

# **Pulling the Climate trigger: Environment Laws Fit for a Crisis**

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*In conversation with*

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**Ebony Bennett** [00:00:03] G'day everyone. I'm Ebony Bennett, deputy director at the Australia Institute and welcome to our webinar series. I'd like to begin by acknowledging that we live and work here at the Australia Institute on Ngunnawal and Ngambri Country and pay my respects to elders past and present. This always was and always will be. Aboriginal land sovereignty was never ceded and I hope we can all recommit ourselves to the voice to Parliament coming down the line as a referendum. Just a few Zoom tips before we begin to help make sure this runs smoothly. We've got a Q&A box where you can type in questions for Sarah and Richard for the second half of the webinar. A reminder to please keep things simple and on topic in the chat or will boot you out. And lastly, a reminder, this discussion is being recorded and will go up on our YouTube channel later today. You can find that at Australia Institute TV. So the recent State of the Environment report really laid bare the devastating impacts that we are having on our natural environment with species extinction due to habitat loss, logging and development and of course the impacts of accelerating and dangerous climate change. Australia is the world's third largest exporter of fossil fuels, which causes climate change. Yet our environment laws are weak very currently and we're very excited to have Senator Sarah Hanson-Young, the Greens spokesperson for Environment and Water, here today with us to discuss the climate trigger bill that the Greens have introduced into the Federal Parliament, which would allow the Government to assess climate impacts when looking at future fossil fuel projects. Senator Hanson-Young, thanks for joining us today. It's great to be here. And Richie, thanks for having me. Yeah, and joined by Richie Merzian, director of our Climate and energy programme here at the Australia Institute. I'm Sarah. Thank you again for joining us here today. I wanted to start by asking you about the climate trigger bill that you've introduced to Parliament. If you could explain to us the reason why it's so important and what impact it will have. What will it actually do?

**Sarah Hanson-Young** [00:02:14] Well, as you said, Australia's environment is under massive threat right now. We have and we are a world leader, in fact, of extinction and which is just a terrible

record to have. I'd prefer that we were a world leader of protecting our environment, but right now we are really lagging behind. Even our iconic species, like the koala is facing extinction. And that is just mind boggling. When you travel around the world and you tell people that Australia's koala is on the brink of extinction, people are shocked. How on earth has this happened? And it is being supercharged by habitat loss and the threats of of the climate crisis. And you can see that in plain sight when you look at those the footage of the summer bushfires and those images that went around the world of koalas burnt because of the bushfires was a very powerful message of what we are facing and our environment is being is on the brink of collapse and yet ignoring the climate crisis is making this a whole lot worse. So our bill, a climate trigger bill, what it does is it allows for and our environment laws to take into consideration the climate impacts, the pollution of any new projects. Now. It's kind of crazy that if you have a coal or gas project or a big development that needs to go through an environmental assessment, right now, the Environment Minister can look at the criteria and say, well, nothing to say here. Fine. Give it the green tick. And without considering at all that the climate pollution impact the the impact that climate change is going to have on that environment and elsewhere. So our bill puts a a new clause which forces the Minister of the day to consider the climate impacts of any project before giving an assessment. And it's split at three levels, at the highest level for those projects that are emitting over 100,000 tonnes. It says, no, we can't have this and we can't if we're going to deal with dangerous climate change, we can't keep making climate change worse. So that would be ruled out. But for those that fall under, every project has to be assessed on the basis of their pollution, the impact of their pollution, and it has to be taken into the assessment overall. And this is because, as we know, we can't just kind of just cut pollution going forward. We have to be cutting pollution that already exists. So the last thing we need to do is have our Environment Minister signing off on projects that are going to make things even even harder to deal with.

**Ebony Bennett** [00:05:11] Yeah. And Richie coming to you on that. You know, I think most people would actually be shocked to realise that there is no mechanism currently to assess climate impacts in that way for projects. And how important will this be to make sure there is something that the minister can use? Because how big of a problem is this?

**Richie Merzian** [00:05:32] It's a huge problem. Right. So Australia is the third largest exporter of fossil fuels. We established that a few years ago, but it's growing the problem. It's not, you know, putting a clamp down on it. We have 140 new fossil fuel projects in the works. There's over 70 new coal mines sitting you, 40 new gas projects. And so if we don't have a mechanism to actually vet that, to filter that through and say, does this Marriot without climate objectives, then we're just going to continue to roll out the red carpet. And the whole purpose of the 43% bill that the Government just passed was to try and integrate the Paris Agreement across all of government operations and the consequential amendments. Did that put some agencies that find fossil fuel projects but it didn't do it in terms of factoring that consideration in the big new projects. And currently the government doesn't have a method or a process or any real mechanism to consider new fossil fuel projects and how that actually matches up with our target.

**Ebony Bennett** [00:06:31] Well, it's almost the opposite. Excuse me. I saw a comment from Madeleine King, the resources minister, the other day in relation to opening up the Beetaloo Basin as a as a new gas field. And she said, well, as long as these projects pass rigorous environmental assessment, then they're okay, totally fine. So the question is what is rigorous environmental assessment? And as it currently sits on the books, the minister does not even have to consider the climate damage of them. So it's a bit of a furphy to suggest that getting environmental approval for a new coal or gas mine or big development is actually about looking after the environment. Yeah, you've just raised the Beetaloo Basin. I was going to talk about this later, but now you mentioned it and I noticed you were talking yesterday about some of the specific subsidies around the Beetaloo Basin, obviously, when not far away from the federal budget. We do have a large deficit that the Treasurer keeps talking about a lot as a reason why we can't do certain things or can't afford certain things you commissioned or the Grains Commission, the Parliamentary Budget Office, to look at some of those subsidies. What did you find?

