



AUSTRALIAN PARENTS FOR CLIMATE ACTION

Submission to the Northern Territory government on the
Greenhouse Gas Emissions Offsets Policy

Australian Parents for Climate Action

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About Us

Australian Parents for Climate Action represents over 15,000 parents, grandparents and carers from across Australia. We are Australia's leading organisation for parents advocating for a safe climate. Our supporters are from across the political spectrum, across Australian electorates (including those affected by this project), and from different socio-economic positions. We seek non-partisan responses to climate change and its impacts.

We are focused on pushing Australian governments and businesses to take urgent action to cut Australia's carbon emissions to net zero as quickly as possible. We encourage Australia to take a leadership role on the world stage, leading by example and calling for other nations to take the necessary action to protect our children's futures.

Our signature campaign, *Solar Our Schools*, seeks federal and state government funding of solar and batteries for every school and early childhood centre in Australia (including means-tested grants for privately-owned schools and for-profit early learning centres). *Solar Our Schools* will:

- Create at least 6,870 renewable energy jobs in all regions of Australia.
- Slash school energy bills which frees up more funds for learning resources - save large schools \$114,000 in energy bills per year and small schools \$12,700 per year (Beyond Zero Emissions).
- Save millions of tonnes of carbon emissions per year.

We are currently in conversation with the NT Government, with our *Solar Our Schools* proposal, which asks the Northern Territory to support the implementation of solar and batteries for every school and early childhood centre that does not yet have solar, or that has inadequate solar or no battery.

Installing batteries would allow schools and centres to act as virtual power plants (VPPs) where the local grid allows, feeding their excess solar into the grid in order to stabilise the grid during times of peak electricity demand.

Equity issues for regional communities and children are especially acute in the Northern Territory. We are asking the NT government to prioritise implementing solar and battery virtual power plants in bush schools, and having all remote communities renewable-powered first. It is especially important to fast-track a virtual power plant program for schools in small communities currently relying on expensive, polluting diesel generation. The school VPPs will be a local, reliable clean energy power source.

We are asking the NT government to commit to a pilot *Solar Our Schools* VPP project in 10 remote community schools, in line with programs already being implemented by the NSW and WA governments. We will help by lobbying both major parties to implement national funding for a comprehensive roll out of *Solar Our Schools* to all remaining schools and early childhood centres.

Implementing *Solar Our Schools* across all schools and early childhood centres in the Northern Territory will:

- Create local renewable energy jobs (131 job years).
- Slash school energy bills which frees up more funds for learning resources - save large schools \$114,000 in energy bills per year and small schools \$12,700 per year (Beyond Zero Emissions), which can create more jobs for teachers and teacher's aids
- Save 16,481 tonnes of carbon emissions per year.
- Create community resilience, by stabilising the energy grid and providing for community refuges in times of climate crisis.
- Provide STEM opportunities to scaffold education and training about renewable energy
- Support youth mental health, as they can see their community taking action on climate.

Our data is based on the [Beyond Zero Emissions Million Jobs Plan](#).

This submission was prepared by Sydney based volunteer Siobhain O'Leary. It has been approved by Nic Seton, Chief Executive Officer of Australian Parents for Climate Action. Additional input was provided by members Anna Harvey, David McEwen and Leanne Brummell.

Submission Summary

Australian Parents for Climate Action, representing 15,000 supporters including nearly 100 in the Northern Territory, **strongly recommend a re-drafting of the Greenhouse Gas Emissions Offsets Policy**. The policy needs to provide clearer guidelines and more concrete processes to ensure any expansion of the shale gas industry in the Northern Territory does not have ongoing negative climate impacts.

The Gunner Government committed, in adopting recommendation 9.8 of the Pepper Inquiry, to ensuring **“no net increase in the life cycle GHG emissions emitted in Australia from any onshore shale gas produced in the NT”**. We believe this policy does not demonstrate or comprehensively outline how that commitment will be fulfilled.

While the Greenhouse Gas Emissions Offsets Policy sits within a broader Northern Territory Offsets Framework, to be used in conjunction with the Territory’s Environment Protection Act 2019 (EP Act) and Environment Protection Regulations 2020 (EP Regulations), there is currently nothing in any part of the framework, under Act or in the Regulations that would ensure **“No net increase in the lifecycle emissions emitted in Australia from any onshore shale gas”**.

