

# Integrity and the Climate Change Authority

***The scientific consensus is on the urgent need for rapid decarbonisation. However, the government’s key climate body the Climate Change Authority (CCA) is instead focussed on storing fossil fuels and developing the carbon offset industry.***

***The CCA’s chair and other members are involved in the carbon offset and fossil fuel industries. Polling shows that 76% of Australians expect the CCA to be chaired by a climate scientist and 75% expect its members to be free of potential conflicts of interest.***

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## INTRODUCTION

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Australia’s Climate Change Authority (CCA) is again playing an influential role in Australian climate policy following its long hibernation under the previous government.

Since coming into government, Labor has committed \$47.1 million to restoring the CCA and added three new members to the board “to bolster its role in providing independent advice to Government on the reduction of the nation’s emissions and climate change policy”.

Australia’s landmark Climate Change Act confers advisory functions on the CCA relating to the government’s annual climate change statement and Australia’s climate targets.

On 1 December Minister for Energy and Climate, Chris Bowen, gave the annual climate statement underpinned by advice from the CCA. Minister Bowen subsequently tabled this advice, along with the Australian Government's 2022 emissions projections.

According to the government's projections and despite the Minister's ambitious rhetoric in his climate statement, fossil fuel production in Australia is projected to grow through to 2030. According to the projections "Fugitive emissions were 53 Mt CO<sub>2</sub>-e in 2020 and are projected to increase to 55 Mt CO<sub>2</sub>-e in 2030 then remain relatively stable until 2035".<sup>1 2</sup>

Legislation requires the Climate Change Authority's advice to consider efforts to limit global temperature increase to 1.5°C above pre-industrial levels when reporting to the government. However, in its first Annual Progress Statement the CCA is silent on the government's support for new gas and coal projects in Australia and ignores scientific advice that fossil fuels must remain in the ground for the world to remain within the bounds of devastating global warming.

Instead, the report suggests emissions from fossil fuels can be offset or stored underground. In saying how Australia can reduce its significant emissions from fossil fuel production it suggests that:

*"The good news is.... Addressing fugitive emissions by deploying carbon capture and storage and using high integrity offsets to address residual emissions, and in the longer term switching to alternative fuel production such as hydrogen"*<sup>3</sup>

In addition to the Annual Progress Report, since the May election the CCA has or is due to issue two other publications:

- August 2022: A review of international carbon offsets commissioned by the Coalition Government, which recommended Australia "play a leading role in the development of...global carbon [offset] markets."<sup>4</sup>

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<sup>1</sup> Fugitive emissions are released during the extraction, processing, and transport of fossil fuels. Fugitive emissions do not include emissions from fuel combusted to generate electricity, operate mining plant and equipment, or transport fossil fuels by road, rail or sea.

<sup>2</sup> Department of Climate Change, Energy, the Environment and Water (2022) *Australia's emissions projections 2022*, <https://www.dcceew.gov.au/climate-change/emissions-reporting/projecting-emissions>

<sup>3</sup> CCA (2022) *First annual progress report: The baseline, global context and methodology*, <https://www.climatechangeauthority.gov.au/publications/targets-progress-advice>

<sup>4</sup> CCA (2022) *Review of international offsets*, <https://www.climatechangeauthority.gov.au/publications/2022-review-international-offsets>

- December 2022: A report commissioned by the CCA and the Clean Energy Regulator highlighting “Australia’s carbon sequestration potential, including how markets offer pathways to [its] commercialisation.”<sup>5</sup>

The latter is a self-initiated research report announced by the CCA on 5 September with the CCA saying that sequestration (the capture, removal, and storage of carbon) has a significant role to play in Australia’s “journey” to net zero.