**Sarah Hanson-Young** [00:07:49] Well, what we found was that there's at least there's \$2 billion there and currently money that was promised by Scott Morrison when he was prime minister off the bat, most of it was off the back of the pandemic. Remember when the gas led recovery was going to save us? So it's \$2 billion in the budget which had been promised to fund fossil fuel subsidies in a variety of different ways. It's sitting there, but it hasn't actually been committed, so no contracts have been signed. So we're calling on Labour to say, well look, if you're going through the budget with a fine tooth comb, which is what they've argued to find waste and, you know, trying to trim the budget down on things that don't need to be there or we're saying he's \$2 billion. It's been found by the Parliamentary Budget Office. It hasn't been committed. It was going to be given. Fossil fuel subsidies. Let's redirect that to renewable projects and helping to drive people's energy prices down through electrifying their appliances, their cars, helping people actually be part of the transition. And some of this money, of course, when we talk about fossil fuel subsidies, plenty more fossil fuel subsidies baked into the budget. This is simply money that hasn't had a contract written against it. So there's no sovereign risk of removing it. But when you look at all of this, you think, hang on a minute, taxpayers money being spent propping up an industry that we know we have to transition away from. It's just throwing good money after bad and we're talking about waste while let's junk it.

**Ebony Bennett** [00:09:27] Yeah. Richie The Australia Institute's obviously done a lot of work around fossil fuel subsidies. If you could just kind of remind us of the scale of subsidies that we're talking about, apart from this uncommitted kind of 2 billion so far, but also the Beetaloo Basin, what are the climate impacts of proceeding with more development in the beetaloo?

**Richie Merzian** [00:09:49] Sure, beginning with a gas fired recovery right from the start. The Australian, it was saying this is the worst sector to invest in for economic growth because so capital intensive. What we found actually is that the gas industry were busy firing their employees during the gas fired recovery. So maybe they took it the wrong way. But 10% of the workforce were let go during that one year that we looked at and 20, 20, 2021. So we didn't see the real kind of investment or growth there, but we did see a lot of money committed, and it's great to see that being

reallocated more broadly on fossil fuel subsidies. The Australian Institute's most recent research found \$10.5 billion worth of federal fossil fuel subsidies are supporting the use of fossil fuels or the production of fossil fuels, so that money could also be shaved down and reallocated. I mean, just one budget line item federal government spends in terms of the fuel rebate that's bigger than what the Government spend on the Australian army per year. So this is a huge amount of money that we used to dedicate towards an industry that we should actually be sunsetting rather than propping up. And if you look at some of these massive gas basins, they're huge. They'll massively blow out Australia's carbon budget if you want to put it like that. And it's not just the emissions that Australia will face if it opened these gas basins up, but also all the emissions that it'll be sending overseas as well.

**Sarah Hanson-Young** [00:11:09] We've just had a bill passed through the Parliament and I think historic in in the sense of finally a legislated commitment to cut inflation 43%. And I know that that is nowhere near enough in terms of where we've got to go and we have to be getting to two to net zero and we're going to be doing it much faster than 2050. Let's be honest, if we're going to keep temperatures at 1.5 degrees and but even if you look at that 43% as a as a starter, as a as a bottom, how on earth are we going to make that if we keep opening up new gasfields that are going to make pollution even worse there? We have so much work to do to cut the pollution that already exists. Yeah, just I find it, it doesn't make, it just doesn't make logical sense at all.

**Richie Merzian** [00:12:00] Yeah. And I think part of it is because you have actors in society, namely the fossil fuel industry, that will find any excuse to justify opening up more projects. So the International Energy Agency, we're quite clear in saying 1.5 degrees means no new investment in coal and gas and oil. They said that last year. Yeah, but there is a small amount of growth in our corner of the world in the Asia Pacific. And so you're seeing companies like Woodside say, oh, that back growth there, that's us. Everyone else will have to stop it. You know, that's us there. And that's the problem really. There is no space for new fossil fuel projects and that's really that's what we should be saying legislated into Australian law.

**Sarah Hanson-Young** [00:12:37] That was interesting in relation to the BEETALOO as well this week with Origin Energy pulling out of their beetaloo and those projects and saying that they referred to it themselves as divesting, which I thought was interesting, divesting from themselves because they wanted to be part of the transition of going forward. Now it says to me, if a big company like Origin Energy is looking at the beetaloo and saying it's not worth it, why on earth would we be spending public money subsidising these projects? Yeah, no, it's a it's a really good question that it kind of does bring me now to the safeguards mechanism. So that's currently supposed to be regulating high polluting facilities and industry, including gas and coal mines. The Labour Government's looking at reforming that mechanism, but currently there's nothing in there to really stop new gas and coal mines under the State Guard mechanism. Do you really see the climate trigger bill and. Legislation as kind of doing the work that the safeguards mechanism isn't to manage those new gas and coal projects. Yes, the climate trigger bill is essential for strengthening our environment laws, but really sending a very clear message that our environment itself cannot handle any more of this. It is our

environment that is on the brink of collapse and we are facing two dual crises at the same time, an environmental crisis and the climate crisis. And they are fuelling each other. It's a double it's a double whammy. The loss of forests, the loss of habitat obviously makes climate change worse. We need to be investing in restoring the environment actually as much as protecting what is left. So the climate trigger bill is essential in that. But you're right, the safeguard mechanism doesn't deal with new coal and gas or new fossil fuels at this point. And I am very concerned about where these where this is going, what the Greens are, and prepared to negotiate and talk with the Government about it. But if it's simply going to be kind of keeping things at status quo, that is not enough. And if you're going to if it's going to allow new coal and gas projects to kind of fit under that kind of cap, then what does that mean for every for all the smaller players? And how do we actually make sure the environment itself is looked after?

