

Hon Matt Kean

Climate Change Authority

Submitted via the Climate Change Authority portal

7 August 2026

RE: Climate Change Authority's 2026 Annual Progress Advice

Thank you for the opportunity to provide this submission on the Climate Change Authority's 2026 Annual Progress Advice consultation paper (**consultation paper**).¹

Environmental Advocacy in Central Queensland

Environmental Advocacy in Central Queensland (**EnvA**) is a Central Queensland association concerned about the risks associated with coal mining, coal seam gas and climate change.

EnvA considers that opening new and expanding coal and gas projects:

- is inconsistent with achieving Australia's emission reduction targets,
- is likely to result in irreparable damage to our local landscape and result in stranded assets,
- will put our local community at further risk of extreme weather such as increasing the intensity and frequency of storms, floods, droughts and bushfires,
- will damage our significant coastal resources including our beaches and the Great Barrier Reef through storm surge and increased coral bleaching events,
- will further degrade wildlife habitats of state and national significance through both habitat loss and climate change, and
- rarely take into consideration the views of Traditional Owners and local communities who are concerned about protecting their land from fossil fuel development.

Overview of our submission

EnvA's submission focuses primarily on the resources sector and the role of the Safeguard Mechanism in ensuring that Australia's largest industrial emitters make a genuine contribution to achieving the 2035 emissions reduction target.

EnvA is concerned that continued approval and expansion of coal and gas projects is working against this objective. The climate consequences of increased fossil fuel production should not be accommodated through higher facility baselines or transferred to other sectors of the economy.

EnvA recommends that the Climate Change Authority:

- revise baseline settings for new and expanding coal and gas facilities so that increased production does not create additional emissions headroom;
- apply stronger baseline decline rates to fossil fuel facilities;

¹ [Climate Change Authority \(2026\) Annual Progress Advice - Consultation Paper](#)



- prioritise genuine onsite emissions reductions and strictly limit, then phase out, the use of Australian Carbon Credit Units (**ACCUs**) by fossil fuel facilities;
- remove or phase out government policies that reduce incentives for fossil fuel facilities to electrify and decarbonise, including the Fuel Tax Credit Scheme;
- improve transparency by requiring facilities to explain significant changes in reported emissions and the reasons for any baseline exceedances; and
- continue supporting household renewable energy, electrification and regional electric vehicle infrastructure as important components of the broader transition.

EnvA considers that the Safeguard Mechanism should ensure that continued growth in fossil fuel production does not undermine Australia's emissions reduction trajectory or shift the burden of decarbonisation onto other sectors.

Australia's emission challenges

It is well recognised that Australia's current actions to reduce carbon emissions are not in line with meeting emission reduction targets², commitments to limit global warming to 1.5°C³, reduce methane emissions⁴ and pledges made to our Pacific neighbours⁵.

The Climate Action Tracker⁶ rates the Australia government climate policies and action and Australia's nationally determined contribution as insufficient to meet Australia's commitments and legal obligations and considers that they need to be strengthened. This is further reinforced by the International Court of Justice (**ICJ**) advice that:

- Every country has significant legal obligations to slash climate pollution and do everything it can to limit global warming to 1.5°C,
- Ongoing support for fossil fuels - including production, subsidies and granting licences - could be a wrongful act under international law,
- Wrongful acts, like prolonged fossil fuel use - may trigger obligations to compensate other countries suffering from climate harm, and
- Countries have a legal duty to slash climate pollution - not just at home, but from private actors and export interests.⁷

As noted in the consultation paper, the previous year has seen extreme weather events in Australia (and across the world), and there is an urgent need for substantial emission reduction to increase from 8Mt Co2-e (average 2020-2025) to 20-25 MtCo2-e over the next decade.

