

Submission on behalf of Darwin Parents for Climate Action on the NTG's Draft Greenhouse Gas Emissions Offsets Policy and Technical Guidelines.

To the Environmental Policy Department and Chief Minister Michael Gunner,

Thank you for the opportunity to make a submission on this important policy area. Darwin Parents for Climate Action is a group of Darwin parents and carers who have rallied together forged by one common concern: that is our concern for the future of our children and all kids of the Northern Territory, as they will experience the worst impacts of climate change. We have no other agenda, only the health and safety of the future and emerging generations of Territorians.

We are seriously concerned by the temperature rise predictions for the NT. In Darwin we currently experience on average 11 days of the year above 35 degrees. A 2020 CSIRO report prepared for the NT Government predicts that under the current emissions scenario, by mid this century, Darwin will experience 176 days annually above 35 degrees and by the end of the century 288 days of the year will be above 35 degrees¹ – within the life time of our children.

This is an existential crisis for Territorians. We know that where temperatures are above 35 degrees and humidity is above 75% - termed the wet bulb - it becomes dangerous to human health². We know that extreme heat kills more people in Australia than any other natural disaster³. Darwin is already unbearably hot for much of the year. We are concerned that in the coming decades as temperatures rise and extreme heat days increase we will see a dramatic rise in heat-related deaths in the NT, which will disproportionately impact vulnerable communities and sections of our society. We are worried that within decades many parts of the NT will become dangerous to live in.

The shocking and disturbing climate change predictions based on unanimous scientific consensus are what drive our group to ensure that governments are doing *everything* possible to reduce emissions and ensure our children have a safe climate. Given how dire the predictions are, we believe every government agenda and policy should be designed with these predictions at the forefront when it comes to decision-making and planning.

The most recent Intergovernmental Panel on Climate Change report called the climate situation a '*code red for humanity*'. This was a clear appeal to leaders and decision-makers the world over to take drastic and immediate action in reducing GHG emissions. Previously 40 highly regarded climate scientist and acclaimed medical professionals signed an open letter to the NT government stating, "As

¹ https://depws.nt.gov.au/_data/assets/pdf_file/0011/944831/state-of-the-science-and-climate-change-impacts-final-report.pdf

² <https://theconversation.com/climate-explained-will-the-tropics-eventually-become-uninhabitable-145174>

³ <https://australiainstitute.org.au/wp-content/uploads/2020/12/NT-Fracking-open-letter-Feb-2018.pdf>

*scientists and experts concerned about the wellbeing of the people of the Northern Territory, Australia and the rest of the world, we strongly urge that onshore shale gas and shale oil development does not go ahead in the Northern Territory under any circumstances.”*⁴ The letter from Australia’s top experts in the field could not be clearer, the risks are too great and these industries should not proceed. Darwin Parents for Climate Action are in complete agreement with this statement.

In the first instance we urge the NT government not to proceed with any new gas developments – and we believe the majority of NT voters do not want new gas. The *Scientific Inquiry into Hydraulic Fracturing in the Northern Territory* often referred to as the Pepper Inquiry, found that, “*For a significant majority of the people participating in the Inquiry, the overwhelming consensus was that hydraulic fracturing for onshore shale gas in the NT is not safe, is not trusted and is not wanted.*”⁵ It was on a platform of imposing a moratorium on fracking and the hope that the industry might not be allowed to proceed that this government was first elected.

Unfortunately despite fracking being hugely unpopular among NT voters, the current NT government has maintained a position in support of expanding the gas industry. This is on the claim that so long as all 135 recommendations of the Pepper Inquiry are implemented then the industry it is safe to proceed. However, it is important to note here that when the Pepper Inquiry report was finalised in 2018 it was estimated that the Beetaloo gas field would contribute an extra five per cent to Australia’s annual emissions load.

However, last year documents from the Federal Department of Energy and Emissions Reduction, obtained by background briefing under Freedom of Information, revealed that this estimate is on the low end and that it is likely to be between 39 to 117 million tonnes of CO₂e annually. If it is at the higher estimate it would equate to 22% of Australia’s total current emissions⁶ - substantially more than what was estimated by the Pepper Inquiry.

This new information regarding the amount of emissions that could be generated substantially changes the risk profile of gas development in the Beetaloo and so it should not proceed. Given the amount of emissions will be so high, it will be impossible to genuinely offset these emissions in Australia. Last year across all of Australia, the supply of Australian Carbon Credit Units (ACCUs) only reached 16 million tonnes and internal government briefings are saying that 39 to 117

⁴ <https://australiainstitute.org.au/wp-content/uploads/2020/12/NT-Fracking-open-letter-Feb-2018.pdf>

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https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/BeetalooBasin/Interim_Report/section?id=committees%2Freportsen%2F024744%2F77552#footnote2ref

⁶ <https://www.abc.net.au/news/2020-02-29/beetaloo-basin-gas-field-could-jeopardise-paris-targets/12002164>

million tones CO2 will need to be offset from Beetaloo basin alone⁷. Furthermore, the majority of these ACCUs are *already accounted for*. This clearly shows there is little capacity in Australia, let alone the NT, to offset these emissions. If they are to be genuinely offset, polluting companies would need to purchase carbon credits from the international market which will be costly. A recent report by Reputex, a leading carbon market analyst, estimates that at the upper scale of production in the Beetaloo and Macarthur Basin, the carbon offset cost would be as much as \$1.4 billion a year or \$22 billion over 20 years⁸.

