



28 October 2022

Submission: Safeguard Mechanism reform legislation consultation

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors and service providers of Australia's pipeline infrastructure, connecting natural and renewable gas production to demand centres in cities and other locations across Australia. Offering a wide range of services to gas users, retailers and producers, APGA members ensure the safe and reliable delivery of 28 per cent of the end-use energy consumed in Australia and are at the forefront of Australia's renewable gas industry, helping achieve net-zero as quickly and affordably as possible.

APGA welcomes the opportunity to contribute additional comments to the consultation on Safeguard Mechanism reform (the **Consultation**). APGA commends the iterative and in-depth consultation process for reforming the Safeguard Mechanism, and for providing additional avenues to comment on specific legislative amendments enabling those reforms.

APGA supports a net zero emission future for Australia by 2050¹ and supports the Federal Government's commitment to achieving 43% emissions reduction on 2005 levels by 2030. APGA believes that the reforms to the Safeguard Mechanism are important steps in achieving these goals.

APGA supports the establishment of the Safeguard Mechanism Credits and trading scheme.

As stated within earlier consultation, a key priority for Safeguard Mechanism Reforms is to deliver least cost emissions reduction across all Safeguard Mechanism Facilities. Safeguard Mechanism Credits as enabled through this legislation are key to achieving this principle.

With Safeguard Mechanism reforms introducing progressive reduction of baselines, the establishment of a credit trading scheme is necessary to enable least cost emissions reduction across the Safeguard Mechanism as a whole. Tradeable Safeguard Mechanism Credits enabling Safeguard Mechanism Facilities with more costly abatement opportunities to support lower cost abatement opportunities in other facilities through the purchase of credits. This in turn incentivises Safeguard Mechanism Facilities with lower cost abatement opportunities to pursue these beyond their own baseline requirements by

¹ APGA Climate Statement, available at <https://www.apga.org.au/apga-climate-statement>

providing these facilities with the opportunity to monetise their emissions reduction advantages through Safeguard Mechanism Credits sales.

APGA supports the intent of the proposed legislative amendments to achieve this outcome.

To discuss any of the above feedback further, please contact me on +61 422 057 856 or jmccollum@apga.org.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'JM', written in a cursive style.

JORDAN MCCOLLUM
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