The extraction and burning of coal, oil and gas make the largest contribution to Australia's greenhouse gas emissions. As one of the world's largest exporters of fossil fuels, Australia's coal and gas are also burned beyond our borders resulting in emissions that promote global warming. Australia's global fossil fuel carbon footprint is three times larger than its domestic footprint with 80% of the damage occurring overseas.⁸

Countries around the world are transitioning to a clean energy future and have taken significant steps towards this goal. The future of Australia's fossil fuels must be identified as a priority sector

² [DCCEEW \(2025\) Setting our 2035 target and path to net zero](#)

³ [United Nations Climate Change \(2016\). The Paris Agreement](#)

⁴ [Global Methane Pledge](#)

⁵ [Australian Government \(Foreign Affairs and Trade\) Pacific regional – climate change and resilience](#)

⁶ [Climate Action Tracker \(2025\) Climate Target and Projections - Australia](#)

⁷ [Climate Council \(2025\) World's highest court's landmark decision carries major implications for Australia's climate obligations](#)

⁸ [Hare, B. \(2024\) Dug up in Australia, burned around the world – exporting fossil fuels undermines climate targets](#)

to phase-out and existing projects must be further encouraged to decarbonise their facilities. The ICJ decision confirms that Australia cannot ignore the emissions that are produced and used domestically or are exported to other nations⁹ – we must take significant steps to reduce the continuing approval of new and expanding facilities.

There are sufficient coal resources already approved to supply the domestic and international demand. The current pipeline of approved and proposed coal mines contrasts with global market outlooks, increases rather than decreases emissions, and increases rehabilitation uncertainty and risks to taxpayers when the projects become financially unviable.¹⁰ This is reinforced by the many small Central Queensland coal companies falling into administration and larger companies placing mining operations into care and maintenance.¹¹

A key implication of allowing new and expanding coal mines to be added to the Safeguard Facilities register is that it unfairly shifts the burden of reducing emissions onto non-fossil fuel sectors, many of which are more important to our future than coal mining and gas extraction.

Reference pathways and baseline decline rates for sectors

Question 1

What are your views on the proposed approach for setting reference pathways to assess progress, including strengths, limitations and any alternative approaches that should be considered?

EnvA commends the support and achievements of the Australian Government in the electricity and energy and domestic transport sectors. We support continued incentives and support for these sectors where the impacts on the environment and private land can be minimised.

The proposed use of a non-linear abatement pathway for these sectors is appropriate. However, it needs to be supported by clear government policy intent and measures that encourage continued investment in renewable energy and alternative fuels. At present, this policy direction is undermined by government funding and support for coal and gas extraction and continued reliance on fossil fuel power generation.

In relation to the Resources sector, EnvA supports a linear abatement pathway. However, we are concerned that continued approval of new and expanding fossil fuel projects makes achievement of the proposed reduction from approximately 97–98 Mt CO₂-e to 61–73 Mt CO₂-e by 2035 less likely. Every new coal and gas development adds further climate pollution and climate risk.

For this reason, EnvA recommends that the approach to calculating baselines for new and expanding coal mines and gas facilities be amended so that increased production does not result in additional emissions that undermine the sector's required emissions trajectory. In particular, the baseline settings for new and expanding fossil fuel facilities should be consistent with the lower end of the Authority's proposed 2035 emissions range for the Resources sector.

This could potentially be achieved through the use of a fixed or otherwise production-independent absolute baseline, or another mechanism that prevents increased production from generating a corresponding increase in the facility's allowable emissions.

The current approach risks producing a perverse outcome: a new or expanding fossil fuel facility can increase its absolute baseline as production increases, even while the emissions intensity applied to that facility is intended to decline. This creates additional emissions headroom at precisely the time when the sector needs to achieve substantial absolute emissions reductions.

⁹ [The Australia Institute \(2025\) Nearly a fifth of Australia's emissions now come from sending fossil fuels overseas](#)

¹⁰ [IEEFA \(11 February 2025\) Australia's coal production limits far exceed actual output, so why approve new mine developments?](#)

¹¹ [EnvA \(2026\) Central Queensland coal company Vitrinite enters administration as sector instability deepens](#)

The emissions consequences of new and expanding fossil fuel facilities should not be transferred to other sectors of the economy. Electricity, transport, manufacturing and other sectors will remain essential components of Australia's clean energy transition and should not be required to compensate for continued growth in fossil fuel production.

Reducing emissions

Question 2

What signs are you seeing of emissions reductions across industries, businesses, households or investors? What barriers or delays to abatement are you observing?