Australia has a net zero by 2050 target. It also has 114 new gas and coal projects in development. Just three months after winning the election, the Labor Government opened up nearly 47,000 km<sup>2</sup> of offshore acreage for oil and gas exploration.<sup>6</sup> The time from exploration to production of oil and gas projects is around 10 years, meaning that the government clearly supports new fossil fuel projects commencing beyond 2030.<sup>7</sup>

The United Nations Secretary General António Guterres this year said “Using bogus ‘net zero’ pledges to cover up massive fossil fuel expansion is reprehensible. It is rank deception. This toxic cover-up could push our world over the climate cliff.”<sup>8</sup>

While he was referring specifically to non-state actors, the Secretary General’s words could have easily applied to Australia. This ‘deception’ is effectively what the Australian government is doing – carrying out plans for fossil fuel expansion masked by a ‘bogus’ net zero pledge. And the Climate Change Authority is facilitating it.

The CCA’s focus on offsets is inappropriate given that offsetting is usually considered to be the last step in environmental harm mitigation. This is the stated position of the Australian Government.<sup>9</sup> International bodies routinely criticise “undue reliance on the use of offsets” in decarbonisation plans.<sup>10</sup>

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<sup>5</sup> CCA (2022) *Review of international offsets*, <https://www.climatechangeauthority.gov.au/publications/targets-progress-advice>

<sup>6</sup> Brann (2022) *Federal government opens 46,000 sq km for offshore oil and gas exploration*, <https://www.abc.net.au/news/2022-08-24/offshore-oil-and-gas-exploration-ccs-backed-federal-government/101368006>

<sup>7</sup> Canadian Audit & Accountability Foundation (n.d.) *Revenues from Phases of an Oil and Gas Project*, <https://www.caaf-fcar.ca/en/oil-gas-revenues-concepts-and-context/the-life-cycle-of-oil-and-gas-projects/revenues-from-phases-of-an-oil-and-gas-project>

<sup>8</sup> United Nations (2022) *Bogus Net-Zero Pledges ‘Rank Deception’, Sham Must End, Secretary-General Stresses at Launch of Report by High-Level Expert Group on Non-State Actors’ Commitments*, <https://press.un.org/en/2022/sgsm21576.doc.htm>

<sup>9</sup> DCCEEW (2022) *Offsets mitigation hierarchy*, <https://www.dcceew.gov.au/environment/epbc/advice-for-complying-with-the-epbc-act/environmental-offsets-under-epbc/environmental-offsets-guidance/offsets-mitigation-hierarchy>

<sup>10</sup> UN High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities (2022) *Integrity matters: Net zero commitments by businesses, financial institutions, cities and regions*, <https://www.un.org/en/climatechange/high-level-expert-group>

The CCA's independent and expert advice is critical given Australia's lack of progress on more fundamental areas of climate policy – emissions have been increasing since 2005 outside the land sector,<sup>11</sup> the country trails only Saudi Arabia and Russia as an exporter of carbon pollution,<sup>12</sup> and it remains the only jurisdiction to have repealed a successful economy-wide carbon pricing mechanism. A casual observer might have expected the CCA would focus on these overriding issues rather than on technocratic solutions.

Three CCA board members are involved in the fossil fuel or carbon offsetting industry. The Australia Institute alleges no wrongdoing or impropriety by any individual; however, the CCA's advice appears to reflect the interests and expertise of its membership, not robust or science-based climate policy.

This should be of concern to the Australian climate policy community. It is already of concern to the Australian public, as polling conducted for this research shows.

## WHO IS ON THE CCA BOARD & WHAT ARE THEIR INTERESTS?

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There are currently nine members of the Climate Change Authority.<sup>13</sup> Only one of them is a climate scientist, Professor Lesley Hughes. Several have close links to the carbon credit industry or fossil fuels, including Chair Grant King.