**Ebony Bennett** [00:15:14] Yeah. And presumably, Richard, what does it mean for like other sectors of the economy as well if we keep allowing new gas and coal in? Is the farming, the agricultural sector going to have to do more to reduce its emissions, that type of thing? But I wonder, just for people at home who aren't familiar with the safeguards.

**Richie Merzian** [00:15:33] Which is probably most people.

**Ebony Bennett** [00:15:34] Yes, let's be honest, because, yeah, the last government didn't really use it effectively. What is it? What does.

**Richie Merzian** [00:15:43] It do? Yeah. So it was supposed to be ten years ago, we had a carbon price and it worked. It was an economy wide carbon price covered most of our emitting sectors and emissions went down over the two years that it operated and the economy grew.

**Sarah Hanson-Young** [00:15:58] And I just have to interrupt you. I mean, this is this was the carbon price that was negotiated between the Greens and the Gillard Government and it worked, it worked. It was a good negotiation and it.

**Richie Merzian** [00:16:08] Worked, it worked. Emissions went down over the period that it operated two year period, and the economy grew. This guy didn't fall in. In fact, it did exactly what it was supposed to do. And the price that the price was about 23, \$24 a tonne of carbon pollution. And then we scrapped it and then emissions went up for the next number of years and the Coalition government built what they called the safeguards mechanism. So they took the most high polluting facilities, about 215 high polluting facilities, coal and gas mines, aluminium smelters, steelworks and that kind of stuff. And they said, Alright, we're going to try and cap your emissions. But they gave so much headroom to these companies that they actually polluted more. And so we went from 130 million tonnes per year in 2016 to 140 last year. The difference is about the same as every single

domestic flight over the course of a year. So that's what we did and said, Got it. The only thing was safeguarding were polluters from actually having to reduce their pollution over the last eight years. Now the Labour Government wants to take this and tighten those caps, which is good, but it won't do anything about new coal and gas projects coming in. Now half of those 215 facilities, half of the emissions are from coal and gas projects existing now. But there's huge new ones that'll come online between now and 2030. And the Australian stewards submission to the safeguards mechanism goes through just five or six of them to show that there'll be around 100,000 and no, sorry. More like 10 million tonnes of emissions that that will come through if we basically allow these new coal and gas projects to just walk in. And that's why the climate trigger might be a nice complement, because the safeguards reform is not actually safeguarding anything.

**Ebony Bennett** [00:17:52] Yeah. Sarah, I want to come back to you on the politics of it. So clearly the federal elections and a really strong message, people elected a climate super majority to the parliament. We've got independents. The Greens had huge success at the election as well. What's the politics of the safeguard mechanism versus the kind of the climate trigger? Are you going to be insisting on the climate trigger legislation being voted on while the safeguards mechanism is under review?

**Sarah Hanson-Young** [00:18:21] Well, the real politics of it is that, you know, the greens and independents, Iran, we did really well at this election. They and it was a it was a climate election. And we've delivered a climate crossbench. We've got. Obviously a strong bloc of support, but we have a responsibility now to use this parliament to act on climate change at a time when we are really running up against the clock. And I've sat in various Senate hearings and heard from the experts directly across the table about just how dire the situation is. And when you can't hear that evidence and then sit back and go, oh, well, it's all too hard, will wait to see somebody else comes along. And we actually have to be acting now. So we've got this new parliament, we've got all of these voices, people that have been elected to deliver on climate and the Greens. It is our priority and the 43% reduction bill was strengthened and we worked hard with the Government to get that through. And some people say, oh, it's just symbolic and symbolism does matter. It's not everything. You need action, but symbolism does matter. But what we now need is how we deliver this and how we actually deliver cutting pollution. The Government, the Labour Government said at the time of negotiating on the 43% that the safeguard mechanism bill would be the bill that we could negotiate and talk and deal with and new coal and gas. So okay, well here it is then. And we're worried that it could simply be, if it's not done properly, a process to allow new coal and gas to allow more pollution if it doesn't fix those loopholes that were there under the Tony Abbott scheme and if it doesn't send a strong enough message to industry that we have to be transitioning out, the climate trigger bill has now been introduced. It's sitting there on the table and we're saying very clearly to Labour we need to fix our environment laws, we need a climate trigger happy to negotiate and work with you to fix the mechanism, but it's got to be more than that. Yeah, the timeframe in all of this is have and becoming tighter we're going to have the safeguard mechanism will be in regulations and some supporting legislation. The difference with regulations is you can amend them. You just have to vote against them, put in a disallowance and vote against them. The bills, of course, can be



amended. So there's going to be a lot of moving parts over the next few months. And our climate trigger bill is front and centre of one of the ways forward to solve this problem.

**Ebony Bennett** [00:21:26] And Richie, just speaking of the kind of climate election that we've just had, clearly with the floods that we've experienced, the Black Summer bushfires more recently. People really are feeling the impacts of climate change already in a lot of communities. Most recently, you know, up and down the East Coast. But how much of this momentum, I guess, that we're seeing not only in the parliament, but I think in the public as well, is due to people really just, you know, like their houses are under threat or they can't get to work and mainly because the roads are underwater. Like it really is an acute situation.