EnvA has made submissions on numerous proposed coal and gas projects over the past few years.¹² Based on our review of these proposals, evidence of meaningful greenhouse gas emissions abatement in the fossil fuel industry appears to be limited. Proposed measures frequently consist of high-level or aspirational commitments rather than clearly defined, funded and measurable emissions reduction measures. Examples include:

- preferencing fuel-efficient mining equipment during procurement;
- maintaining mining equipment in good working order;
- encouraging carpooling for mine workers;
- considering gas drainage and abatement of incidental mine gas;
- transitioning from diesel to electric machinery and equipment when the technology becomes available; and
- complying with the Safeguard Mechanism through the purchase or surrender of ACCUs.

Occasionally, proponents propose purchasing renewable energy through power purchase agreements to reduce Scope 2 emissions. EnvA is aware that BHP Mitsubishi Alliance has entered into such agreements for seven of its Central Queensland mines, with the intention of sourcing approximately half of their electricity demand.¹³ While this represents a positive step towards reducing Scope 2 emissions, it addresses only a component of the emissions associated with fossil fuel extraction.

Some recent underground coal proposals have also included capture of methane through gas drainage, either for supply to third parties or for use in onsite electricity generation. Methane capture and combustion can reduce the climate impact associated with methane that would otherwise be released directly to the atmosphere. However, this should not be treated as equivalent to eliminating the underlying fossil fuel emissions. Where captured gas is subsequently combusted, carbon dioxide emissions remain, and the measure does not address the much larger emissions associated with the continued production and eventual use of the coal.

From EnvA's observations, the key barriers to meaningful abatement and decarbonisation in the coal and gas sectors include:

- the continued ability to purchase ACCUs or use Safeguard Mechanism Credit Units (**SMCs**) rather than undertake genuine onsite emissions reductions (further discussed in Question 10);
- access to government subsidies, particularly through the Fuel Tax Credit Scheme; and
- high baselines based on historical or business-as-usual emissions, which reduce the urgency for facilities to undertake rapid and substantive decarbonisation.¹⁴

¹² [EnvA. Submissions on fossil fuel projects and relevant legislative reforms](#)

¹³ [PV Magazine \(2023\) BHP signs renewable PPA for Queensland coal mines](#)

¹⁴ [Our Trace. Baseline Emissions: What Are They & How To Calculate](#)

EnvA considers that there remains significant potential to accelerate emissions reductions in the fossil fuel industry, which is a major contributor to Australia's emissions. The combination of limited incentives to decarbonise operations, the availability of a 'pay-to-emit' option and government subsidies¹⁵ can allow Scope 1 and 2 emissions to continue when greater onsite reductions should be achievable.

EnvA considers that the Fuel Tax Credit Scheme as it applies to the resources sector should be removed or significantly scaled back to encourage electrification of mining operations.

The Australia Institute has reported that mining companies used the majority of Australia's diesel fuel in 2023–24—3.5 times more than diesel used in agriculture, and more than all the country's dual-cab utilities combined.¹⁶

This subsidy can reduce the financial incentive for mining companies to transition away from diesel-powered equipment and therefore disincentivise emissions reductions that could be achieved onsite. Reducing or eliminating this incentive would also provide a budget saving that could be redirected towards industries of the future or towards recovery from increasingly frequent and severe climate-change-fuelled extreme weather events.

As outlined in EnvA's response to Question 1, baseline settings for new and expanding coal mines and gas facilities should also be amended to ensure that increased production does not result in additional emissions headroom. The baselines should instead be consistent with the emissions trajectory required to achieve the lower end of the Authority's proposed 2035 target range for the Resources sector.

The Safeguard Mechanism needs strengthening

The Safeguard Mechanism covers one-third of Australia's total climate pollution. More than half of that is from coal, oil and gas extraction. Getting the scheme settings right isn't just about the environment – it's about protecting Australian households from volatile fossil fuel prices, supporting clean industries, and securing Australia's place in a decarbonising global economy.¹⁷

Question 3

What do you see as the top priorities for climate policy reform and why?