In making this recommendation we maintain that

- All fossil fuel extraction and consumption is incompatible with a safe climate;
- Climate risks to the Northern Territory are extensive and will be difficult to mitigate;
- Fossil gas is not a “clean” energy source and the fossil gas industry is a large and rapidly growing emissions source, the emissions from the Beetaloo Basin alone would be nationally significant;
- Offsetting is challenging, unreliable and expensive. It would be far preferable to not extract fossil gas in the first instance;
- Offsets should be primarily reserved for use where emissions are unavoidable, not as an opportunity to perpetuate fossil fuel extraction; and
- A better economic and climate outcome would be one focused on accelerating emissions reduction and positioning the Northern Territory as a renewable energy leader.

All Fossil Fuel Use extraction and consumption Incompatible with a safe climate

Extraction and consumption of fossil fuels including gas is the principal source of anthropogenic greenhouse gas (GHG) emissions that are causing rapid increases in average global temperatures. In turn, that heating is causing climate change, which has, with about 1 °C of average warming so far, already caused a substantial shift in climatic conditions, which is highly unfavourable to biodiversity, food and water security, human health and safety, and the longevity/value of many property assets and infrastructure.¹

¹ <https://climatechange.environment.nsw.gov.au/Impacts-of-climate-change>

Australia's overriding obligation under the Paris Climate Agreement is to hold "the increase in the global average temperature to well below 2°C."² The IPCC 1.5 degree report states, "in model pathways with no or limited overshoot of 1.5°C, global net anthropogenic CO₂ emissions decline by about 45% from 2010 levels by 2030 (40–60% interquartile range), reaching net zero around 2050 (2045–2055 interquartile range)."³

We note that the Northern Territory government has adopted a target of Net Zero emissions by 2050 and a 50% renewable energy target by 2030.

Critically, emissions must be thought of as a cumulative "budget", since most of the anthropogenic GHG's released into the atmosphere since the start of the industrial revolution are still there, contributing to global heating. Scientists have calculated an approximate emissions budget to maintain a "safe" climate that avoids triggering irreversible natural tipping points.⁴ The budget equates to about eight more years at the pre-Covid 2019 level of global greenhouse emissions. As former Chief Scientist Penny Sackett and Emeritus Professor Will Steffen have noted, Australia's share of the budget, on a per capita basis, is currently about two more years at current emissions levels.⁵

"To constrain global warming to within the Paris goal of 1.5 degrees, global fossil fuel production will need to fall by roughly 6 per cent a year over the next decade. Coal, oil and gas production will need to fall by 11 per cent, 4 per cent and 3 per cent a year respectively."⁶ In the absence of a high price on emissions pollution the only way to achieve this is to impose a moratorium on new fossil fuel production, including any expansion of Australian gas extraction, while simultaneously incentivising and accelerating measures to decarbonise the economy.

Indeed, in its 2021 report *Net Zero by 2050, A Roadmap for the Global Energy Sector*⁷ the International Energy Agency confirmed that "despite many pledges and growing global commitments they still fall well short of what is needed to limit the rise in global temperatures to 1.5 °C and avert the worst effects of climate change." As part of its roadmap it outlined that "... there are no new oil and gas fields approved for development in our pathway, and no new coal mines or mine extensions are required."

In 2021 no government in Australia can risk an increase in emissions from fossil fuel production.

Climate Risks Northern Territory

The risks of climate change to the Northern Territory are already extensive and will be difficult to mitigate. The Territory government confirmed in its 2020 report *Climate Change in the Northern*

² https://unfccc.int/sites/default/files/english_paris_agreement.pdf

³ <https://www.ipcc.ch/sr15/>, Chapter 2, Executive Summary

⁴ <https://www.nature.com/articles/d41586-019-03595-0>

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<https://www.smh.com.au/environment/climate-change/our-carbon-budget-is-all-but-spent-but-who-in-canberra-is-counting-20190505-p51k8c.html>

⁶ <https://www.smh.com.au/environment/climate-change/un-report-rightfully-shames-australia-over-fossil-fuel-plans-20201202-p56jxw.html>

⁷ <https://www.iea.org/reports/net-zero-by-2050>

*Territory, State of the Science and Climate Change Impacts*⁸ that the NT's environments, communities and economy are all vulnerable to the changing climate.