**Richie Merzian** [00:22:07] Yeah. No, it's climate impacts are here now. Like the climate change is no longer a future problem. And so you have to ask yourself, is Australia, is the government, are we as a community doing everything we can to address this? And you know, there's always that issue of, well, Australia is doing its fair share, it's not right, we've only just increased our domestic target, but we export more than twice that in terms of our fossil fuels and we have no intention of subsidising. And so this is an opportunity to actually double down on that because those impacts are escalating. They're going to continue to escalate. The IPCC six assessment earlier this year on adaptation and impacts shows that we're going to hit 1.5 degrees of global warming under any scenario, even if globally we double down. So it's how do we actually do everything we can to bring that back down again? And that's a real it's a real challenge globally, and it's a real challenge here in Australia. And for the first time, we're having this sort of serious conversation.

**Sarah Hanson-Young** [00:23:07] It is I was overseas a few weeks ago and the difference between being talking about where Australia is on the issue of climate, on biodiversity, on the environment and versus Ritchie and I were both in Glasgow at the last climate conference and being an Australian at that conference was pretty embarrassing wasn't it? Yes. You know, people, Australia was the pariah on, on the world stage and now the rest of the world is looking at us and saying, okay, well how do we, you know, where is Australia going to step up now? And it's got to be more than just saying the words climate change and emissions reduction. And so the world is now looking going forward. What do you actually want? What is the actual action? And, you know, the hard decisions and changes you're going to implement. I think these next the next 12 months is going to be a really kind of pivotal moment for does Australia actually get on board? Do we get serious about stopping an expansion of new fossil fuels? And if the International Energy Agency says it can't be afforded, then you know what? What what else do we need? And then there's the kind of pivot to, well, what role does biodiversity having this in Australia has not been part of that conversation. The end of the year there'll be the climate conference in Egypt, but there's also a biodiversity cop which is similar, but for biodiversity that's going to be in Montreal, in Canada in December, and there is going to be a huge amount of pressure on Australia to step up. Okay, you're talking about climate change, but what are you doing to protect biodiversity? And I guess that brings me to COP.

**Ebony Bennett** [00:25:04] And we recently or last week, people might have tuned in to hear our conversation with the former president of Kiribati, Anote Tong, and the former president of Palau, Tommy Remengesau Junior. They were addressing a regional climate diplomacy forum that we have every year, but we asked them specifically, Sarah, about this idea that the Labour Government has put forward of hosting a cop, perhaps in partnership with a Pacific country. They specifically were calling on a ban on the gas and coal projects, but as we know, that's kind of falling on deaf ears. But if we're going to try and do this and host a cop, should the Pacific shut out? Pacific neighbours really be insisting on some kind of a moratorium on new gas and coal projects as part of agreeing to that?

**Sarah Hanson-Young** [00:25:55] Well, it's a bit of a backhanded compliment, isn't it, to say, well, we want you to be part of this Australia, you know, Labour government going, okay, let's we want to be we want to host the cop, we want the Pacific to jump board. But meanwhile we're going to keep opening up new coal and gas that makes climate change worse. And, you know, sea level rise around the Pacific is going to continue to escalate. And I think the Pacific have a pivotal and powerful voice in this conversation. And I think it was wonderful to say the Pacific leaders here over the last couple of weeks. And and this is this is a central this is their life. It is their livelihood. It is their entire existence. And as it is for many Australians, as you just mentioned, that the threats of climate change that we're already feeling here, we've got to get serious about this. This is not in the never, never. This is now. And I think the Pacific leaders have a really important role to play in helping shape this. And I think it would be I think it would be wonderful for Australia to host the clock, but we are going to have to bring more to the table than we have so far. We need much stronger cuts. We need to transition away from coal and gas and and we've got to elevate the voices of those in our region. And that means the Pacific.

**Ebony Bennett** [00:27:29] Anything to add to that, Richie?

**Richie Merzian** [00:27:30] Just that Minister Bowen, who's in charge of climate, is in New York right now where they host an annual climate week, basically talking to a number of Pacific Island countries and other countries. That will be essential for our bid trying to lobby for that. And the message is that Australia wants to become a renewable energy superpower, but you can't have it both ways. We can't only, you know, it's great. We should be building the solutions for the future, but we also have to stop building the problem and we're an expert in that. We haven't really nailed the first one. Right? And so it is a trade off and you have to realise it's a trade off. And the message from President Tong and President Remengesau will be just as clear in New York as it will be here that there's no more room for new fossil fuel projects. And to give you one example, just the big Scarborough Gas Project in WA, that's more emissions just in the next couple of years. It will release when it comes online, then all of Kiribati and all of Palau's and a good chunk of those small coral atolls. So imagine if you're there. The president, President Tong was saying within a couple of decades, the IPCC is saying they got to make some hard choices. The country that bought land in Fiji to potentially relocate, they don't want to have to do that. And then you're talking to Australia saying let's partner, but we're also going to open up a gas. It's bigger than all your emissions put together. Yeah, to add to our. But that's the problem.



**Sarah Hanson-Young** [00:28:48] I am and it's not just of course the Pacific leaders who are, you know, putting the pressure on Australia. I was reading the speech from the President of the EU, the State of the Union address last week, and it was so clear in that and they've got a lot of issues to be dealing with right now in the EU, right on their doorstep in relation to, you know, the war with between Ukraine and Russia. And here the president is saying we need to make nature our first ally because if we don't, you know, all bets are off. So it's coming from all over and Australia has to get out of this mindset that we can just keep digging stuff up, shipping it overseas and we don't have to worry about the pollution.