At present, the Safeguard Mechanism (**SGM**) is the principal Commonwealth policy mechanism for directly managing emissions from Australia's largest industrial facilities, but it only applies after a project is approved and operating. The SGM is not a substitute for incorporating climate considerations into federal environmental decision-making and it will not protect Australia's people, ecosystems or threatened species from climate change as:

- The SGM does not prevent greenhouse gas emissions. It does not require on-site emissions avoidance or reduction. Instead, facilities can use carbon credits to meet their compliance obligations rather than undertaking equivalent onsite emissions reductions, subject to the requirements of the Safeguard Mechanism.
- The SGM is not an assessment or approvals system. It does not require, or even allow for, any federal decision-maker with approvals power to consider whether the greenhouse gas emissions to be produced by proposed projects are compatible with Australia's emission reduction targets, or with limiting global warming to 1.5 degrees, and to prevent unacceptably polluting projects from going ahead.

¹⁵ [The Australia Institute \(2026\) Fossil fuel subsidies in Australia 2026](#)

¹⁶ [The Australia Institute \(2026\) Diesel use in Australian Mining](#)

¹⁷ [Climate Council \(2026\) Modelling: Fossil fuels and the Safeguard Mechanism](#)

- In relation to the coal mines and gas fields covered by the SGM, only emissions produced on-site are subject to the emissions caps. This represents a small fraction of the total pollution resulting from fossil fuel production. Most harm to Australia's ecosystems comes from the end-use of coal and gas after it is sold by extraction companies.
- The SGM does not differentiate between fossil fuel production and other, less replaceable industries. Where fossil fuel exports have no place in an economy compatible with limiting global warming to survivable temperatures, other industries like manufacturing and transport are less replaceable and should be supported to decarbonise.¹⁸

Unfortunately, the current EPBC Act amendments do not invoke a climate trigger, and the Safeguard Mechanism legislation (*National Greenhouse and Energy Reporting Act 2007*) does not provide for the refusal of any project, even when the project cannot align with legislated emission reduction targets and are contrary to international agreements, pledges and basic human rights.

This is a fundamental issue to amend in order to achieve emissions reduction targets and protect Australians, our Pacific neighbours and enact Australia's role in reducing global emissions. EnvA considers that there needs to be an ability to refuse a project which will contribute significant emissions and is unable to abate the emissions using available and proven technology.

An alternative is to determine, in line with science and economics, that further fossil fuel developments are unacceptable and radically amend the calculations of emission baselines for this sector to ensure that high-emitting projects are responsible for advancing and implementing decarbonisation technologies.

Fossil fuel expansion undermines climate policy

Question 10

Should the Safeguard Mechanism play a stronger role in encouraging onsite abatement, relative to allowing flexibility through ACCU use?

- *What objectives should guide this assessment?*
- *Are additional incentives or constraints warranted?*

If so, what options should be considered and why?

To comply with declining baselines, facilities can either cut their emissions at source, acquire ACCUs, or purchase SMCs from facilities that have reduced more than their baseline allowance for the corresponding compliance period. ACCUs are generated from activities outside the SGM framework which largely allow for a facility to meet its compliance obligations without achieving an equivalent reduction in its own onsite emissions.

The Safeguard Mechanism is expected to be the main driver of ACCU demand, as large industrial emitters can meet their steadily declining emissions targets, or 'baselines', through offsets in lieu of cutting on-site emissions.¹⁹ Demand for ACCUs linked to the SGM is expected to increase from under one million in 2023 to 25 million by 2030, 35 million in 2035 and 37 million in 2040.²⁰ The increase in demand from Safeguard facilities is due to lower projected on-site abatement and less projected generation of SMCs as facility baselines reduce.

Issues associated with the use of ACCUs

Despite ACCUs being a central component of Australia's current climate policy framework, there

¹⁸ [Environmental Justice Australia \(2025\) Safeguard or smokescreen? - Why the Albanese government's climate excuse doesn't stack up](#)

¹⁹ [Climate Analytics \(2025\) Submission to the Climate Change Authority Issues Paper: 2025 Annual Progress Report](#)

²⁰ [DCCEEW \(2025\) Australia's emissions projections 2025](#)

are significant concerns about whether some ACCU methodologies deliver genuine, additional and measurable emissions reductions. This is because they are crediting activities that store, reduce or avoid greenhouse gas emissions which often have low integrity and many do not result in any reduction in emissions.

