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the Environment and Water  
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Our Ref:

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Dear Sir/Madam

## **WESTERN AUSTRALIA ENVIRONMENTAL PROTECTION AUTHORITY SUBMISSION TO DEPARTMENT OF CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER – SAFEGUARD MECHANISM: INTERNATIONAL BEST PRACTICE BENCHMARKS**

Thank you for the opportunity to make a submission on the draft guidelines for setting international best practice benchmarks proposed for use under the reformed Safeguard Mechanism, which commenced on 1 July 2023.

The Western Australian (WA) Environmental Protection Authority (EPA) supports the reformed Safeguard Mechanism to facilitate industry to achieve Australia's emission reduction targets and the establishment of International best practice benchmarks based on robust accounting to allow for effective emission reductions.

The WA EPA considers greenhouse gas emissions from significant proposals as part of its environmental impact assessment process under Part IV of the *Environmental Protection Act 1986* (EP Act). The WA EPA is an independent statutory authority that provides advice and recommendations on significant proposals to the WA Minister for Environment.

The EPA released its [revised Environmental Factor Guideline – Greenhouse Gas Emissions](#) on 5 April 2023. For new proposals and significant amendments to existing proposals, the EPA's guidance requires assessment of best practice design and operational measures to avoid or reduce scope 1 emissions at commencement, and then ongoing review and adoption of technical advances over the life of the proposal through to decommissioning.

The EPA has defined 'best practice' with reference to the EU Industrial Emissions Directive (Directive 2010/75EU, 24 November 2010). In consideration of best practice, the EPA expects best practice design at the forefront of the proposal, demonstration of best practice operations, adoption of renewables and low emissions, best practice applicable to that sector and the proposal scale, evidence best practices can achieve stated emission reductions and comparison of GHG emissions and energy intensity performance metrics with best practice standards and comparable facilities both domestically and internationally. The guidance allows the proponent to identify local conditions or circumstances that may influence the choice of technology or procedures. The EPA usually requires independent expert review of whether best practice measures have been adequately considered. To support consistency of

Commonwealth and State approaches, the EPA submits these matters should also be considered in development of the Safeguard Mechanism international best practice benchmarks.

The EPA supports the priority development of international best practice production variables to include ammonia, urea, electricity, nickel, cobalt, steel, lithium hydroxide, iron ore, run-of-mine metal ore, processed natural gas and reservoir carbon dioxide from existing gas fields. These production variables will be relevant for proposals likely to be progressed within WA.

It is noted that new facility baselines will be based on international best practice emissions-intensity benchmarks, adapted for Australian circumstances. The EPA supports adjustments to account for Australian conditions if the relevant international facility has characteristics impossible to replicate in Australia.

The EPA is required to consider proposals on a case-by-case basis under Part IV of the EP Act and recognises a flexible approach is important in driving innovation and best practise technologies. A best practice review process has been developed to support this, as outlined in section 3.3 of the [Greenhouse Gas Environmental Management Plan template](#). The establishment of international best practice benchmarks under the Safeguard Mechanism is expected to complement this requirement by setting a transparent and reliable standard to assess proposals against.

The setting of international benchmarks will also provide a practicable mechanism for the EPA to reduce potential overlap and duplication between Commonwealth and State laws, if proponents can show that the Safeguard Mechanism will meet the EPA's objective to reduce greenhouse gas emissions as far as practicable. The EPA considers there should be deep, substantial and sustained reductions in WA's emissions this decade, and achievement of net zero emissions no later than 2050 through a straight-line trajectory (at a minimum) from 2030.

The EPA appreciates the opportunity to provide input into the proposed guidelines for setting of international best practice benchmarks under the reformed Safeguard Mechanism. The EPA welcomes further engagement to maximise transparency, efficiency and effectiveness of State and Commonwealth processes.

Yours sincerely



**Matthew Tonts**

Chair – Environmental Protection Authority

9 August 2023