



Greenhouse Gas Emissions Policy for Major Projects

This Policy is designed to guide Government decision making for major projects that are assessed by the Environmental Protection Authority.

Introduction

The McGowan Government is committed to working with all sectors of the Western Australian economy towards achieving net zero greenhouse gas emissions by 2050. Opportunities to transition Western Australia towards net zero by 2050 will be considered in the State Climate Policy currently being developed.

In adopting this aspiration of net zero by 2050, Government acknowledges the Commonwealth Government's target of reducing greenhouse gas emissions by 26 to 28 per cent by 2030 and commits to working with the Commonwealth to achieve this goal. The McGowan Government also acknowledges that businesses operating in Western Australia are bound to comply with obligations under the Australian Government's Safeguard Mechanism.

The world's transition to a low carbon economy presents significant business opportunities, with companies around the globe setting and publishing targets. This helps to ensure competitiveness, manage business risk and drive innovation.

Western Australia's emissions-intensive economy means that we need a considered and economically responsible approach if our State is to capture the benefits of low carbon industries and technologies and support continued economic growth.

In Western Australia, proposals which are likely to have a significant impact on the environment are assessed under the *Environmental Protection Act 1986* (the Act). Under the Act, the Minister for Environment considers the report and recommendations of the Environmental Protection Authority (the EPA) in relation to proposals assessed by it, and consults with other relevant decision-making authorities as required by the Act. The Minister then determines whether or not the proposal may be implemented and if so under what conditions.

To support the State's aspiration, the policy outlined below describes the broad approach that will be taken into consideration of new proposals and project expansions that would emit significant additional greenhouse gas emissions in Western Australia.

Consideration of Major Projects

Where major proposals are assessed under Part IV of the Act, the Minister for Environment will consider the particular characteristics of each project and the advice and recommendations of the EPA. The Government may then consider whether it is appropriate to apply a condition that sets out the requirements for a plan detailing the proponent's contribution towards achieving the Government's aspiration of net zero emissions by 2050.

The Chief Executive Officer responsible for administration of the Act will determine whether the plan complies with the implementation condition.

Contents of the Plan

The Policy aims to facilitate flexible approaches to greenhouse gas reduction which promote innovation, emerging best practice technologies and potential new industries and opportunities for Western Australia.

The Policy supports the development of Greenhouse Gas Management plans for proponents which:

- outline strategies to avoid, reduce, mitigate and offset the project's direct (scope 1) emissions contributing towards the State's aspiration of net zero by 2050;
- are unique to a proposal's specific circumstances;
- allow proponents to take account of opportunities at either facility level or across national operations;
- allow proponents to propose their own timeframes and interim targets;
- include requirements for periodic public reporting against their targets; and
- account for and align with Commonwealth requirements.

Consistent with the Government's focus on economic development and diversification, plans that include undertakings to develop Western Australian expertise, carry out research, pilot new initiatives and technologies, and support local communities are encouraged.

The State Government recognises that activities which generate greenhouse gas emission offsets ('carbon offsets') can support regional diversification, Aboriginal employment and a range of environmental co-benefits. The Government will consider credible international offsets to limit abatement costs, and will advocate with the Commonwealth to do the same under the Australian Government's Safeguard Mechanism.

National policy frameworks and agreements under the United Nations Framework Convention on Climate Change are constantly evolving. This policy aims to complement, rather than duplicate, the Australian Government's climate change policy framework. Accordingly, there should be capacity to review the plan to take account of changes in international obligations and Australian Government policies.

The Government will provide further guidance on the development of plans and will consult with stakeholders in the development of this guidance.

Application of this policy

The Policy is intended to apply to new significant proposals that meet the criteria of a designated large facility under the Australian Government's Safeguard Mechanism.

Consistent with the focus on new sources of emissions, the Policy would also apply when there is a future review of implementation conditions relating to a proposal that would result in an increase in greenhouse gas emissions.

The Policy acknowledges existing obligations for large energy users and designated facilities under the *National Greenhouse and Energy Reporting Act 2007* and the Safeguard Mechanism.