### Grant King

Grant King was appointed chair of the Climate Change Authority in April 2021,<sup>14</sup> having joined the board of GreenCollar in July 2020.<sup>15</sup> GreenCollar is the largest carbon credits aggregator in Australia. He also owns shares and is on the board of its holding company, Green Climate Co. Green Climate Co also owns GreenCollar's trading arm, Terra Carbon, which owns a significant share of Australia's second biggest carbon aggregator, Agriprove.<sup>16</sup>

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<sup>11</sup> Hemming and Merzian (2021) *Banking on Australia's Emissions: Why creative accounting will not get us to net zero emissions*, <https://australiainstitute.org.au/report/banking-on-australias-emissions/>

<sup>12</sup> Swann (2019) *High Carbon from a Land Down Under: Quantifying CO2 from Australia's fossil fuel mining and exports*, <https://australiainstitute.org.au/report/high-carbon-from-a-land-down-under-quantifying-co2-from-australias-fossil-fuel-mining-and-exports/>

<sup>13</sup> CCA (2022) *Who we are*, <https://www.climatechangeauthority.gov.au/about-authority/who-we-are>

<sup>14</sup> CCA (2022) *Who we are*, <https://www.climatechangeauthority.gov.au/about-authority/who-we-are>

<sup>15</sup> Greencollar (2021) *Our team*, <https://greencollar.com.au/about-us/our-team/#Board>

<sup>16</sup> Hemming (2022) *Conflicted Authority*, <https://www.thesaturdaypaper.com.au/environment/2022/11/26/whats-next-the-climate-change-authority#mtr>

Mr King is also the Chair of HSBC Australia and a board member of the Great Barrier Reef Foundation. In 2020 HSBC announced it was the first private investor in Queensland’s water-quality market, which was designed to protect the Great Barrier Reef, and had purchased a number of “reef credits” from the architect and developer of the scheme, GreenCollar. In June this year the Great Barrier Reef Foundation supported GreenCollar’s Reef Investment Scheme (which generates carbon credits from reef-related projects) and also invested \$1.6m into a GreenCollar project.<sup>17</sup>

Mr King has close links to the gas industry, which is reliant on carbon markets to offset growing emissions from industry expansion plans. Mr King was the head of Origin Energy, a former director of the Australian Petroleum Production and Exploration Association Limited (APPEA), former Chairman of Energy Supply Association of Australia and former President of the Australian Gas Association and was the chair of the Business Council of Australia (BCA).

## Susie Smith

The deputy chair of the CCA, Susie Smith, was a long-time executive at gas company Santos.<sup>18</sup> She is currently also the CEO of the Australian Industry Greenhouse Network, a lobby group for the fossil fuel industries that describes its mandate as “promoting development of Australia’s industrial resources”. AIGN members famously referred to themselves as the ‘Greenhouse Mafia’.<sup>19</sup> Smith is also still working as a consultant for ESG and Carbon Services and has provided advice to Santos and Australian Gas Industry Trust (AGIT).<sup>20 21</sup>

In 2019 King and Smith were appointed to an ‘expert panel’ advising the Coalition government on new sources of low-cost abatement. The ‘King Review’ (officially known as the Report of the expert panel examining additional sources of low-cost abatement) made a number of recommendations on Australia’s carbon market.

Recommendations of the review included the development of a CCS/CCUS method, which would allow the gas industry to earn carbon credits during gas extraction and production

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<sup>17</sup> Ibid

<sup>18</sup> CCA (2022) *Who we are*, <https://www.climatechangeauthority.gov.au/about-authority/who-we-are>

<sup>19</sup> Pearse (2007) *High and dry*, <https://www.penguin.com.au/books/high-and-dry-9781742284057>

<sup>20</sup> CCA (2022) *Review of international offsets – probity material*, <https://www.climatechangeauthority.gov.au/sites/default/files/2022-08/Review%20of%20International%20Offsets%20-%20Probity%20material%20-%20August%202022.pdf>

<sup>21</sup> AGIT (2021) *The Australian Natural Gas Industry: Monitoring, reporting, and reducing methane emissions*, <https://agit.org.au/wp-content/uploads/2021/11/AGIT-Methane-Emissions-Report-2021.pdf>

and that industry should have more involvement in designing carbon credits.<sup>22</sup>