Already, extreme temperatures are becoming more common in the Northern Territory.⁹ "By the middle of the century, the number of days a year over 35°C will at least double in many places across the Territory (Figure 2.7). The number of days over 40°C will also increase considerably." Rainfall is likely to become less predictable, the Northern Territory coastline will also come under further threat from sea level rise and tropical cyclones are projected to become more intense. (*Climate Change in the Northern Territory, State of the Science and Climate Change Impacts*)

Significant climate effects have already unfolded in the Northern Territory with extreme weather the likely cause of one of the worst recorded mangrove diebacks globally in the summer of 2015-16 along the Gulf of Carpentaria.^{10 11} While the loss of mangroves can have serious implications for Australia's northern fisheries it also is a loss of a major carbon store, as a blue carbon ecosystem mangroves store carbon around 40 times faster than green carbon ecosystems like forests.¹²

Fossil Gas is Not a "Clean" Energy Source

In the 2000s, fossil gas was touted by some, including those seeking emissions reduction, as a transition fuel, which would help wean our economies off fossil fuels until emissions-free alternatives became cost effective. We are now in the situation, for several years, where emissions-free substitutes for fossil fuels, particularly renewable electricity (with storage), are economically superior.¹³ Additionally there is now compelling evidence that fossil gas is no better in terms of emissions intensity than coal (and could even be worse).

Fossil gas, called "natural gas" by its industry, is methane, a fossil fuel and potent greenhouse gas. Although it breaks down more rapidly in the atmosphere than carbon dioxide,¹⁴ a kilogram of methane has the warming potential of 86 kilograms of carbon dioxide (over a 20 year period).¹⁵

Proponents of fossil gas claim that when it is burnt it produces about half the carbon dioxide emissions of coal when used to produce an equivalent unit of electricity. While that is true, what they do not typically mention is that from the gas well to the power plant there are significant leaks of methane into the atmosphere, in addition to deliberate venting at the wellhead. It only takes 3% of system-wide leaks, known as "fugitive emissions", to make gas a dirtier fuel in terms of global warming than coal.¹⁶

⁸ https://depws.nt.gov.au/_data/assets/pdf_file/0011/944831/state-of-the-science-and-climate-change-impacts-final-report.pdf

⁹ https://depws.nt.gov.au/_data/assets/pdf_file/0011/944831/state-of-the-science-and-climate-change-impacts-final-report.pdf

¹⁰ <https://theconversation.com/extreme-weather-likely-behind-worst-recorded-mangrove-dieback-in-northern-australia-71880>

¹¹ <https://www.abc.net.au/news/2019-10-14/climate-change-mangrove-traditional-owners-call-for-action/11598238>

¹² <https://www.abc.net.au/news/science/2018-03-26/blue-carbon-mangroves-seagrass-fight-climate-change/9564096>

¹³ <https://www.abc.net.au/news/2019-09-12/is-renewable-power-cheaper-than-coal-nuclear-malcolm-turnbull/11495558>

¹⁴ <https://www.nature.com/articles/d41586-020-02116-8>

¹⁵

https://www.climatecouncil.org.au/wp-content/uploads/2020/12/FINAL-CC_MVSA0245-CC-Report-Gas_V5-FA_Low_Res_Single_Pages.pdf

¹⁶ <https://theconversation.com/the-us-natural-gas-industry-is-leaking-way-more-methane-than-previously-thought-heres-why-that-matters-98918>

A recent UNEP report concluded “Cutting methane is the strongest lever we have to slow climate change over the next 25 years and complements necessary efforts to reduce carbon dioxide. The benefits to society, economies, and the environment are numerous and far outweigh the cost.”¹⁷

There is currently a lack of credible data on leakage and venting rates of gas production as the gas industry has been left to self-measure its leaks, with minimal oversight from government regulators.¹⁸ Even the International Energy Agency, confronted with new satellite data tracking methane emissions, is now questioning the standard industry claims.¹⁹

