



**Friends of
the Earth
Melbourne**



**NO MORE
GAS**
Friends of the Earth

Submission to: Australian Senate - Inquiry into Greenwashing.

Submission from: Friends of the Earth Melbourne
No More Gas Collective
312 Smith Street
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About Friends of the Earth Melbourne

Friends of the Earth (FoE) is an international federation of grassroots organisations with chapters across Australia. The federation includes other well-known grassroots groups, such as School Strike for Climate and Market Forces. Friends of the Earth Melbourne (FoEM) has been campaigning on environmental and social justice issues for over 50 years and appreciates the opportunity to make this submission to the Australian Senate's Inquiry into Greenwashing.

Background and context

This submission concerns itself with specific greenwashing activities in the fossil fuel sector. All major fossil fuel operators in Australia include net zero emissions pledges in their public communications. These are largely intended to be met through the use of offsets and speculative technologies like Carbon Capture and Storage. The United Nations Expert Group on the Net Zero Emissions Commitments of Non-State Entities (UN expert group), established in 2022, has developed clear standards for net-zero emissions pledges. At the launch of the expert group's report at COP27, UN Secretary General António Guterres declared "We must have zero tolerance for net-zero greenwashing".¹ FoEM shares this opinion and as such the recommendations in this submission are

based on the conclusions of the Net Zero Expert Group.

Industry Net Zero Ambitions

All major fossil fuel operators in Australia have announced net zero emission goals.² Despite these ambitions, companies such as Woodside (which claims an aspiration of carbon neutrality by 2050)³ continue to open new fossil fuel projects. The UN Expert Group has clearly stated that non-state actors cannot claim net zero ambitions while continuing to invest in fossil fuel projects.⁴ Woodside themselves have publicly admitted to this incompatibility, stating that making deep cuts to their emissions would be "too expensive".⁵ The Science Based Targets Initiative (SBTi), a program that verifies whether companies are in compliance with the Paris Agreement, refuses to certify net zero claims made by fossil fuel companies. Criteria 32 of the SBTi rejects the notion that profiting from the production of hydrocarbons is congruent with net zero ambitions.⁶ Despite this, fossil fuel companies in Australia regularly (and falsely) communicate goals of carbon neutrality to the public.⁷

² Climate Council of Australia (2023) Submission to the Australian Senate Inquiry into Greenwashing.

³ Woodside Energy (n.d) Climate. [Website](#). Retrieved 28/08/25.

⁴ United Nations 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. [Report](#) accessed 28/08/25.

⁵ Macdonald-Smith, A. (2025) Woodside CEO: too expensive to make deep cuts to carbon emissions. *Financial Review*.

⁶ SBTi Services (2025) SBTi Services Criteria Assessment Indicators v1.5.

⁷ Climate Council of Australia (2023).

¹ United Nations (n.d.) Net-Zero Expert Group [website](#). Retrieved 02/09/2025.



For many fossil fuel projects, such as Woodside's Scarborough operations, the only greenhouse gas (GHG) abatement strategy companies offer is offsetting.⁸ The use of offsets to trade away emissions is increasingly being recognised by the public as accounting trickery and greenwashing.⁹

Offsets

Purely offsetting emissions through carbon trading schemes risks accelerating the climate crisis, yet this is the primary means by which fossil fuel companies claim GHG abatement. The majority of schemes only offset direct emissions produced during operations, discounting the carbon released through the use of the hydrocarbon product.¹⁰ As the Australia Institute phrased it, "It's a bit like saying you're a health food company even though you sell chicken nuggets, because everyone in your office eats salad for lunch".¹¹ The UN Expert Group stated in their report that offsets should not be counted towards a company's interim emissions reduction targets.¹² Despite this, the Federal Government is permitting fossil fuel companies unlimited use of offsets.¹³ Those companies are then falsely presenting themselves to the public as being on the journey to net zero.