For example, in 2021, ‘avoided deforestation’ made up 1 in 5 of all carbon credits in Australian. This clearing was never going to happen anyway and hence could not possibly abate emissions from any facility.²¹ Likewise, ‘human-induced regeneration projects’ which are based on allowing cleared native forests to regenerate does not result in an increase in forest cover or emission abatement.^{22, 23}

This lack of integrity - real, additional and verifiable emission reductions – means these offsets are exacerbating the climate change problem through allowing projects to contribute more emissions to the atmosphere with no meaningful abatement.

We note that changes to the ACCU Scheme in 2026 will include the development of new methods including:²⁴

- extending savanna fire management (SFM) to the northern arid zone method,
- integrated farm and land management method to incorporate feed additives to reduce methane from livestock (livestock method), and
- alternative waste method to incentivise the diversion of mixed solid waste from landfill.

These proposed methods are largely considered to minimise emissions rather than provide any sequestration that could be considered to offset emissions from a separate facility.

It is EnvA’s view that depending on offsets to meet emission reduction goals is unrealistic and should not be relied upon to meet emission reduction targets.

Encourage onsite abatement

The emissions consequences of new and expanding fossil fuel facilities should not be transferred to other sectors of the economy. Electricity, transport, manufacturing and other sectors will remain essential components of Australia's clean energy transition and should not be required to compensate for continued growth in fossil fuel production.

For this reason, EnvA considers that there should be strict limits of the use of ACCUs for all fossil fuel facilities and reserve the use of these ‘questionable’ offsets for hard to abate, essential sectors. While the policy framework for such a sector-based framework would need to be developed, we consider that emission reductions for fossil fuel facilities must be delivered through onsite abatement where genuine onsite emission reductions are the primary mechanism of reducing emissions with the use of ACCUs limited and phased out completely by 2030.

Questions 6 and 7

6A) *The Safeguard Mechanism’s current baseline decline rate is calibrated so the scheme delivers a proportional share of Australia’s 2030 emissions reduction target.*

- *What are the advantages and disadvantages of continuing this approach beyond 2030?*

²¹ [Hemming, P. et al \(2021\) Questionable integrity: Non-additionality in the Emissions Reduction Fund’s Avoided Deforestation Method](#)

²² [Macintosh, A. et al \(2024\) Australian human-induced native forest regeneration carbon offset projects have limited impact on changes in woody vegetation cover and carbon removals](#)

²³ [Climate Integrity \(2025\) Legal risks stack up under Australia’s failed carbon market](#)

²⁴ [Chris Bowen and Josh Wilson \(April 2026\) Joint media release: Better ACCU methods to deliver more income opportunities and emissions cuts](#)

- *If the proportional share approach should be maintained, how should it take account of Australia's 2035 target range?*

6B) *If a different approach to setting the baseline decline rate should be used (instead of the proportional share approach), what should it be and why?*

7 *Should decline rates differ across facilities or sectors beyond existing arrangements for TEBA facilities? What evidence would support differentiation, and what principles should guide how any differentiation is applied?*

Modelling commissioned by the Australian Conservation Foundation and the Climate Council²⁵, shows that the fossil fuel industry is undermining the Safeguard Mechanism, increasing climate pollution, and putting more Australians at risk of climate harm.