**Ebony Bennett** [00:29:37] And we're going to come to questions from the audience in just a second. I can see there's a bunch in there. We had more than a thousand people registered for today's webinar, so thanks for coming along. Before we get into questions there, I did just want to talk about the renewable energy kind of superpower element that we're also trying to pursue. As Richie said, it's kind of doesn't amount to much while we keep expanding the fossil fuel industry. But we have seen this year, you know, electricity prices going up due to external factors. The fact that we're exporting a lot of our domestic gas, which is something the Australia Institute has talked a lot about, but how much has the economics of things changed and in terms of actually rolling out those solutions that are available here now and are effectively cheaper as well?

**Sarah Hanson-Young** [00:30:31] Well, of course I come from the great state of South Australia where, you know, we are leading the country when it comes to the transition to renewables and it can be done. It is being done. I think the issue that there is in the renewable energy industry, you always tell us as politicians, is can you just put the settings in place so we can get on with the job, stop putting in roadblocks. And for the last decade under the coalition government, they just felt like they were being hampered rather than even just kind of let, let go. And I know we had that the energy minister at the time, Angus Taylor, saying he was agnostic. Well, he wasn't really he was continuing to do the bidding of his fossil fuel mates at the same time as making it harder and harder for the renewable transition. So and it is happening. It's the industry simply needs politicians and government to agree on the terms. And to let them to get on with that the and Australia is so well placed, so well-placed to be investing in the super power of renewables and we can be exporting that overseas. There can be, you know, if you put in place proper storage, proper demand technology, demand response technology and put in place all those things, actually, we can do it. And we have an amazing ability to to access renewable resources here. So we should. But the longer we take, the further behind we're going to get. And we're going to miss that advantage of being kind of first mover. And we're already like and we've got a lot of catching up to do. Just want to say one thing on that. So I was really interested to read in the paper today about Twiggy Forrest moved to power all of his projects by 2035 with renewables and to and he made the point that he's not just going net zero, he's going real zero, which I think is a really interesting pivot. He's saying it's going to it's going to be saving him and his business and 800 nearly \$900 million a year by going totally green power and and transitioning. So if big resource intensive industries like his can do it well you know what's the problem. Yeah.

**Richie Merzian** [00:33:13] And just on the difference between sort of net and absolute zero, the net is usually made up of these carbon credits. Now, currently, there's an investigation going on because there's serious integrity issues with the Australian carbon credits, 70 to 80% lack integrity or low integrity. And the problem here is that we've seen a rush by companies who've taken on net zero and then said, wow, how do we actually meet that? And bought up these carbon credits that they're not actually decarbonising and some of these carbon credits might not necessarily represent real emissions reductions. And so that's why you actually need to have the government set a clear hierarchy of mitigation, that you need to do everything you can to reduce your emissions first. Kind of like for you, my credit exactly is really only supposed to be used for the sectors. They just have no alternatives right now. Like if you're going to fly, you know, there aren't be electric planes or the biofuels and. Yeah, sure. Or if you're a cement industry and there are no alternative. Sure. But if you're a fossil fuel company and you're expanding your production, then you're justifying it by buying credits. That's not the purpose. And on top of that, if the carbon credits are hollow, if they're hot air, then actually you've just increased the.

**Ebony Bennett** [00:34:18] Interest, increasing in exactly making the problem worse. All right. Well, we might go now to questions from the audience. Just a reminder that you can upvote other people's questions and leave comments on them as well. The first question I'm going to tackle is from Alan Jackson. Sarah, he asks, Will your bill, if passed, have force in relation to state projects that aren't subject to federal law?

**Sarah Hanson-Young** [00:34:42] Well, this is part of the overall changes they have been called for. I don't know, Ian, you might remember and others might. There was a what we called the Graeme Samuel Review. Graeme Samuel did a review of Australia's environment laws and showed that they were incredibly working in many areas. And what the recommendations out of that review was that so much more of this is streamlined so that we're not seeing things fall between the cracks. So this climate trigger bill would be a change to the environment laws in so much that what is being assessed federally would need to be caught by this. But there is going to be another stage which is bringing Australia's laws much more universal and so that we won't be saying things will fall down the cracks.

**Ebony Bennett** [00:35:37] The next question is from Michelle Smith. She asks, Do we need a global levy on fossil fuels with the revenue to be used to address loss and damage around the world? Richie, I might throw that one to you first.

**Richie Merzian** [00:35:51] Yes, we should call it a carbon price or whatever you want. But right now, you know, most countries, including here, it's free to pollute. And we need to put a price on pollution in one way or another. There needs to that needs to be felt, because right now we're all paying for the consequences indirectly. Every time there's a climate disaster, those people on the front lines are paying the Australian taxpayer who's paying with all the disaster relief and support

and the rebuild that comes afterwards, who is not paying is the fossil fuel producers. And so yes, one way or another they should be feeling that price and that should be channelled towards paying for those impacts because the bills are going to keep growing. And when we had, you know, President Remengesau here, he said one natural disaster now can wipe out their entire GDP. And so how are you going to deal with that? This will be a big conversation. It. The cop in Egypt. Will probably won't be a solution because it's an intractable one. But at the end of the day, the bills are mounting and there's clearly companies and major producers that are responsible. And how do we link those two together?