## Mark Lewis

A CCA board member, Mark Lewis has both gas and carbon trading interests, current director and shareholder in Australian Integrated (AI) Carbon, which is part-owned by Japanese companies Mitsubishi and Osaka Gas, which are also shareholders in large Australian gas projects.<sup>23</sup>

## Sam Mostyn

A recent appointment to the CCA board is Sam Mostyn of Pollination, which boasts a Nature Based Carbon Strategy that “aims to unlock the supply of high impact carbon credits for corporates and investors seeking to reach net zero”, and which has brokered deals such as for Australian carbon credit developer Climate Friendly.<sup>24</sup>

In June 2022 Pollination supported BHP to establish a \$3 million grant program “to help drive the development of the Australian blue carbon market by providing funding and support to emerging blue carbon projects”.<sup>25</sup>

Pollination and HSBC Asset Management joined forces in 2020 to form joint venture Climate Asset Management was formed in 2020 in an “aim to create to create the world’s largest natural capital manager and is the first large-scale venture to mainstream natural capital as an asset class”.<sup>26</sup>

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<sup>22</sup> Department of Industry, Science, Energy and Resources (2020) *Examining additional sources of low cost abatement: expert panel report*, <https://www.industry.gov.au/data-and-publications/examining-additional-sources-of-low-cost-abatement-expert-panel-report>

<sup>23</sup> CCA (2022) *Review of international offsets – probity material*, <https://www.climatechangeauthority.gov.au/sites/default/files/2022-08/Review%20of%20International%20Offsets%20-%20Probity%20material%20-%20August%202022.pdf>

<sup>24</sup> Pollination (2022) <https://pollinationgroup.com/>

<sup>25</sup> BHP (2022) *New BHP grants to support blue carbon market*, <https://www.bhp.com/news/articles/2022/06/new-bhp-grants-to-support-blue-carbon-market>

<sup>26</sup> Pollination (2020) *HSBC Global Asset Management & Pollination Launch Partnership to Create World’s Largest Natural Capital Manager*, [https://pollinationgroup.com/media\\_post/hsbc-global-asset-management-pollination-launch-partnership-to-create-worlds-largest-natural-capital-manager/](https://pollinationgroup.com/media_post/hsbc-global-asset-management-pollination-launch-partnership-to-create-worlds-largest-natural-capital-manager/)

Pollination’s CEO Martijn Wilder has recently spoken publicly in defence of Australian carbon credits.<sup>27</sup> Pollination has previously been described by the media as having “its fingers in every part of the carbon club”.<sup>28</sup>

## PUBLIC OPINION ON CCA GOVERNANCE

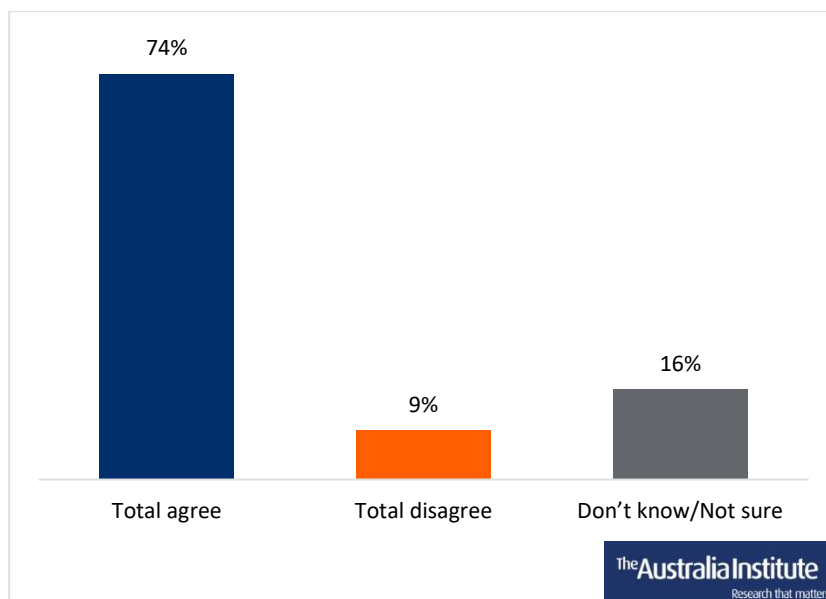
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The Australia Institute surveyed a nationally representative sample of 1,001 Australians on their attitudes towards the governance of the Climate Change Authority (CCA).