The modelling also shows that:

- If higher-than-expected gas or coal production occurs, gross emissions could increase by a further 5% in 2035.
- The risk of carbon blowouts from coal and gas facilities is poorly managed and could lead to close to 50 million tonnes of additional pollution by 2035 if speculative technologies like carbon capture and storage fail to scale-up.
- Polluters will increasingly rely on offsets to comply with pollution rules, with the Mechanism failing to support enough real cuts to climate pollution. Relying on offsets is a risk to Australia's climate targets, with no guarantee they actually reduce pollution.
- Improvement to Australia's measurement of fossil fuel methane emissions, shows that these emissions are currently under-reported by approximately 60%, which potential increase Safeguard reportable emissions by 18% to 2035 and risking the achievement of the 2030 carbon budget.
- The scheme's settings for fossil fuels will determine how decarbonisation is split across industries. Implementing a stronger decline rate for coal and gas could more than halve the decarbonisation required from other long-term industries like manufacturing and minerals processing.²⁶

The SGM covers less than a third of Australia's greenhouse gas emissions. At present, high-emission facilities are being held responsible for meeting Australia's emission targets, even when they cover essential products and services, and many are hard to decarbonise with currently available technology.

Of the SGM facilities, fossil fuel production is the least important in a clean energy future. There are sufficient approved coal and gas facilities to provide our domestic and contracted export market requirements.

Further to this, the World Bank forecasts that coal prices are falling and will continue to fall in 2026 due to a weakening import demand from Asia and a potential supply glut.²⁷ Treasury modelling similarly predicts that the value of Australia's coal and gas exports will fall by around 50% over the next five years.²⁸

In this context, there is no justification for further environmental and climate damage for fossil fuel projects that are unlikely to deliver genuine economic or social benefit and hence new and

²⁵ [RepuTex Energy \(2026\) Safeguard Mechanism emissions and baseline sensitivities](#)

²⁶ [Australian Conservation Foundation \(2026\) New modelling: Coal and gas giants gaming the system](#)

²⁷ [Agnoiluci, P & Makarenko, N \(June 2025\) Weakening demand, steady supply: What's driving coal price decline in 2025?](#)

²⁸ [Australian Government \(September 2025\) Australia's Net Zero Transformation: Treasury Modelling and Analysis](#)

expanding fossil fuel projects are inconsistent with the EPBC Act's principles of ecologically sustainable development.

As outlined in the Australia's emission challenges section and our responses to previous questions, EnvA considers that fossil fuel resources must be treated differently to other resources and sectors. EnvA recommends that adjustments should include, at a minimum:

- Developing an alternative method of calculating baselines for new and expanding coal mines and gas facilities so that increased production does not result in additional emissions,
- Increasing the baseline decline rate for fossil fuel facilities,
- Impose strict limits of the use of ACCUs for all fossil fuel facilities to ensure that a substantial proportion of emission reductions are delivered through onsite abatement and become the primary mechanism of reducing emissions,
- Removing access to the Fuel Tax Credit Scheme (or at least commence a phase out of access) to encourage electrification of mining operations,
- Ensure that fossil fuel projects no longer have access to government subsidies for decarbonisation projects or operations.

Better transparency is essential

Question 8

How should we assess the extent to which the Safeguard Mechanism is driving onsite abatement? What metrics, data sources or methods should we use, and how should we account for changes in production, operational conditions and emissions variability?

Improved reporting

The Authority has already recognised that no single metric can determine whether emissions reductions result from Safeguard Mechanism reforms. It also identifies many reasons emissions can change, including:

- changing methane conditions;
- mine closures or commissioning;
- production interruptions; and
- methane capture and combustion.

At present, the public reporting does not identify which of these factors explains changes at an individual facility.

For the reporting period 2024–25:

- 208 facilities were covered by the Safeguard Mechanism;
- 23 published an explanation under section 72C of the *National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015* due to use of carbon offsets to cover emissions exceeding 30% of the facilities baseline; and
- 147 reported facility records with emissions above their baseline.

Even if all 23 explanatory statements were included within the 147 records, approximately 84% of above-baseline facility years had no published explanation and hence it is challenging to determine whether there has genuine emissions reductions and offsets were not required, or there have been changes in emissions in regard to new emissions sources, changes in estimation methods, or changes in production.

Ideally, all facilities, particularly fossil fuel facilities, should be required to provide an explanation of exceedances of their baseline and how they will manage these exceedances moving forward. Again, we iterate that the use of ACCUs for fossil fuel facilities must be further limited and phased out completely by the end of this decade.

EnvA further notes that it is challenging to understand the reporting of emissions associated with coal mine expansion.