**Sarah Hanson-Young** [00:36:54] Well, we could start by putting a levy on them domestically in Australia and a levy on coal and gas companies to help pay for the climate damage that's done domestically would be a good start.

**Richie Merzian** [00:37:08] And the Australian State has a proposal on a climate disaster levy for just a dollar a tonne and only on exported fossil fuels as well. So there won't be any impact on Australian energy prices. So that's a good way to stop that.

**Sarah Hanson-Young** [00:37:21] And the billions of dollars that this 12 months worth of flood damage has caused, and it's only going to get worse over the summer.

**Ebony Bennett** [00:37:31] MM Yeah. Scary to kind of contemplate another wet La Nina summer given as you said, the damage that so many communities have already experienced and probably still dealing with. The next question is from Tyrone Delisle. He asks, The green transition requires a massive expansion of mining to provide the resources to produce solar panels, EVs, wind turbines, etc. How will your bill ensure this climate trigger bill won't slow down new projects that support this transition?

**Sarah Hanson-Young** [00:38:07] That's a really good question because you're right, we are in terms of the transition is going to require a new amount of resources to do the good stuff that we need to do. But we're very clear about you can't just keep making the situation worse. So look what Twiggy Forrest has nominated today, that his industry is going to go to totally being green powered through renewables. And we would be wanting to make sure we send a signal to the market under this bill that says any new project needs to be making itself as clean as possible. And so that means ensuring when we talk about Australia being a superpower, a renewable superpower, we're talking about those areas of manufacturing and resource development that is being able to be powered with renewables, with storage and obviously makes it over overall cheaper for those manufacturers and it's better for the environment. It's really interesting to say that they've done they've crunched the numbers on Fortescue Metals and it's showing that it's going to save nearly \$900 million a year by going green.

**Ebony Bennett** [00:39:26] Yeah, it's not small change in energy variety.

**Richie Merzian** [00:39:29] It's going to be basically fast tracking. That one idea which you're putting forward in our safeguards mission is could you have just a penalty price and like like a carbon price, right? That instead of buying carbon credit for cutting down trees that were never going to be cut down any way, you pay the government as set fee and that then goes into the pool of money that we actually use to build the solutions that we want here because we have industrial policy, right, which is directing it towards these carbon credits. We did it before with the Renewable Energy Target. Now, when you do in terms of building these solutions and facilitating that transition.

**Ebony Bennett** [00:40:03] The next question I've got is from Ivan. While he says, well, he talks about the clean energy regulator and how they calculate emissions. And I think, well, it's going into a bit of technical detail here, but right now he's talking about methane causing about a third of global warming and he's asking about questions around integrity and honesty and truth in climate accounting. Richie, if I can come to you first on this one, I know the Australia Institute, you kind of briefly talked about the integrity problems with carbon offsets and things like that. But in emissions and accounting, we've traditionally not been great on that front.

**Richie Merzian** [00:40:47] You know, now there's been a bit of dodgy accounting a few years ago was around trying to use these leftover Kyoto carbon credits to avoid having to reduce the emissions going forward. We dealt with that, but there are still issues in terms of under-reporting of our emissions, particularly around methane, around coal and gas sites as well. And this is a problem locally and it's also a problem globally. Now, we've seen growing amounts of interest from the government to try and address this a bit better. We're hopefully going to see that in terms of how they account for it. The technology is much better as well as my very old accounting of methane and figure out where things are leaking and where things are getting worse, because obviously methane has a much bigger impact than CO<sub>2</sub> in the short term. And so we would love to see more of that done. And Sara mentioned when we were in Glasgow last year, the UK were quite good at putting on a number of platforms for countries to sign up to do more. And one of them was a methane pledge to reduce Australia you know is.

**Sarah Hanson-Young** [00:41:40] Australia has to sign up to the methane pledge. We've just got to get it done. The US are kind of pushing us to do it. It's something we should be able to deliver. But then the question is going to come, okay, if you signed up to the May 18 pledge, what are you going to do to reduce methane and to monitor it properly? I think it's crazy that I guess a gas company can simply nominate their own figures in terms of what their methane leakages. There needs to be much more accountability, transparency. And I don't think self accounting is really where it doesn't really work and it and it's been proven not to work and we've got to get serious. And it's it's actually quite a it's very scary that methane in the short term is much more toxic and potent to the climate crisis. Yeah, I think that's kind of been left out of the conversation for too long and now we have a lot of catching up to do.

**Richie Merzian** [00:42:41] Yeah. And you mentioned before that when we open up new gas and coal projects because we have a cap, when our emissions rate is 43% cap, that means that other sectors have to do more and that includes in agriculture. So when we talk about methane is really two major sources. There's sort of fossil fuel mining, mining and then there's agriculture. And so really the opportunities are, you know, they're looking at, you know, seaweeds and other blends you can do. But ultimately the opportunities are in actually capping and lowering methane emissions in fossil fuel projects. And that's what we need to be taken seriously.

**Sarah Hanson-Young** [00:43:14] And it's no surprise that the gas industry would prefer we just talked about cows rather than forcing them to do the right thing.

**Ebony Bennett** [00:43:21] Yes. Potentially some new allies in the nationals there, perhaps to protect agriculture. I'm I did have a couple of questions here that do refer to the difference between Australia's domestic emissions and domestic emissions from fossil fuel exports and RICHY in terms of exports and what we've been talking about with the fossil fuel sector in particular, a lot of emissions. Correct me if I'm wrong, are actually just exporting the process of exporting gas overseas, is that right?

