOPSEMA.

Recommendation: The Consequential Amendments Bill should amend the OPGGS Act:

- (a) amend section 7 of the OPGGS Act, by inserting the definition of Australia's greenhouse gas emissions reduction targets;
- (b) require consideration of Australia's greenhouse gas emissions reduction targets, as part of the decision making under the OPGGS Act;
- (c) insert the following words into section 3 of the OPGGS Act (regarding Objects):
'facilitate the achievement of Australia's greenhouse gas emissions reduction targets.'

As a result of the above amendments, section 3 of the OPGGS Act would read:

"The object of this Act is to facilitate the achievement of Australia's greenhouse gas emissions



reduction targets and provide an effective regulatory framework for:

- (a) petroleum exploration and recovery; and
- (b) the injection and storage of greenhouse gas substances in offshore areas.”

Kind regards,

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