An example of unclear public reporting

The Lake Vermont Coal Project is a major open-cut coal mine located near Dysart in Central Queensland which has been operating since 2009. An extension to the mine, the Lake Vermont Meadowbrook Project (EPBC 2019/8485), was approved (with conditions) under the EPBC Act in 2024.²⁹ The Meadowbrook extension includes the development of an underground coal mining and a satellite open-cut pit as an expansion to the Lake Vermont Coal Project.

A further proposed extension to the mine, Lake Vermont Mockingbird (EPBC 2025/10381) is in the early stages of assessment.

Theiss, the operator of the Lake Vermont Coal, reported that between 2023-24 and 2024-25:

- covered emissions increased by about 10%;
- reported methane emissions increased by 45%;
- carbon dioxide emissions remained almost unchanged; and
- methane accounted for almost all the increase in covered emissions.³⁰

In the 2024-25 reporting period, a new 'underground mines – method 2' reporting category was introduced while retaining the 'open cut mines – method 2' category. The published data do not explain which emissions or activities were assigned to each category.³⁰

In this example, the public information is insufficient to determine whether the emissions increase reflects:

- an increase in methane emissions associated with the exploration activities associated with the proposed underground mining at the Lake Vermont Meadowbrook extension (which may also explain the introduction of an underground mine category);
- a reporting or methodological change;
- a classification change; or
- some combination of these factors.³⁰

This example again emphasises the need for facility proponents to provide an explanation of the reasons for changes to emissions reporting, and where exceedances of their baseline occur, how they will manage these exceedances moving forward.

Improved reporting will assist the CCA and the public in determining the loopholes within the SGM that need to be addressed.

Encouraging the renewable energy uptake

Question 4

What actions could help households adopt solar, batteries, electric vehicles and home electrification?

As noted earlier in this submission, the uptake of household solar and battery storage has been

²⁹ [EPBC Public Portal \(2024\) Decision on approval – Lake Vermont Meadowbrook \(EPBC 2019/8485\)](#)

³⁰ Alexander, C (2026) submission on the Climate Change Authority's 2026 Annual Progress Advice consultation paper

highly successful. Household renewable energy systems not only provide benefits to individual households but also contribute additional low-cost renewable electricity to the grid. The strong growth in electric vehicle uptake is also encouraging and demonstrates the potential for consumers to transition to lower-emissions technologies when the appropriate incentives and infrastructure are available.

While this is not a specific focus of EnvA's work, we offer the following broad suggestions for further encouraging household uptake of renewable energy and electrification.

Improve energy pricing arrangements

Energy pricing should better recognise the value of electricity supplied to the grid by households with rooftop solar and battery storage. Household renewable energy exports can contribute to the supply of lower-cost electricity for consumers who are unable to install their own systems.

The significant reduction in feed-in tariffs in recent months risks reducing the financial incentive for households to invest in solar and battery storage. Energy pricing arrangements should provide an appropriate return to households for the renewable electricity they supply while ensuring that the benefits of distributed renewable generation are shared across the broader community.

Expand fast-charging infrastructure in regional areas

Governments should fast-track the installation of reliable fast electric vehicle charging stations in regional areas. Greater availability of charging infrastructure would help reduce range anxiety and support greater uptake of electric vehicles, particularly for people travelling significant distances.

Priority should be given to connecting regional communities, tourism destinations and locations away from the major coastal population centres, creating a reliable network that enables electric vehicle travel throughout regional Australia.

Require renewable energy infrastructure in new commercial developments

A further opportunity to increase renewable energy generation would be to encourage state and territory governments to incorporate requirements into planning frameworks for new or substantially amended commercial and industrial developments to install rooftop solar and battery storage. In addition, incentives could be provided to retrofit renewable energy systems to existing commercial and industrial facilities.

Many commercial and industrial developments have extensive roof areas and substantial electricity requirements. Requiring appropriately designed renewable energy systems on these buildings could reduce operating costs for businesses, reduce demand on the electricity grid and increase the supply of renewable electricity.