To reiterate these points; new information and scientific understanding around the climate impacts of gas developments like those in the Beetaloo have never been clearer.

The NTG knows that:

- The majority of Territorians do not want fracking in the NT
- Emissions will be significantly higher than originally estimated during the Pepper Inquiry
- Due to the sheer enormity of the emissions from gas projects they will be very difficult to genuinely offset in Australia
- At full scale production in the Beetaloo and Macarthur Basin it will cost an estimated \$22 billion to offset the full life cycle of emissions generated
- Under current emissions scenarios there will be devastating impacts on NT communities due to climate change, including extreme heat, increased heat-related deaths, illness, more intense cyclones, more intense bushfires, saltwater inundation, loss of biodiversity and ecosystem collapse

Despite having this knowledge and having received expert advice regarding the unacceptable greenhouse gas emissions and associated climate impacts, the Michael Gunner Labor government is determined to support the expansion of this industry. Given the government's position on the gas industry has been made clear to us, we, as parents of the children who will suffer most from these impacts, want to ensure beyond all doubt that we have the most robust emissions offset policy ever seen. **We require, on behalf of every child in the Northern Territory, that the full life cycle of emissions from the gas industry are completely and fully offset** using genuine carbon credits – not a newly invented category of 'indirect offsets'. **We do not accept investment in Carbon Capture and Storage (CCS) as a genuine offset under any circumstance.** We want assurance that the NT government makes good on recommendation 9.8 of the Pepper Inquiry, which states the NT and federal government must "*ensure that there is no net increase in greenhouse gas emissions emitted in Australia from any onshore shale gas produced in the NT*".

On close reading of the NTG's Draft Greenhouse Gas Emissions Offsets Policy and Technical Guidelines the offsets policy could not be further from robust. As it

⁷ https://www.alec.org.au/no_plan_to_offset_carbon_bomb

⁸ <https://reneweconomy.com.au/gas-led-recovery-could-leave-nt-taxpayers-with-a-22-billion-offset-bill-reputex-finds/>

currently reads it is extremely concerning how weak and ineffective the policy will be in ensuring GHG emissions are offset. Furthermore it does not give any assurance that recommendation 9.8 will be implemented and in fact leaves gaping loopholes for companies to exploit. **In its current form the draft policy constitutes a backflip on the government's repeated claim that all the Pepper Inquiry recommendations will be implemented.** This is clear to us as parents and members of the voting public.

The following aspects of the policy are of particular concern:

- Section 2 of the Northern Territory Offset Principles (*'Offsets must be designed to deliver maximum benefit to the Territory'*) is flawed given – as outlined above – it is not possible to genuinely offset the amount of emissions likely to be generated from Beetaloo alone in Australia, let alone the NT. We believe this principle should read, “Where possible direct offsets should be designed to deliver maximum benefit to the Territory”. **Trying to keep investment in the NT cannot come at the expense of securing real genuine offsets;** any compromising on this will ultimately be a much greater disservice to Territorians due to the dangerous and costly impacts of climate change. We fear this Principle will be used by the government to avoid applying genuine offset requirements in favour of Research and Development (R&D). We understand the need for more research into Territory-specific carbon abatement methodologies and it is right to prioritise Territory interests. However, this policy is not the mechanism to drive that. What is of maximum benefit to the Territory **is that all emissions are directly offset.** R&D can be funded only after every single lifecycle emission has been directly and fully offset. There is no time to invest in unproven methods in place of actually offsetting dangerous GHG emissions.
- There is a concerning lack of transparency written into this policy. It leaves too much discretionary power up to the regulator and individual decision makers such as the environment minister. **Individual decision makers should not be the ones judging project-to-project whether or not emissions are 'significant' and applying conditions IF they see fit,** and they should not be determining the amount of offsets required or when they will be offset. Under this draft policy there is nothing to stop a decision maker to say that no offsets are required at all for a large gas extraction project. This is a totally flawed and opaque process.
- The Draft policy is meant to be a technical guideline on when and how to apply emission offset requirements. However, under section 7.1 there is no clear or binding method laid out for determining the amount of offsets required, which makes the draft policy as it stands unacceptably weak.
- The dot points under section 7.1 for assessing agencies and decisions makers to determine if emissions are 'significant' read like rough points to keep in mind when deciding if and how much emitters are required to

offset. There is no clear objective method included in the policy for making the assessment.

