



**Name:** Minerals Council of Australia

**Submission date:** 23/06/2025

## 1. Reduce the cost of meeting carbon targets

### 1. What could be done to improve the cost-effectiveness and alignment of policies to reduce emissions across the industrial, electricity and transport sectors?

- The key to improving the cost-effectiveness of the transition is to ensure access to least-cost abatement which includes a good supply of low cost, high integrity off-sets.
- The federal government should focus on ensuring the country has a good supply of low cost high integrity offsets to give decarbonising economic activity options for lower cost abatement.
- As the safeguard mechanism reduces baselines on industrial facilities, and other policies are implemented to reduce other sector emissions in line with interim 2030 and (still to be finalised) 2035 emissions reduction targets, increasing demand for Australian Carbon Credit Units (ACCUs) is expected. Accordingly, the economy will need to develop a strong supply of low cost high integrity ACCUs to manage the cost of the transition.
- Failure to develop a strong supply of low cost high integrity ACCUs risks raising the cost of compliance for safeguard facilities and raising the cost of the transition of the economy in general. This in-turn raises the risk of facility closures (if they cannot afford the carbon cost and cannot pass it on such as for example, a price taking commodity exporter) and/or domestic inflation (if the facility supplies domestic goods and services that are key economic inputs).
- The MCA supports the development of a domestic supply chain of low carbon liquid fuels. However, the need to secure a critical level of demand to underpin cost effective supply should not be undertaken through a mandate.
- Industrial facilities in the safeguard already face declining baselines and consequent pressure to decarbonise. If they fail to operate below their declining baselines, they are required to purchase and surrender ACCUs.
- The scheme is designed to ensure facilities have access to least cost abatement, and with expected rising carbon costs, there is a price signal incentivising demand for a low carbon liquid fuels industry.
- Mandating a standard or proportion of diesel to be biodiesel reduces facility choice, is inconsistent with least cost abatement and threatens business competitiveness.
- Road freight and logistics companies, like safeguard facilities, should be incentivised to reduce emissions via a price signal, not a mandate.

2. Are there gaps in the emissions-reduction policies in the industrial, electricity and transport sectors which should be addressed?

- The sustainability of the Trade Exposed Baseline Adjusted (TEBA) feature of the safeguard mechanism in the long term is at uncertain. As the cost of carbon compliance for safeguard facilities rises and more facilities qualify for baseline decline relief, it is unclear how TEBA can work as more of the emissions reduction burden will need to be borne by the declining number of facilities who do not qualify for TEBA.
- The international best practice baselines for new facilities coming into the safeguard risks being excessively onerous and a disincentive to investment – particularly for new facilities in sectors Australia is positioning for growth such as critical minerals projects which face competition from multiple international jurisdictions and minerals processing projects which face significant competition from China.
- Some first-of-a-kind-type activities/facilities face potential safeguard carbon compliance cost impacts during ramp up phases and prior to being in commercial production – government should consider providing support on carbon compliance costs prior commercial production to maximise the possibility of positive FID to progress to facility construction.

3. Are there any duplicative emissions-reduction policies in the industrial, electricity and transport sectors which could be streamlined?

- Federal and state governments should agree that projects in the safeguard mechanism, do not require state/territory emissions assessment and regulation.
- Currently, states are assessing project emissions and considering approval conditions.
- However, projects in the safeguard mechanism have their emissions regulated nationally, in accordance with the nation's interim and 2050 net zero targets, and operate within an aggregate emissions budget.
- Projects are facing delay and confusion with state approvals imposing emissions conditions and sometimes even seeking to specify that any Australian Carbon Credit Units (ACCUs) used must be sourced from within the state. This is neither least cost abatement nor efficient regulation.
- In late 2024, the Western Australia Government agreed to no longer apply conditions to reduce net greenhouse gas emissions. The WA government's expectation is now that emissions will not be assessed where regulated by other mechanisms (i.e. the Safeguard Mechanism).
- The Western Australian Government's approach to allowing facilities covered by the safeguard mechanism to be regulated with respect to emissions solely by the federal government should be adopted by other states and territories. This would greatly improve the efficiency of emissions regulation and support the productivity agenda by streamlining regulations and simplifying project approvals.

## 2. Speed up approvals for new energy infrastructure

1. Are planning and approvals processes for large energy infrastructure taking too long? If so, what causes the most delay?

The participant did not respond to this question.

2. How can planning and approvals processes be sped up without unduly compromising regulatory standards?

The participant did not respond to this question.

3. Should clean energy projects be treated differently to other projects for the purpose of environmental and other approvals? If so, how?

The participant did not respond to this question.

4. What can be done to build local community support for new energy infrastructure projects?

The participant did not respond to this question.

5. Please outline any evidence showing the productivity benefits of faster approvals for energy projects.

The participant did not respond to this question.

## 3. Encourage adaptation by addressing barriers to private investment

1. What are the barriers and enablers impacting decisions by owner-occupiers, landlords and developers about how housing is built and updated over time so that it is resilient to the effects of climate change?

The participant did not respond to this question.

2. What information do people need to make decisions about where to live, how to build and how to upgrade their homes to appropriately factor in climate change?

The participant did not respond to this question.

3. What are the most cost-effective retrofitting options for improving the resilience of Australia's existing housing stock? What are their costs and benefits?

The participant did not respond to this question.

4. What role might minimum standards play in ensuring the resilience of Australia's housing stock?

The participant did not respond to this question.

5. The impacts of climate change are being factored into the regulation of where and how houses are built in different ways around Australia. What does leading practice look like? Where is there room for improvement? Are there lessons we can learn from other countries?

The participant did not respond to this question.