**Richie Merzian** [00:43:51] Yes. It's really energy intensive to take the gas, bring it over, process it, liquefy it and then ship it out. So if you know who the largest gas user is in the manufacturing sector is the gas industry. They use more gas to process and liquefy the LNG than all the other gas uses in the manufacturing sector put together.

**Sarah Hanson-Young** [00:44:10] And then they charge everyday Australians a ridiculous price just to have gas at home.

**Richie Merzian** [00:44:15] Yeah, that's right. Because we yeah. That's a whole another problem. Basically we export the majority of our gas. Nothing was kept in reserve on the East Coast and so Australians have to compete on the international market for our gas. So even though everyone's complaining about, you know, the situation in Russia and Ukraine, the invasion there and what this meant for gas prices, we don't even for gas, we export, you know, three quarters. And so really, when we created this problem for ourselves with gas prices are really high. But also gas users have to compete with the gas industry with the largest user in the manufacturing sector, and there's huge amounts of emissions that come out of that as well. So, yeah.

**Ebony Bennett** [00:44:53] The next question I've got it from Paul Stephenson. He's we've talked a lot about gas today, really asking about coal supply from Australia and what he calls the drug dealer's

defence that we always plough out that if Australia reduces its coal exports, that other jurisdictions will just increase their production. Can we talk about a border adjustment mechanism that other countries are kind of looking at? And Sarah, are there any other policies that we can implement to kind of tackle this thing that keeps coming up?

**Sarah Hanson-Young** [00:45:27] Well, it is a bit of a drug dealer's defence, isn't it? We've got to if we don't sell our call, then somebody else is going to get the money for it. But it doesn't work for drug dealers facing a judge say what should work for the coal industry in their argument to government. But nonetheless, this is where we are. But we need to we need to be taxing these industries and exports much more. We need a disaster levy on them as well. And we need to be stopping any new expansion of their facilities and getting rid of the fossil fuel subsidies. And a big chunk of how these coal companies can continue is because they're actually continuing to be propped up by public money. So if there are certain things that we can do to make it harder and to to to fast track the transition. But I think overall, we have to be realistic that in the international conversation. Climate change is a global problem and Australia is the third largest exporter of fossil fuels. We can't get away from that. We are the we are one of the world's biggest exporters of pollution and therefore biggest exporters of the climate crisis. And that is what we have we are grappling with. And internationally the pressure on Australia to move away from coal is significant and it's only going to get, it's only going to get louder and stronger reaching anything.

**Richie Merzian** [00:47:11] I think you sample it really well, but I do like the drug dealers because it always makes me think like Australia is a big drug dealer in this analogy and then down the road are the uses of drugs. It's like Australia complaining about those, those drug uses down the road wrecking the neighbourhood while at the same time supplying them like they point people, point to other major polluters and say, well, if they're not doing more than why should Australia? But the majority of Australia's coal, gas, they go to China, South Korea and Japan. We are in a key position to help those economies transition. Right. And that's what we should be doing. Becoming a renewable energy superpower is about helping countries transition, not keeping them stuck in the same problem that we're all feeling the impact.

**Sarah Hanson-Young** [00:47:52] So and actually that would be good for Australian businesses if we were the ones leading in our region to help that transition. Because we do have the technology, we do have the ability, we've got the resources to kind of pump this out and we should. The question though is also about border adjustment mechanisms. And now that Australia, you know, we've got a new government, there's, you know, we're really restarting conversations around trade negotiations with the EU and other countries. And this topic of coal, gas, fossil fuel exports is going to continue to be a constant in these negotiations and we can't get away from that.

**Richie Merzian** [00:48:38] Yeah, you know, we did a paper last year basically on the European Carbon Border Adjustment Mechanism we found is about \$20 billion in Australia's trade exposed emissions intensive goods. Now we don't export a lot of things to Europe, but other countries like



Japan are looking at this as well. And so that's the real risk if we don't transition. We used to worry 15 years ago about our industries moving to other jurisdictions now. So industry is suffering because whilst the Australian Government might not be moving, the big multinationals have to take this into account. Rio has smelters in areas that are running off renewable energy in other countries and it has smelters here running off, you know, coal, gas then which one is it going to look to amp up and which one will it look to right now?

**Ebony Bennett** [00:49:22] Yeah. And I did want to follow up on that because I know we've also done some research around kind of the industry opportunities that Sarah was referring to there. You know, we've got big deposits of lithium and we don't really refine it. We don't turn it into batteries of value. We don't make it into electric vehicles. Like there's a big opportunity there.

**Sarah Hanson-Young** [00:49:44] Yes there is. And I think there is a real sense of optimism and opportunity feeling right now in Australia. I think the election was a pivotal moment. The Parliament looks different. It needs to now act differently and it needs to now follow through in good faith to the Australian community. And that means looking at those industries who have been kind of going it alone with very strong headwinds because of the previous government settings and now say, okay, where is the investment and why don't we have an electric car industry in Australia? We should and I think the time is right to get that done. Of course, again, as a Senator for the great state of South Australia, I'd like the electric car factory in Adelaide.

**Richie Merzian** [00:50:41] It's good with me. I mean we were part of this electric vehicle summit that we put on with the Electric Vehicle Council and Smart Energy Council and bounced Mike Cannon-Brookes Foundation and the Australian Manufacturing Workers Union came and the the the head of the union, Steve Murphy, announced that he wants to work with government, work with industry to build these solutions here. So it's not just industry that want this here. The workers want this here as well. So this is the opportunity we have. Yeah.