The Fossil Gas Industry is a Large and Rapidly Growing Emissions Source

Despite the chronic under-reporting of methane emissions associated with gas production and transport, and the fact that the much lower 100 year warming coefficient of 28 is currently used in official publications, Australian government figures show fugitive emissions have been the largest source of emissions growth in the five years prior to Covid (between 2014-15 and 2018-19). While average quarterly growth in total emissions over this period was 0.2% (excluding the contentious Land Use, Land Use Change and Forestry sector), fugitive emissions rose by an average of 2.1%.²⁰

In 2014-15 fugitives were 43.8 Mt CO₂-e, rising 8.6 Mt (20%) to 52.4 Mt in 2018-19. Meanwhile, stationary energy, including uses related to gas extraction and processing increased by 9.7Mt. By comparison, electricity sector emissions dropped 9.7 Mt in the same period.²¹ Essentially, the explosive growth of the LNG industry more than offset the displacement of fossil emissions by renewables in the electricity sector.

The Northern Territories Greenhouse Gas Emissions Offsets Policy and the broader Northern Territory Offsets Framework must seek to genuinely and fully offset the emissions from gas extraction to avoid the harmful effects of the gas industry on climate change outcomes.

Emissions from the Beetaloo Basin

The potential emissions from opening up the Beetaloo Basin are nationally significant. Estimated at up to 117 million tonnes of greenhouse gas per annum, this would be the equivalent to 22 per cent of Australia's current annual emissions.²²

While these initial estimates were significant, Northern Territory officials later warned the Commonwealth Government that the development could create three times the amount of greenhouse gas emissions originally expected.²³

¹⁷<https://www.unep.org/news-and-stories/press-release/global-assessment-urgent-steps-must-be-taken-reduce-methane>

¹⁸<https://australianinstitute.org.au/post/csiro-report-misleads-on-fracking-risks/>

¹⁹<https://www.iea.org/reports/methane-tracker-2021>

²⁰Analysis of NGGI-quarterly-update-june-2020-data-sources.xlsx, data table 1A (<https://www.industry.gov.au/sites/default/files/2020-11/nggi-quarterly-update-june-2020.pdf>).

²¹ Ibid.

²² <https://www.abc.net.au/news/2020-02-29/beetaloo-basin-gas-field-could-jeopardise-paris-targets/12002164>

²³ Ibid.

The former Commonwealth Environment and Energy Department warned the federal government opening up the Beetaloo basin could impinge on Australia meeting its Paris Agreement commitments.²⁴

We note with concern, that despite commonwealth government's claims that it is committed to ensuring that Beetaloo development is safe and sustainable the government's own strategic plan *The Beetaloo basin Unlocking the Beetaloo: The Beetaloo Strategic Basin Plan*²⁵ makes only passing mention of emissions and no mention of climate change - one of the biggest risk factors of the plan - and subsequently outlines no plans or recommendations about the mitigation of emissions.

Offsetting feasibility and accountability has not been outlined

The Northern Territory Government made a commitment to the aim of recommendation 9.8 of the Pepper Inquiry²⁶ (the independent Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the Northern Territory):

9.8 “*That the NT and Australian governments seek to ensure that there is no net increase in the life cycle GHG emissions emitted in Australia from any onshore shale gas produced in the NT.*”²⁷

The Northern Territory's draft GHG Emissions Offsets Policy needs to be reviewed in light of this commitment, in the the context of the whole Northern Territory Offsets Framework, read together with the Greenhouse Gas Emissions Management for New and Expanding Large Emitters policy' (the Large Emitters Policy), and in relationship to the Northern Territory's Environment Protection Act 2019 (EP Act) and Environment Protection Regulations 2020 (EP Regulations).

We note that several aspects of the Northern Territory Offsets Framework remain undeveloped at this stage which makes it difficult to fully assess the effectiveness of this policy as part of the whole framework.

That said, the capacity of the Northern Territory government to fulfil its commitment to the Pepper Inquiry recommendation 9.8 has not yet been demonstrated or comprehensively outlined in this policy. This policy and the broader Offset Framework lacks detail and is underdeveloped in how it will enforce and implement offsetting plans by gas proponents to truly ensure “*no net increase in the life cycle GHG emissions*” from onshore shale gas produced in the NT.

The projected emissions from expanding shale gas extraction in the Northern Territory are nationally significant. In 2019 the former Commonwealth Environment and Energy Department warned federal and territory governments that, given the significant size of emissions estimated from the Beetaloo development, “*Emissions from development of onshore shale gas in the Northern Territory may be difficult to offset.*”²⁸ With developments potentially leading to life cycle emissions in Australia of 5 to 39 million tonnes of carbon dioxide equivalent per year or more.