Results show that the majority of Australians agree that the CCA should be guided by best practice climate science.

- Three in four Australians (74%) agree that the CCA should be mandated to give advice based on best practice climate science. One in ten (9%) disagree.
- Three in four Australians (76%) agree that the CCA should be chaired by a climate scientist.
- Three in four Australians (75%) agree that members of the CCA's board should not also be employed by companies or organisations that could be affected by CCA's recommendations and advice.

**Figure 1: CCA advice should be based on best practice climate science**

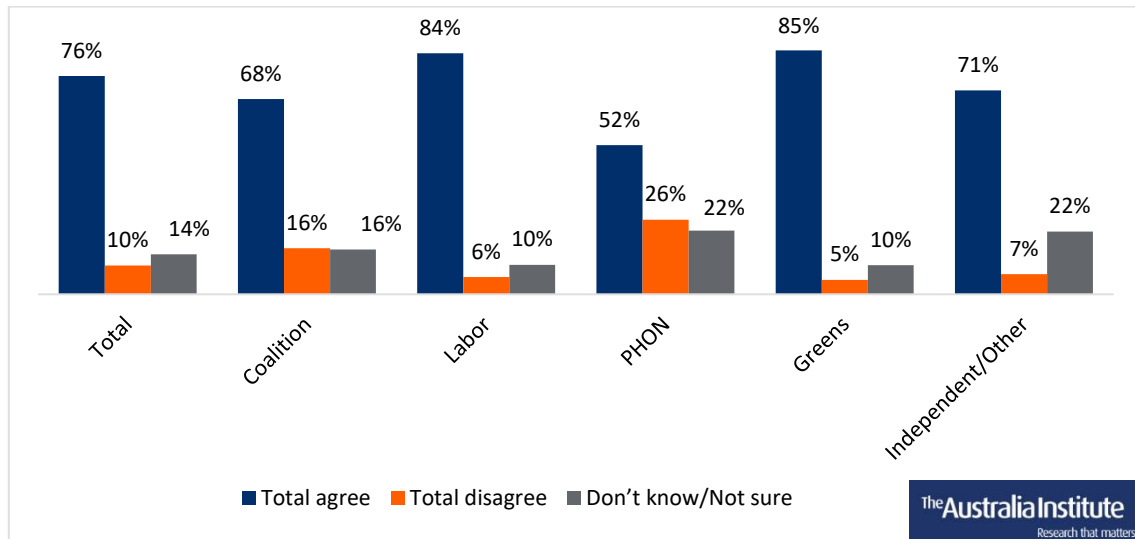


<sup>27</sup> Greber (2022) *Fight over carbon offsets heats up following ‘tap of crap’ warning*, <https://www.afr.com/policy/energy-and-climate/fight-over-carbon-offsets-heats-up-on-tap-of-crap-warning-20221005-p5bnai>

<sup>28</sup> Durie (2021) *Pollination’s Martijn Wilder - creating a new economy*, <https://www.theaustralian.com.au/business/leadership/pollinations-martijn-wilder-creating-a-new-economy/news-story/06e8f4fb8892874151e63da211ffad9a>

