



13 October 2022

Committee Secretary
Senate Standing Committee on Environment and Communications
PO Box 6100
Parliament House
CANBERRA ACT 2600
By email: ec.sen@aph.gov.au

Dear Committee Secretary

Submission on Environment Protection and Biodiversity Conservation Amendment (Climate Trigger) Bill 2022

The Minerals Council of Australia (MCA) welcomes the opportunity to provide a submission to the Senate Environment and Communications Committee inquiry in relation to the *Environment Protection and Biodiversity Conservation Amendment (Climate Trigger) Bill 2022* (the bill).

The MCA represents Australia's exploration, mining and minerals processing industry, nationally and internationally, in its contribution to sustainable development and society.

The MCA supports robust environmental regulation that is both efficient and effective in achieving the sustainable development outcomes expected by the Australian community. The MCA supports the industry's ambition to achieve net zero emissions by 2050 in support of the goals of the Paris Agreement. The MCA recognises the need for reform, and is currently engaging with the Australian Government on reform of the safeguards mechanism.

Furthermore, the Australian minerals industry is committed to the protection of Australia's unique environment. MCA member companies are signatories to *Enduring Value – the Australian Minerals Industry Framework for Sustainable Development*, key principles of which include continual improvement in environmental performance and contributing to biodiversity and integrated land use planning approaches. The principles of Enduring Value are consistent with the United Nations' Sustainable Development Goals.

In June 2020, the MCA and members launched the Climate Action Plan as a clear commitment to do the work needed to achieve net zero emissions. In addition, MCA members are adopting 'Towards Sustainable Mining', a leading sustainability system for measuring and enhancing site level performance. This includes specific criteria for biodiversity conservation and management, water stewardship and climate change that will support the Climate Action Plan.

This bill would potentially jeopardise the achievement of Australia's climate targets by introducing mechanisms that successive reviews have found to be counterproductive to emissions reduction efforts – as such, the MCA does not support the passage of the bill.

Carbon emissions are best regulated under a fit-for-purpose national policy on climate change

The MCA supports sensible reform to set Australia on the necessary course of reducing national emissions sustainably over time towards net zero by 2050. The Government's 2030 target of a 43 per cent reduction in GHG emissions below 2005 levels has provided much needed certainty for industry and investment – and reflects previous commitments to develop a fit-for-purpose approach specifically designed to reduce emissions in a responsible manner.

These targets have been set through the *Climate Change Act 2022* (Cth) (Climate Act) and the *Climate Change (Consequential Amendments) Act 2022* (Cth) (the Consequential Amendments Act). The Department of Climate Change, Energy, Environment and Water (DCCEEW) is now consulting on options to reform the safeguard mechanism to help industry reduce emissions in line with Australia's climate targets.

The MCA does not support the use of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (the EPBC Act) to address Australia's contribution to climate change as there are more efficient and effective mechanisms than the EPBC Act for regulating carbon emissions. Addressing emissions on a project-by-project basis as part of the approvals process is inefficient and focuses efforts on a narrow set of point sources, and, an isolated approvals-based approach that is disconnected from broader government climate change and energy policy is not an efficient approach to managing carbon emissions.

Furthermore, a climate trigger under the EPBC Act would also be unwieldy, likely capturing a large number of activities which would simply require more government, community and industry resources without addressing broader global concerns.

Given the multi-factor nature of climate change and carbon emissions, climate change matters should be addressed through a fit-for-purpose national policy framework – such as the current proposals by the Australian Government on safeguard mechanism reform.

A climate trigger was rejected by the Independent Review of the EPBC Act

The October 2020 Independent Review of the EPBC Act by Professor Graeme Samuel AC specifically considered the need for a climate trigger, as proposed in this bill. In relation to the climate trigger, the review stated:

Successive Australian Governments have elected to adopt specific policy mechanisms to implement their commitments to reduce emissions. The Review agrees that these specific mechanisms, not the EPBC Act, are the appropriate way to place limits on greenhouse gas emissions.

Similarly, in 2020, the Department of Industry, Science, Energy and Resources' submission to the Senate Environment and Communications Legislation Committee's inquiry into the *Environment Protection and Biodiversity Conservation Amendment (Climate Trigger) Bill 2020* stated:

The EPBC Act is not considered to be the most appropriate mechanism to drive emissions reductions or ensure fulfilment of Australia's international obligations.

The bill would increase the cost of reducing emissions and reaching net zero

Australia's ability to successfully reduce emissions and adapt to climate change will rely on a strong economy, including a robust and internationally competitive Australian mining industry. Mining is essential for the transition to net zero emissions by 2050. Further, the economic contribution of mining is essential to supporting the range of policies the Australian Government is bringing to this task.

This includes the contribution that can come from modifications to the safeguard mechanism. It is the combination of fit-for-purpose policy instruments working together with a competitive minerals industry that will deliver the long term goal of net zero emissions by 2050.

The bill's potential impact on slowing minerals development would damage Australia's economy and ability to achieve – and transition – to net zero.

The bill would constrain Australia's ability to develop the vital minerals and metals that enable the clean technologies of the net zero future to be deployed. Australia's opportunity to supply the minerals and metals for the low emissions future is both immense and critical for that future to actually materialise.

The transition to net zero is vital for the whole world – but closely linked to it is the challenge of how to sustainably source the materials needed to achieve this ambition. By 2030, the world must:

- Increase lithium production four-fold
- Double rare earth element output
- Deliver a 67 per cent increase in nickel
- Produce 32 per cent more copper.

Australia's existing measures, including the *Safeguards Mechanism and Climate Act*, already address Australia's climate ambition – to introduce duplicative requirements above existing Commonwealth and state-based requirements will only increase the cost to the industry of reducing emissions, and inhibit the industry's efforts to achieve net zero.

This was a concern also shared by the-then Department of Industry, Science, Energy and Resources' in a submission to the Senate Environment and Communications Legislation Committee's inquiry into the *Environment Protection and Biodiversity Conservation Amendment (Climate Trigger) Bill 2020*. They stated:

As noted above, Australia's resource projects are rigorously assessed under existing state and Commonwealth law. Extending the review and assessment of projects will directly increase the costs associated with project development. In the resources sector, delays to project approval can cost project proponents up to \$16 million a month to retain necessary staff and capital required to commence development once a project has been approved.

Australia must play an important role in supplying these minerals in a responsible manner for the energy transition. This bill will limit Australia's ability to do this.

Australian policy should focus on efficiently reducing emissions rather than shifting those emissions to other jurisdictions

Strong and practical climate action means reducing emissions in a meaningful, innovative and commercially responsible manner.

For Australia – and the industry – to achieve its ambitions of net zero emissions by 2050, reform which drives businesses to reduce overall production or close facilities due to an inability to compete with competitor countries who are not implementing comparable emissions constraints on their export industries must be avoided. Reforms such as this would only serve to shift emissions (and jobs) overseas to jurisdictions without strict emissions requirements.

Instead, the government must focus on reforms which ensure robust environmental regulation that is both efficient and effective, and pursue sensible reform to set Australia on the necessary course of reducing national emissions sustainably over time through the safeguards mechanism.

The MCA would welcome the opportunity to provide further input on environmental reforms. Should you have any questions, please do not hesitate to contact Steven Brown – Senior Manager, Environmental Policy on [REDACTED] or via email [REDACTED]

Yours sincerely

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