

ENVIRONMENT — EMISSIONS REDUCTION FUND SAFEGUARD MECHANISM

4060. Mr C.J. Tallentire to the Minister for Environment:

I refer to the Emissions Reduction Fund (ERF) Safeguard Mechanism, on which the Australian Government is now consulting, and ask the Minister has departmental advice been sought, or has the Environmental Protection Authority (EPA) provided advice, on the implications of the safeguard mechanism for major projects in Western Australia including regulatory burden and the impact on projected greenhouse gas emissions:

- (a) if not, why not; and
- (b) if yes:
 - (i) what will be the effect of the safeguard mechanism on the Gorgon and Wheatstone LNG projects, which together account for around a quarter of Western Australia's emissions and 3 per cent of Australia's emissions;
 - (ii) what will be the effect of the safeguard mechanism on direct and fugitive emissions of future LNG projects in Western Australia;
 - (iii) what level of greenhouse gas abatement is expected to be delivered from the greenhouse gas abatement program (GGAP) applied to the expanded Gorgon project under Ministerial Approval Statement 800 (i.e. what would emissions from the expanded project have been in the absence of the GGAP (excluding the effect of the CO₂ injected into the Dupuy formation); and
 - (iv) will big emitters in Western Australia (including Gorgon) be required to publicly report greenhouse gas emissions in the interests of accountability and transparency, and consistent with the condition you applied to Chevron's Wheatstone project?

Mr A.P. Jacob replied:

(a) The Department of Environment Regulation has provided general advice on the implications of the Emissions Reduction Fund Safeguard Mechanism for major projects in Western Australian consistent with details released to date through the Australian Government's consultation process.

- (b)
 - (i) The impact of the safeguard mechanism on individual projects will not be known until the design is finalised.
 - (ii) The impact of the safeguard mechanism on emissions from future LNG projects will depend on the final design of the mechanism.
 - (iii) The current Greenhouse Gas Abatement Program as approved under Ministerial Statement 800 for the Gorgon LNG project trains 1-3 identifies that improvements in technology, since the initial concept design in 1998, has enabled a decrease in greenhouse gas intensity (measured in tonnes of CO₂ emitted per tonne of LNG produced) from a predicted level of 0.89 to an actual level of 0.57, a 35% reduction in CO₂ emissions. This value excludes the CO₂ injection program, which reduces the tonnes of CO₂ emitted per tonne of LNG produced by a further 0.22, a total reduction of 60% in CO₂ emissions. Approval for the expanded project to include LNG train 4 was issued on 30 April 2015. The Greenhouse Gas Abatement Program has not been updated at this time to include the expanded project.
 - (iv) The conditions placed on the Gorgon LNG project require the proponent to prepare a Greenhouse Gas Abatement Program. That program commits to the measurement and reporting of greenhouse gas emissions on an annual basis to the Office of the Environmental Protection Authority. The conditions placed on most other large emitters include similar conditions or commitments. For future projects involving large greenhouse gas emissions, I will consider the most appropriate conditions on a case-by-case basis, on advice from the Environmental Protection Authority.