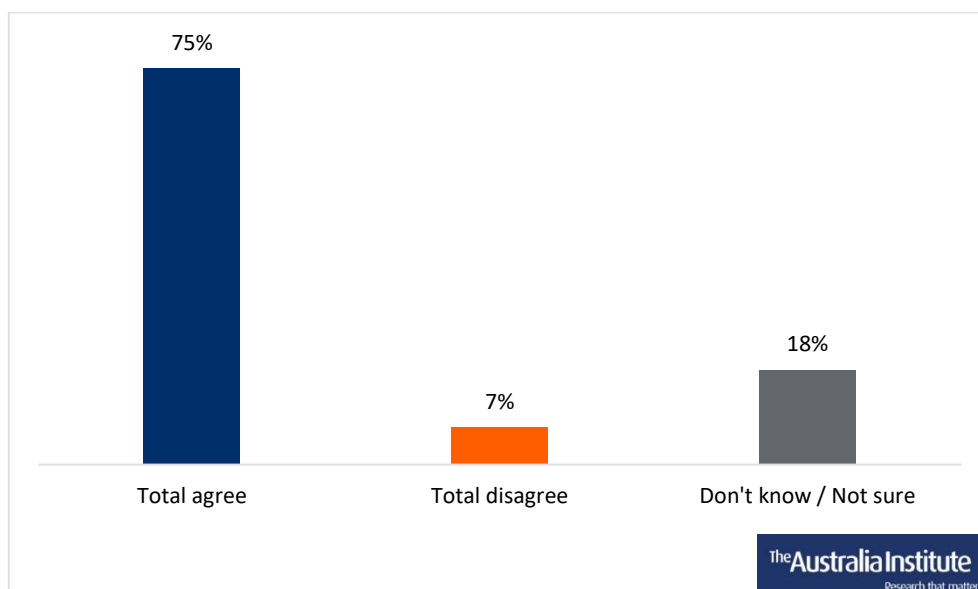
- Across all voting intentions, a majority of respondents agree that the CCA should be chaired by a climate scientist, including 85% of Greens voters, 84% of Labor voters, 71% of Independent/Others voters, 68% of Coalition voters and 52% of One Nation voters.

**Figure 2: CCA should be chaired by a climate scientist, by voting intentions**



- Three in four Australians (75%) agree that members of the CCA's board should not also be employed by companies or organisations that could be affected by CCA's recommendations and advice, while 7% disagree and 18% don't know.

**Figure 3: CCA board members should not also be employed by companies or organisations that could be affected by CCA's recommendations and advice**





## Method

Between 29 November and 2 December 2022, The Australia Institute surveyed 1,001 adults living in Australia, online through Dynata’s panel, with nationally representative samples by gender, age group and state/territory.

Voting crosstabs show voting intentions for the House of Representatives. Those who were undecided were asked which way they were leaning; these leanings are included in voting intention crosstabs.

The research is compliant with the [Australian Polling Council Quality Mark standards](#). The long methodology disclosure statement follows.

### Long disclosure statement

The results were weighted by three variables (gender, age group and state or territory based on Australian Bureau of Statistics [“National, state and territory population”](#) data, using the raking method. This resulted in an effective sample size of 902.

The margin of error (95% confidence level) for the national results is 3%.

Results are shown only for larger states.

Voting intention questions appeared just after the initial demographic questions, before policy questions. Respondents who answered “Don’t know / Not sure” for voting intention were then asked a leaning question; these leanings are included in voting intention crosstabs. “Coalition” includes separate responses for Liberal and National. “Other” refers to Independent/Other, and minor parties in cases where they were included in the voting intention but represent too small a sample to be reported separately in the crosstabs.





## Detailed results

Respondents were asked to state their agreement or disagreement with three statements following this description:

*The Climate Change Authority is an independent statutory body giving independent and expert climate advice to the government.*

No prior questions are expected to have influenced the results.

