

WINE NEWS

EPA scraps new carbon emissions guidelines for resources companies amid industry pressure

By Nicolas Perpetch

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PHOTO: Woodside had said its Pluto and Browse projects were at risk from the EPA's guidelines. (Supplied: Woodside Energy Ltd)

The Environmental Protection Authority (EPA) has withdrawn its contentious guidelines requiring major WA resources projects to completely offset their greenhouse gas emissions.

Top executives from some of the world's biggest resources companies met Premier Mark McGowan this morning to voice their strong opposition to the environmental watchdog's recommendations.

Mr McGowan rang the EPA's chairman Tom Hatton after the meeting to discuss industry's concerns.

He said shortly afterwards, the EPA informed him it would be withdrawing the guidelines while it consulted further with industry.

Mr McGowan denied the move would create more uncertainty for industry during the consultation period, or that he pressured Dr Hatton to make the move.

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Key points:

- The EPA's emissions guidelines released this month had the resources industry up in arms
- The Premier also spoke against them, saying the environmental body had gone a step too far
- The EPA now concedes the guidelines would "benefit from further consultation"





PHOTO: Mark McGowan says he did not pressure the EPA to abandon the changes. (ABC News: Rhiannon Shine)

"We had a conversation for maybe 15 minutes, 20 minutes about it, but he obviously knew there were some very significant problems," he said.

"He's a very good scientist and very committed to the environment, but he understood there were major issues that need to be dealt with."

Despite the major backdown by the EPA, Mr McGowan said he did not believe Dr Hatton's position had been left untenable.

The environmental watchdog announced last Thursday that new and expanding mining and oil and gas projects would face much stricter scrutiny around their emissions.

In addition to having to devise ways of avoiding or reducing emissions, proposals with emissions over 100,000 tonnes of carbon dioxide would have also been required to offset those emissions.

'The EPA listens, we've always listened'

EPA chairman Tom Hatton told the ABC the Premier spoke to him about problems with the guidelines as they were currently drafted.

Dr Hatton said those issues were said to be creating uncertainty in the interpretation of the guidelines, and making it hard for companies to anticipate what it would actually mean for their particular project.

"I've listened to that, and I've agreed with the Premier that our guidelines and our advice would benefit from further consultation, and we're going to do that," he said.

"There's a bit of confusion [on the part of business] over what the guidelines mean, their interpretation. So that needs to be clarified.

"That's not about money, not about cost, it's about the availability of offsets, the recognition of offsets by the Commonwealth, technical issues like that, which merit further discussion."



PHOTO: Dr Hatton spoke to the Premier before the guidelines were withdrawn. (ABC News: Eliza Laschon)

Dr Hatton rejected suggestions the EPA had been bullied either by the Government or by resources companies.

"The EPA does not resile at all from giving advice to the Government on the implications of any project that might impact the environment of the state ... nothing has changed there," Dr Hatton said.

"My conversation with the Premier today was respectful, it was measured, it was informative, I didn't feel pressured.

"He was giving me feedback from industry that I was already getting from industry, so there were no surprises there.

"What is going to change is we're going to listen to industry and the community on the definition of our guidelines, the clarity of them.

"The EPA listens, we've always listened to industry, we've listened to Government, we've listened to the community.

"We remain independent in terms of what we do with that information and nothing has changed there.

"We are concerned about climate change, we're concerned about the impacts it has in this state, and we're concerned about Australia's emissions."

Backdown disappoints conservationists

But the EPA's backtracking was condemned by the Conservation Council of WA, which accused the oil and gas industry of trying to dictate climate change policy.

"We've seen today the oil and gas industry put pressure on the Government to retract the EPA's climate policy," council president Piers Verstegan said.

"The EPA is an independent statutory authority. They will now undertake consultation. But I suspect the outcome of that consultation will be clear, that the community here in WA wants to see climate action."

Mr McGowan's meeting involved executives from Woodside, Shell, Santos, Chevron and representative associations.

They were concerned they had not been given enough time to provide their views on the proposed guidelines, that they lacked clarity and that they were not consistent with the national approach to climate change, in line with the Paris Agreement.

"The guidance released last week was not the way to go," Mr McGowan said.

"All it would mean is coal from New South Wales and Queensland was advantaged over gas from WA."



PHOTO: The Conservation Council's Piers Verstegan accused industry of trying to dictate climate change policy. (ABC News: James Carmody)

U-turn follows angry response

The EPA's initial announcement on the guidelines sparked the ire of the resources industry, with the Chamber of Minerals and Energy among those to warn the guidelines could damage the WA economy.





PHOTO: The resources industry claimed the rules would hurt investment and the economy. (Supplied: Woodside Energy Ltd)

Woodside chief executive Peter Coleman also took aim the proposal, describing the targets as unachievable.

"We don't actually know how we're going to meet them today is the issue we have, and that's why we're having ... this reaction to it," Mr Coleman said at the time.

"Of course we want to be part of the solution to climate, and we're already investing heavily in that.

"But the reality is we sit here today and we don't have a solution and of course this is just bureaucratic red tape gone mad for us."

Mr Coleman said the company's Pluto and Browse projects were most at risk from such a policy.

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