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WA's big polluters targeted by tough new emissions guidelines

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Western Australia's big polluters will be required to offset greenhouse gas emissions on new and expanded projects under tough new guidelines announced by the state's Environmental Protection Authority on Thursday.

The guidelines recommend projects proposing direct carbon emissions above 100,000 tonnes a year be required to offset those emissions through environmental projects.

Big polluting oil and gas projects will be impacted by the guidelines. *Credit: Jonathan Carroll*

The guidelines can be rejected by the WA government, and if accepted will not be legally binding but could still have a major impact on the state's liquefied natural gas sector, which [is consistently asserting itself as one of the country's biggest polluters.](#)

When all of WA's existing LNG projects are in full operation, the industry will be responsible for about 30 million tonnes of direct carbon dioxide emissions per year, or about 40 per cent of WA's total pollution output, the Conservation Council of WA has estimated.

According to the Clean Energy Regulator Chevron and Woodside are in the top 10 list of Australia's worst polluters. [Together they emitted about 22 million tonnes of greenhouse gases in 2017-18.](#)

EPA chair Tom Hatton said while he recognised the federal government already regulated carbon emissions from industry, there was a need to clarify what the authority would consider when assessing WA projects.

"The revised guidance released today clarifies what is required from proponents of significant proposals in the state, to avoid, reduce and offset their impacts and includes a more stringent approach to offsets," Dr Hatton said.

WA Environment Minister Stephen Dawson has distanced himself from the guidelines and trumpeted the McGowan government's support for the LNG sector.

"The McGowan Government is fully supportive of our job-creating LNG industry and will listen to their views as part of our response to the EPA," he said.

He said they would consult widely and respond "in due course" to provide certainty for the industry.

"It is important that we have a clear understanding of the social, economic and financial implications of the EPA's guidance," he said.

The guidelines have drawn anger from the LNG sector.

A Woodside spokeswoman said the EPA had not consulted with the industry, which undermined investment certainty.

"Direct and arbitrary regulation at the state level, as proposed by the EPA, appears out of step with Australia's international targets and the associated emissions trajectory," she said.

"It raises further potential for conflict between regulation and jobs, and may perversely penalise investment in cleaner fuels such as natural gas which have a big role to play in global emissions reduction."

She said Woodside recommended the WA government not support the EPA's approach and rather support national and stable policies that supported sustainable jobs, investment and emissions cuts in line with international targets.

A Chevron spokesman said its preliminary view was that the guidance had the potential to discourage future investment in WA natural gas projects and the availability of affordable energy for consumers and businesses.

The head of the Australian Petroleum Production and Exploration Association Malcolm Roberts said the EPA is using regulation as a blunt instrument.

"The EPA admits that it has not considered the social or economic impact of its guidelines. Its approach targets WA's growth industries and will deter local investment, prompting projects to go interstate or overseas," Mr Roberts said.

An energy analyst, who asked to remain anonymous, said the EPA made the decision after inaction from the state government.

"The government, at a ministerial level, has been avoiding making a decision on this, so the regulator stepped up and made it themselves," he said.

It raises further potential for conflict between regulation and jobs...

Woodside spokeswoman

"There will be a potential cost impost to LNG projects, but at the end of the day this will still have to have to be approved at the ministerial level."

Green groups in WA had also complained about not being consulted on the guidelines, with a protest held in front of the EPA offices last week.

Conservation Council of WA director Piers Verstegen said the guidelines were a huge step forward but it was important to note they would not apply to existing LNG projects.

Annual emissions keep rising as gas jump counters power sector drop

They would, however, apply to [those with environmental conditions under review](#).

"These are the state's largest polluters by a long shot and are driving the overall rise in pollution," he said.

Mr Verstegen said CCWA had commissioned independent research from Reputex showing that requirements for the state's biggest polluters to offset their direct emissions would generate around 4000 new jobs, mostly in regional areas, as part of the emerging carbon farming industry.

He said some big oil and gas companies paid "almost no" tax and few royalties for the gas they exported, so requiring them to invest in projects such as renewable energy, carbon farming, environmental restoration, and clean technology was "very welcome and long overdue".

"Chevron have reported \$32 million per day in profits from their WA operations. Requirements for offsetting the direct carbon pollution from these facilities are likely to cost around 2 per cent of these profits," he said.

"This is a tiny impost for a huge environmental and economic outcome.

"And a huge opportunity to diversify regional economies, while also delivering significant environment and biodiversity benefits."

In addition to the offsets the guidelines will also require project proponents to demonstrate all reasonable and practicable design measures, including renewable energy options, had been considered.

Proposals will also have to include suitable targets for continuous improvement of emissions.

There will be a transition period to give proponents time to develop and implement their plans.

BHP, Santos and Beach Energy, which all have projects in WA declined to comment.