²⁴ Ibid.

²⁵ <https://www.industry.gov.au/data-and-publications/unlocking-the-beetaloo-the-beetaloo-strategic-basin-plan>

²⁶ <https://hydraulicfracturing.nt.gov.au/action-items/9.8>

²⁷ <https://frackinginquiry.nt.gov.au/inquiry-reports?a=494327>

²⁸ <https://www.abc.net.au/news/2020-02-29/beetaloo-basin-gas-field-could-jeopardise-paris-targets/12002164>

As noted by Tom Swann of the Australia Institute,²⁹ this would represent offsets “larger than all offset credits ever issued by the Australian Government.” To date the “The Northern Territory Government has not imposed any requirements for offsets on projects” according to the NT Offsets Register.³⁰

Currently under the Northern Territory offsets Framework there are two statutory avenues where offsets **may** be required for a development activity. With the final decision about whether to impose an offset condition on an Environmental Approval residing with the Minister responsible for the EP Act.³¹ The avenues are:

- Imposed under the EP Act following an environmental impact assessment of a proposed action
- Through a statutory approval process under another Territory Act, if that Act has been prescribed in the EP Regulations.

The application of offset policies to the approval process for new gas projects at present is only discretionary and open to interpretation. The policies within the offsets Framework represent too narrow a focus on emissions offsetting and a lack of enforceability for offsetting.

In the case of the Large Emitters Policy, working in conjunction with this policy, the threshold for requiring a project is covered by the policy, subsequently requiring it develop a Greenhouse Gas Abatement Plan (GGAP), only covers the the Scope 1 emissions of a project and only requires plans to account for how the Scope 1 and Scope 2 emissions from the project will be managed and reduced.³²

The policies fail to take into account the domestic Scope 3 emissions (burning gas in Australia) from gas projects; as such they overlook a significant part of the lifecycle emissions in the gas extraction process. They lack any enforceable requirement for projects to offset their Scope 1 and 2 emissions, and no requirement to offset domestic Scope 3 emissions, let alone the impacts of extra-territorial Scope 3 emissions.

The Greenhouse Gas Emissions Offsets Policy, and its administrative application within the offsets framework, must be more explicit in how it relates to the EP Act and gas project approvals:

- All gas projects seeking assessment and approval under the EP Act should have imposed on them a condition of Environmental Approval requiring the proponent to provide a Greenhouse Gas Abatement Plan (GGAP), outlining how they will offset the identified significant residual impact of the project in order to receive an Environmental Approval under the EP Act.
- Projects should be required to have Greenhouse Gas Abatement Plans (GGAP) approved before they can proceed.
- The GGAPs must include Scope 1, 2 and domestic Scope 3 (within Australia) emissions of the project.
- The requirement of a project to provide a GGAP should not be left at the discretion of the department or the minister to determine “*whether the use of offsets would be appropriate to*

²⁹ <https://www.abc.net.au/news/2020-02-29/beetaloo-basin-gas-field-could-jeopardise-paris-targets/12002164>

³⁰ <https://depws.nt.gov.au/environment-information/northern-territory-offsets-framework/northern-territory-offsets-register>

³¹ [Northern Territory Offsets Principles](#)

³² [Large Emitters Policy - Department of Environment, Parks and Water Security](#)

adequately address the impacts” but should be a minimum requirement for all gas project applications.

- The policy should be prescriptive about the types and quality of offsets that will be accepted as part of a GGAP submitted for approval (as covered below).
- The policy should be prescriptive about how the effectiveness of the GGAP is assessed, monitored, audited and reported in an ongoing way once it is implemented.
- The policy should provide provision for a body to undertake independent assessment of GGAPs and outline the bodies authority to enforce GGAPs.
- The policy should clearly state what the repercussions are for non-compliance or failure to adequately meet the targets of the approved GGAP of a project, including the potential cancellation of a project that fails to comply or misses approved targets.