**"The Climate Change Authority should be mandated to give advice based on best-practice climate science."**

	Total	Male	Female	NSW	VIC	QLD	WA
Strongly agree	35%	39%	31%	38%	31%	37%	32%
Agree	39%	37%	41%	36%	44%	39%	43%
Disagree	4%	5%	4%	5%	4%	4%	4%
Strongly disagree	5%	6%	4%	6%	6%	6%	3%
Don't know/Not sure	16%	13%	20%	16%	16%	15%	18%

	Total	Coalition	Labor	One Nation	Greens	Other
Strongly agree	35%	30%	34%	19%	56%	35%
Agree	39%	37%	48%	28%	30%	31%
Disagree	4%	7%	3%	6%	4%	3%
Strongly disagree	5%	8%	2%	23%	0%	4%
Don't know/Not sure	16%	18%	13%	24%	10%	27%

	Total	18-29	30-39	40-49	50-59	60+
Strongly agree	35%	43%	38%	33%	27%	33%
Agree	39%	37%	41%	39%	44%	37%
Disagree	4%	7%	2%	4%	5%	4%
Strongly disagree	5%	3%	4%	4%	4%	9%
Don't know/Not sure	16%	10%	15%	20%	20%	18%

**"The Climate Change Authority should be chaired by a climate scientist."**

	Total	Male	Female	NSW	VIC	QLD	WA
Strongly agree	35%	38%	33%	38%	31%	36%	38%
Agree	41%	38%	44%	38%	42%	42%	41%
Disagree	6%	7%	5%	4%	8%	6%	3%
Strongly disagree	4%	6%	3%	6%	5%	2%	3%

<b>Don't know/Not sure</b>	14%	12%	16%	13%	15%	13%	15%
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	<b>Total</b>	<b>Coalition</b>	<b>Labor</b>	<b>One Nation</b>	<b>Greens</b>	<b>Other</b>
<b>Strongly agree</b>	35%	27%	40%	21%	54%	27%
<b>Agree</b>	41%	41%	44%	31%	31%	44%
<b>Disagree</b>	6%	10%	4%	4%	4%	4%
<b>Strongly disagree</b>	4%	6%	2%	22%	1%	3%
<b>Don't know/Not sure</b>	14%	16%	10%	22%	10%	22%

	<b>Total</b>	<b>18-29</b>	<b>30-39</b>	<b>40-49</b>	<b>50-59</b>	<b>60+</b>
<b>Strongly agree</b>	35%	42%	39%	34%	28%	33%
<b>Agree</b>	41%	40%	39%	43%	46%	38%
<b>Disagree</b>	6%	6%	4%	4%	9%	7%
<b>Strongly disagree</b>	4%	4%	3%	3%	2%	7%
<b>Don't know/Not sure</b>	14%	8%	15%	17%	16%	14%

"Members of the Climate Change Authority's board should not also be employed by companies or organisations that could be affected by the Climate Change Authority's recommendations and advice."

	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>WA</b>
<b>Strongly agree</b>	44%	50%	38%	44%	40%	41%	54%
<b>Agree</b>	31%	30%	33%	29%	35%	33%	25%
<b>Disagree</b>	3%	4%	3%	4%	4%	5%	2%
<b>Strongly disagree</b>	4%	5%	3%	5%	4%	3%	0%
<b>Don't know/Not sure</b>	18%	12%	23%	18%	17%	18%	19%

	<b>Total</b>	<b>Coalition</b>	<b>Labor</b>	<b>One Nation</b>	<b>Greens</b>	<b>Other</b>
<b>Strongly agree</b>	44%	42%	44%	21%	54%	47%
<b>Agree</b>	31%	31%	34%	38%	27%	24%
<b>Disagree</b>	3%	5%	3%	3%	2%	3%
<b>Strongly disagree</b>	4%	5%	2%	16%	1%	2%
<b>Don't know/Not sure</b>	18%	17%	17%	23%	16%	24%

	<b>Total</b>	<b>18-29</b>	<b>30-39</b>	<b>40-49</b>	<b>50-59</b>	<b>60+</b>
<b>Strongly agree</b>	44%	42%	41%	44%	44%	47%
<b>Agree</b>	31%	33%	32%	33%	33%	28%

<b>Disagree</b>	3%	7%	2%	1%	3%	4%
<b>Strongly disagree</b>	4%	4%	4%	2%	3%	5%
<b>Don't know/Not sure</b>	18%	15%	22%	21%	16%	17%