For an offset to be effective, the project must be real, additional and permanent. That is to mean: if a project plans to sequester carbon by planting trees, the trees must actually be planted, they must have been planted for the purpose of sequestering carbon (it does not count if they were going to be planted regardless), and they must sequester the carbon permanently.¹⁴ Land-based offsets, particularly reforestation, are the most popular offset project in Australia. Research shows that reforestation offset projects in Australia have not increased woody foliage cover.¹⁵ Climate Active, a government program that provides 'carbon neutral' certification to Australian companies, has been abandoned by more than one hundred companies over integrity concerns including allegations that their certifications use credits for projects that would have occurred anyway.¹⁶ Despite the very real and ongoing lack of public and corporate trust in the program, DCCEW continues to defend it saying the scheme is "...well designed, well administered and contributing to Australia's transition to net zero by 2050".¹⁷

⁸ Australian Centre for Corporate Responsibility (2021) *Woodside and BHP Scarborough project conflicts with a net zero future*. [Media release](#). Retrieved 28/08/25.

⁹ Australia institute (2025) *Australia's biggest companies turn their backs on flawed carbon offset scheme*. [Media release](#). Retrieved 28/08/2025.

¹⁰ Ibid.

¹¹ Ibid.

¹² Hare, B (2023) *The Dangers of Overreliance on Carbon Offsets*. *The Australia Institute*. [Transcript](#). Accessed 28/08/25.

¹³ Ibid.

¹⁴ Ibid

¹⁵ 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. *Communications Earth and Environment* 5 (149).

¹⁶ Macintosh, A (2025) *As Australia's carbon offset industry grapples with integrity concerns, how can companies genuinely tackle climate change?* *The Conversation website*. Retrieved 02/09/2025.

¹⁷ Ibid.



Carbon Capture and Storage

Novel technologies such as carbon capture and storage (CCS) are similarly being used to delay true action from polluters on emissions reduction. A convincing proof-of-concept for CCS is yet to be produced. Chevron's Barrow Island plant, the largest CCS project in the world, has buried only a third of what it promised despite enormous investment.¹⁸

Disappointingly, the company's promise to sequester 80% of its operational carbon formed part of the site's environmental approval from the Western Australian government.¹⁹ Likewise, Woodside used CCS to sweeten the deal on their enormous Browse project²⁰ despite CEO Meg O'Neill acknowledging that the process is not commercially viable and cannot be used to make significant reductions to the company's emissions.²¹ Even if CCS was tenable it would not be appropriate for the fossil fuel sector's net zero goals. Direct air capture - pulling carbon out of the atmosphere - has already been sidelined as impractically expensive.²² The technologies under development are geared towards capturing the carbon generated by the companies themselves, ignoring emissions released by the customer when the product is burned. As former Shell geoscientist Dimitri Lafleur puts it, "If

you're trying to capture those emissions at one facility, you are still increasing emissions if you look across the whole lifecycle".²³ Put simply; the resource sector is using CCS to greenwash their projects and regulators are falling for it.

FoEM recommendations

1. That the Federal Government legislate a ban on net zero and associated claims that rely on offset mechanisms rather than genuine emission reductions.
2. That the Federal Government issue guidance that states clearly no company engaging or investing in new fossil fuel projects can make net zero or associated claims.
3. That the Federal Government draft comprehensive greenwashing legislation that reflects international best practice and enshrines the previous two recommendations.
4. That the Federal Government reform national offset schemes such as Climate Active. That a rigorous vetting process be established and that all projects deemed viable be used only for the sequestration of atmospheric carbon, not for the offsetting of scope 1 or 2 emissions.
5. That CCS be recognised as an offset, not a climate solution, and treated accordingly.

¹⁸ Mercer, D (2024) A Climate solution or distraction? The carbon capture facility at Chevron's Gorgon project tells a cautionary tale. *ABC News website*. Retrieved 02/09/2025.

¹⁹ Mercer, D (2024)

²⁰ Woodside Energy (2024) Browse Carbon Capture and Storage Summary Information Sheet.

²¹ Macdonald-Smith, A. (2025)

²² Barnard, M (2025) The great carbon capture con: Too expensive, even for Woodside. *Renew Economy website*. Retrieved 02/09/2025.

²³ Mercer, D. (2024)