Issues with Offsets

Emeritus Professor Will Steffen warned that there was “absolutely no carbon budget left” for the emissions that would result from developing new oil and gas fields like the Beetaloo Basin. “Offsets are a very poor substitute for keeping fossil fuels in the ground.”³³

Offsetting of emissions, depending on methods used, regulation and monitoring, can have significant limitations and shortcomings “from scientific questions about trees’ ability to remove CO₂ as the world heats up, to human rights questions about use of land, to the sheer energy-intensity and experimental nature of removing CO₂ from the air.”³⁴ There is a finite limit to the number of fossil fuel projects, or any project for that matter, ability to be offset “as more companies turn to offsets to lower their environmental impact, the total volume they need will quickly exceed the planet’s ability to provide them.”

To mitigate climate impacts of the shale gas industry development in the Northern Territory, the emissions released at all stages of production must be fully and genuinely offset in a binding way that meets the highest standards of additionality and permanence.

The Northern Territory government has confirmed that “private sector proponents will be responsible for offsetting their emissions”³⁵ however the responsibility of meeting overall emissions reduction targets resides with the government who must ensure the offset program's companies use are long-term, secure and with measurable environmental outcomes

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<https://www.theguardian.com/australia-news/2021/sep/23/grave-mistake-climate-scientists-issue-dire-warning-over-beetaloo-basin-fracking-plans?fbclid=IwAR3F1FzDvT46XGf63rRN18xtwc2EfhOvZgLT1I3UuJunyVM7z7UTi42-hQk>

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https://www.bloomberg.com/news/articles/2021-03-01/big-oil-s-net-zero-plans-show-the-hard-limits-of-carbon-offsets?fbclid=IwAR1x3Sizw6dk_kg-bbg1YJxho43pzjy_2waurLndq2vZaSspzME1AzHNRhE

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<https://www.theguardian.com/australia-news/2021/sep/23/grave-mistake-climate-scientists-issue-dire-warning-over-beetaloo-basin-fracking-plans?fbclid=IwAR3F1FzDvT46XGf63rRN18xtwc2EfhOvZgLT1I3UuJunyVM7z7UTi42-hQk>

The Greenhouse Gas Policy should explicitly set out the types of offsets that may be used in the Offsets Framework. Accepted offset program proponents can use under their GGAP must be direct, measurable and permanent.

To ensure offsets are genuine and permanent the offset policy needs to be prescriptive in the standards for offsets programs that will meet minimum government's standards. The policy should also outline the governance; monitoring and reporting arrangements on implementation and completion; auditing and adequate resourcing for regulating offset programs. This should include provision for an independent and adequately resourced body to oversee offset design and implementation including compliance and enforcement with robust administrative processes operating within a transparent system.

The gas industry must not be left to self-report and monitor, otherwise there is no guarantee that emissions are actually being offset.

As it is the intent of the Territory's Offset Framework that offsets deliver benefits that are related to the matter impacted, in this case greenhouse gas emission, the policy should be prescriptive and targeted at like-for-like offset programs. Offsets must be additional to business as usual and secured in perpetuity. No portion of an offset should be supplied through relevant research but relate to actual measurable offsets.

By the territories own definition a GHG emissions offset are: "actions undertaken to reduce or absorb GHG emissions in one location/locations (e.g. via sequestering carbon in replanted forests) in order to compensate for an increase in GHG emissions produced elsewhere. By its own definition the Northern Territory does not include indirect offsets such as research into potential future offsetting technologies.

³⁶ We strongly recommend that indirect offsets are explicitly ruled out.

Indirect offsets do not provide a like for like or real time offset of emissions created. By the time research translates into emissions reductions, of which there is no guarantee, it will be far too late to limit the impacts of climate change. The inadequacy of adopting research targets as offsets cannot be overstated, there is a limited time to reduce emissions to avoid catastrophic climate change and emissions must significantly fall this decade. All speculative future and unproven emissions reduction must be ruled out of accepted offset programs.

Research into, and programs designed for, carbon capture and storage (CCS) must also be explicitly ruled out. CCS is notorious for being unreliable and underperforming on emissions reduction promises, further the use of CCS for offsets is inappropriate as they have the effect of "incentivising more fossil fuel production" which must be avoided.