- The policy is full of vague terms that will make it near impossible to ensure accountability. The reference to 'significant emissions' is of particular concern as it is too subjective and too vague to hold weight in a legal context.
- Under section 10. the policy states "decision makers have flexibility in how they apply delivery timeframe requirements. For example, they may require the emission offsets to be delivered within one or more years after the relevant emitting event or period". Again this vague and it is not a transparent process as it leaves too much discretionary power to individuals. **Polluters should be required to offset at the time of polluting or very near to it as the impact on the climate will be immediate and we have no time to delay offsetting emissions; we are in a climate emergency.** This is particularly the case for methane gas emissions – recognized as one of the most potent greenhouse gases due to its immediate heating effect on the planet. The IPCC has identified slashing methane emissions as a key requirement for tackling global warming⁹ ¹⁰. This discretionary 'flexibility' should be removed from the policy.
- Section 6. Titled 'Target for emissions offsets' is especially vague which is concerning given it is a criterion for determining when offsets are required as outlined in 7.1. It is not clear what is meant by "The NT Offsets Principles require offset policies and guidelines to apply a target based implementation model to offsets in the Territory." **What is the "target based implementation model" and who sets the targets?** Again this is not clear or transparent. Is this suggesting that polluters themselves set their own targets for how much they choose to offset? If so, this is totally unacceptable and not in line with recommendation 9.8 of the Pepper Inquiry.
- For the sake of transparency and accountability there should be a clear objective method for determining when and the amount of offsets required. For example, a GHG emission threshold should be outlined in the policy where by if emitters reach that threshold in a single event or over a particular timeframe, then they trigger a requirement to fully offset the gross total of those emissions that exceed the threshold for the given period. That is the only way we can be assured of a transparent process. This measure would remove subjective judgment and assure voters that department advice and ministers are not swayed by pressure from lobbyists. This threshold principle could be applied generally, however, **the onshore shale gas industry should be dealt with separately in the**

⁹ <https://www.nytimes.com/2021/10/11/climate/methane-global-climate.html> 'More than 30 Countries to Join US Pledge to slash Methane Emissions

¹⁰ <https://www.ft.com/content/dc446e80-ff4a-44c8-ae08-da1b582c63d5> Slashing methane emissions is crucial for the climate

policy to comply with recommendation 9.8 to ensure the full life cycle of all emissions are offset.

- In section 7.1 in the vague outline for assessing if emissions are significant it states as a consideration, “the capacity of the project, proponent and industry to avoid, mitigate or offset emissions”. This should not be a consideration at all and is perplexing why it would be included unless the government seeks to give certain industries room for concessions.
- The NT government has set a target of net-zero by 2050. We would like to see short-term targets for emission reduction at 3, 5, 10, 15, 20-year intervals to ensure we are on track to meet that 2050 target. **We would like to see the NT government enact a Climate Change Act to make those targets meaningful and enforceable.**
- We were very disappointed that the Greenhouse Gas Emissions Management for New and Expanding Large Emitters policy was only open for ‘targeted consultation’ rather than broader public consultation. We urge you to revise this decision and allow the public to have a say on this important policy area. In the meantime, as we were not given the opportunity to make a submission earlier on this policy we would like to strongly express that **all life cycle emissions generated in Australia including scope, 1, 2 and 3 must be fully and genuinely offset to meet recommendation 9.8 of the Pepper Inquiry.**
- One of the most concerning aspects of this policy is the inclusion of ‘indirect offsets’ for R&D into CCS. These are not genuine offsets, as far as we understand they are not recognized anywhere else in the world and they should not be included in this policy. This is essentially allowing companies to pollute in the hope that one day in the future carbon capture and storage technology might succeed and those emissions could possibly be offset. However, **if that technology fails, under this policy, the emissions will be considered offset. This is not an offset.** What’s more, no Carbon Capture and Storage (CCS) projects have succeeded in coming close to meeting their targets. The world’s largest CCS project in WA was a dismal failure and the emissions promised by Chevron to be sequestered are already working to warm our planet. There is too much at stake to allow polluting to continue without clear and immediate offsets. **We do not accept investment in Carbon Capture and Storage (CCS) R&D as a genuine offset under any circumstance.**
- **The offset policy must explicitly rule out offsetting with investment in CCS technologies.**
- Once this policy has been redrafted we urge the NTG to make it public and open it up for a further round of consultation, as it is such an important policy area.

Once again thank you for the opportunity to make our many concerns about this draft policy known. In the first instance we urge the Michael Gunner Labor government to consider the next generation of Territorians and leave fossil fuels in the ground. We have no time to lose on cutting emissions. Globally we are at 1.1 degrees of warming and in Australia we are 1.4 degrees. A trivial short-term gain by pursuing fossil fuels is not worth the huge economic, environmental, social and cultural cost that our children will pay. If this government refuses to act in the best interests of Territorians and continues to approve fossil fuel projects, then at the very least we need the strongest possible GHG Emissions Offset Policy. For that, this Draft Policy requires redrafting and dramatic changes to ensure dangerous emissions are fully and genuinely offset.

We sincerely hope the NTG take on board voter and community feedback from this consultation process. Once this policy is redrafted and before it is finalised we would like an opportunity to consider and provide feedback on the changes.

On behalf of Darwin Parents for Climate Action, Thank you.