**Ebony Bennett** [00:51:10] And we have the skilled workers, as I think people have pointed out. You know, it wasn't that long ago we were manufacturing cars.

**Richie Merzian** [00:51:16] We can build cars. Yeah, there's still a huge parts industry, including in South Australia, so a lot of that is already there. We just need to take that next level up.

**Ebony Bennett** [00:51:24] The next question is from Claire Beddington and she is asking about the idea of the Environment Minister Tanya Plibersek to put a price on the environment and set Australia up as quite a green Wall Street. Sarah what are the Greens thinking about that prospect.

**Sarah Hanson-Young** [00:51:44] There's a couple of elements to this. This is this and the current process of whether there should be credits given for it to those landholders who either can restore their environment or to stop them from destroying it further. We are at a point of such environmental crisis, loss of habitat, loss of species, this all being supercharged by the climate crisis that we do need to do something. What I'm worried about is that we end up just with a kind of another dodgy offset scheme which without integrity, we need to make sure there is integrity in this process. But what we really need is a rather than what I am trying to explain it for people so that you can understand the difference. There's the offset. I can do this over here. If I offset it with this. But actually, what we need almost is the opposite, which is like an insect. How what is the incentives to restore the environment? Because we have lost so much already. We need to be finding ways to give investment and an incentive for people not just to protect, but to restore. And I think that's where the opportunities really lie. But it's got to be done properly. And we're going to go through what Tanya Plibersek is putting on the table with a fine tooth comb. But I must say if it's anything like the schemes in New South Wales where the integrity issues are just mind boggling, the auditor general in New South Wales has found that there was promised land that was put aside as offsets for, for example, koala habitat that was never, never eventuated and in fact in some, in some examples had been offset several times over. So it was kind of double counting. So that whole kind of scheme needs to be cleaned up. But I'm more interested in how we not just protect what we have, but how we start restoring.

**Ebony Bennett** [00:54:03] Hmm. Anything to add to that?

**Richie Merzian** [00:54:05] We have a huge problem with biodiversity, and somehow a new market will fix it. I mean, like, have we not learnt that lesson before? Why don't we, if we want to save koala habitats, why we are allowing someone else to destroy one, you know, and then save that one year, just regulate it. If we want to save these biodiversity sites, then just regulate it like we.

**Ebony Bennett** [00:54:28] Know where they are. Yeah, I.

**Richie Merzian** [00:54:29] Would like somehow green Wall Street is a good idea, but green tape is a bad idea. Like, why? Why don't we just do the things we want? And rather than trying to insert a market in the middle and think that these profiteers is somehow going to do a better job than the government in protecting things that we love, the government's there is a service. It has public servants working for them. They are there for the public to use. Let's direct them for the things we want.

**Sarah Hanson-Young** [00:54:55] But a big part of the problem, and this is why we've come up with the climate trigger bill, is that the current regulations, the current laws to protect Australia's environment are too weak. They're not protecting the environment. It's called the Conservation Biodiversity Act. And yet and the process is, is all actually about protecting the projects that are

being proposed, not about protecting the environment. You know, this the State of the Environment report about a problem is it's just full of example after example as to how our environment laws are failing so that it does need an overhaul. But, you know, it can't just be about creating money that grows on trees.

**Ebony Bennett** [00:55:44] Great way to put it. Sarah It only got a few minutes left. This whole thing wants to talk about your climate trigger bill just for the audience one last time. Can you remind them what it is the bill will do and perhaps where they can find out more information about it?

**Sarah Hanson-Young** [00:55:59] So what the bill does is it strengthens our environment laws. It puts in a requirement that any project needs to be assessed on the basis of the climate damage that it may create. And for big polluting projects over 100,000 tonnes of pollution, it would be you wouldn't be able to get environment approval for that for those that fall below, it would need to be seriously assessed as as to whether it is worth it and you would be able to the minister is required to think about the cumulative impact and effect of that. It's crazy that our current environment laws right now that. A use to sign off on or give the green light to a new coal gas project. Doesn't even have to consider the climate impact of that project. So when the minister says a new gas field or a coal mine expansion has been given a rigorous environmental assessment. It's not that rigorous because it doesn't include climate damage at this point. So we're going to fix that. There's more advice and information about it on my website. But also, the bill itself is going to be going off to a Senate enquiry. So you'll be hearing much more about it over the coming months.

**Ebony Bennett** [00:57:19] And you can head on over to APH after you to find the text of the bill, the explanatory memorandum, all the stuff that normally accompanies legislation. If you're a nerd like us here at the Australia Institute, we're going to have to wrap it up there. Thank you very much, Senator Sarah Hanson-Young, for joining us today. And thank you, Richie, as well. Thanks. Thank you, everyone at home for tuning in. We really appreciate your interest. Don't forget to subscribe and find out. Follow the Money podcast. You can find that wherever you normally listen to podcasts. We've got a couple of recent climate episodes that should interest you, and we'll be putting out the audio from this as a podcast at some point as well. Thanks so much for your time today. Take care out there and we'll see you soon. Don't forget the Australia Institute's Revenue Summit that's going to be on the 6th of October in Parliament House. If you can make it to Canberra, it's just a few weeks ahead of the Budget. It's not far away now. Ticket sales end on Monday and it's going to be a great opportunity to talk about all the services and public spending that Australia needs, whether that's the NDIS, the aged care sector, all of those kinds of things, and how are we going to find the revenue or collect the revenue that to deliver the services that the public expects. You can find details for that at Australia Institute, dot org, dot au and and we'll hope to see you there. Thanks very much, everyone.