"There's no time for offsets. We are in a climate emergency and we need phasing out of fossil fuels," Greenpeace's Executive Director Jennifer Morgan said at the Reuters Impact conference.³⁷

³⁶ https://depws.nt.gov.au/_data/assets/pdf_file/0005/901877/nt-offsets-framework-principles.pdf

³⁷ <https://www.reuters.com/article/us-global-climate-greenpeace-idCAKBN2GW0YX>

Gas will be uneconomic into the future

In the commonwealth government plan for the Beetaloo basin *Unlocking the Beetaloo: The Beetaloo Strategic Basin Plan*³⁸ the government confirms that ‘uncertainty in the global energy outlook is affecting green-field gas investment’ and has ‘shifted some companies’ priorities away from exploration’.³⁹

Global commitments to meet the aims of the Paris Climate Agreement dictate that fossil gas is not an energy of the future, but one that is necessarily in decline as the world moves towards achieving net zero emissions as quickly as possible.

The Northern Territory government could find itself financially burdened with ongoing costs associated with ensuring there are no further leakage of emissions at the end of gas well operational life; methane may continue to leak indefinitely unless it is effectively plugged and regularly inspected.⁴⁰

End of life well management costs could place a significant ongoing burden on Northern Territory budgets and citizens. This is especially so if it is not made a condition of project approval or the process for application for funding that companies demonstrate how they would meet the ongoing maintenance cost of the wells they drill in perpetuity. Including in the event that wells become stranded assets or companies file for bankruptcy.

Accelerating Emissions Reduction would be a step in the Right Decision

Given how critical the next decade is in avoiding dangerous climate change and positioning Australia as a strong player in a decarbonised global economy, government supported programs should be focused on protecting what we have and ensuring what is to come; not on expanding a damaging industry with a necessarily limited lifespan.

Summary

The ongoing use and extraction of fossil gas is contributing to global heating, already causing damaging climate change. This threatens a safe, liveable climate for our children’s future and the generations that follow.

Unless offsetting is binding and the offsets are effective, and truly sequester the carbon equivalent of the project, including Scope 2 and 3 emissions⁴¹ The Northern Territory government cannot ensure “*no net increase in the life cycle GHG emissions emitted in Australia from any onshore shale gas produced in the NT*”.

³⁸ <https://www.industry.gov.au/data-and-publications/unlocking-the-beetaloo-the-beetaloo-strategic-basin-plan>

³⁹ <https://www.industry.gov.au/data-and-publications/unlocking-the-beetaloo-the-beetaloo-strategic-basin-plan>

⁴⁰ <https://www.afr.com/world/north-america/gas-companies-are-abandoning-their-wells-to-leak-methane-forever-20200921-p55xix>

⁴¹

<https://www.edo.org.au/publication/submission-on-the-northern-territory-draft-greenhouse-gas-emissions-management-for-new-and-expanding-large-emitters/>

Australian Parents for Climate Action recommends, at a minimum, that this policy be redrafted to take into account the following:

- All life cycle emissions generated in Australia are estimated for all onshore gas projects developed in the Northern Territory. This will bring it in line with the Pepper Inquiry recommendations and the commitment made by the NT governments to do so as a condition of opening to fracking within the NT. It is also a necessity for the mitigation of worsening the associated climate risks.
- The policy must require all project proponents to declare and confirm the project's life cycle emissions how they will genuinely and permanently offset these.
- Projections of emissions and plans to offset must include Scope 1 and 2 emissions from onshore gas projects, as well as Scope 3 emissions that occur within Australia from the burning of the gas extracted.
- It must be a mandatory requirement of the approval process for new gas projects to provide a GGAP outlining how they will offset Scope 1, 2 and 3 emissions and not left to the discretion of individual the minister to impose this requirement.
- Proposed offsets must meet a rigorous standard of being valid and permanent as outlined in prescriptive detail in the policy
- Speculative indirect offsets such as investment in research and development into technologies that MAY in the future offset emissions must be excluded and not be a recognised category for offsetting.
- The offset policy must explicitly rule out offsetting with investment in Carbon Capture and Storage technologies, which, despite billions of Australian taxpayer dollars spent on demonstration projects and much more abroad, have consistently failed to deliver reliable, affordable and scalable emissions capture.⁴²

Without genuine reform of this draft policy it remains unclear that the Gunner Government is keeping its commitment to ensuring there is no net increase in emissions in Australia from the Territory's gas industry.

⁴² <https://www.climatecouncil.org.au/resources/what-is-carbon-capture-and-storage/>