Where battery storage is incorporated, it could also help manage demand and maximise the value of rooftop generation. Any excess renewable electricity could be exported to the grid, increasing the availability of renewable energy for other consumers.

This approach could also reduce some of the pressure to develop additional greenfield renewable energy projects by making greater use of existing built infrastructure and already-developed areas. This may be particularly beneficial in regional and rural areas where new large-scale renewable energy projects can generate community concern over land use and impacts on agricultural land and landscapes.

EnvA considers that increasing the use of existing commercial and industrial roof space represents a practical opportunity to increase renewable energy generation while reducing pressure for additional greenfield development.

Further suggestions on improvements to the Safeguard Mechanism

While this issue is outside the specific questions addressed in the consultation paper, EnvA considers it relevant to improving the prospects of Australia achieving its emissions reduction targets and meeting its international commitments.

The Safeguard Mechanism currently covers approximately one-third of Australia's total greenhouse gas emissions. EnvA acknowledges that emissions management has improved across a number of sectors through a range of policies and incentives. However, there remains an opportunity to expand the Safeguard Mechanism to capture a greater proportion of Australia's large emitters.

There is limited public information about emissions from facilities outside the Safeguard Mechanism. Without greater transparency about the emissions of these facilities, it is difficult to assess their collective contribution to Australia's greenhouse gas emissions or whether sufficient measures are in place to reduce those emissions.

EnvA therefore recommends that the emissions threshold for entry into the Safeguard Mechanism be reviewed to ensure that a substantially greater proportion of Australia's large industrial greenhouse gas emissions are captured within the emissions reporting and reduction framework. Expanding coverage would improve transparency, strengthen accountability and help ensure that emissions reduction responsibilities are shared more broadly across Australia's major emitters.

Conclusion

Environmental Advocacy in Central Queensland appreciates the opportunity to contribute to the Climate Change Authority's 2026 Annual Progress Advice.

EnvA considers that Australia's ability to meet its 2035 emissions reduction target will depend not only on the progress being made in electricity, transport, households and other sectors, but also on whether the resources sector makes an appropriately strong contribution to emissions reduction.

The continued approval and expansion of coal and gas projects present a fundamental challenge to this objective. New and expanding fossil fuel facilities can increase production and, under current arrangements, increase their allowable emissions at a time when Australia needs absolute emissions to decline. The emissions consequences of this continued growth should not be transferred to other sectors that are essential to Australia's long-term economic and clean energy transition.

EnvA therefore recommends that the Authority give particular attention to strengthening the Safeguard Mechanism for fossil fuel facilities. This should include revising baseline settings so that increased production does not create additional emissions headroom, applying stronger baseline decline rates, and requiring a greater proportion of emissions reductions to be achieved through genuine onsite abatement rather than the purchase of ACCUs or other credits.

The integrity and transparency of the Safeguard Mechanism must also be improved. Public reporting should allow the community and policymakers to understand why emissions at individual facilities have increased or decreased, including the effects of changes in production, operational conditions, methane emissions, estimation methods, expansions and other relevant factors. A standardised annual facility emissions change statement would provide a practical way to achieve this.

More broadly, Australia's climate policies should recognise that fossil fuel extraction cannot continue to expand indefinitely while Australia seeks to reduce emissions in line with its national

and international commitments. The Safeguard Mechanism should therefore be strengthened so that fossil fuel facilities make a proportionate and substantial contribution to emissions reduction, rather than relying on other sectors or future technologies to compensate for continued growth.

EnvA supports continued investment in renewable energy, electrification and household energy technologies, together with measures that ensure regional communities share in the benefits of the clean energy transition. However, these measures must be accompanied by stronger action to address emissions from Australia's largest fossil fuel facilities.

EnvA urges the Climate Change Authority to recommend a climate policy framework that prioritises genuine emissions reductions, strengthens accountability and transparency, and ensures that continued fossil fuel expansion does not undermine Australia's pathway to its 2035 emissions reduction target.

Thank you again for the opportunity to provide comment on the Climate Change Authority's 2026 Annual Progress Advice consultation paper.

Yours sincerely,



Dr Coral Rowston

Director

Environmental Advocacy in Central Queensland