

Environmental Factor Guideline

Greenhouse Gas Emissions

The environmental objective of the *Greenhouse Gas Emissions* factor is:

To minimise the risk of environmental harm associated with climate change by reducing greenhouse gas emissions as far as practicable

Purpose

The purpose of this guideline is to outline how and when the Greenhouse Gas Emissions factor is considered by the Environmental Protection Authority (EPA) in the environmental impact assessment (EIA) process.

Specifically, the guideline:

- describes why the EPA has published the guideline
- describes how the guidelines are applied
- defines greenhouse gases (GHG) and describes the different scope of emissions
- outlines the international and national framework
- describes how this factor links with other environmental factors
- outlines when the EPA may apply this guideline
- describes EIA considerations for this factor
- provides a summary of the information required by the EPA to undertake EIA related to this factor (including consideration of scope 1, 2 and 3 emissions)
- outlines expected information from proponents on how greenhouse gas emissions will be avoided, reduced and mitigated
- outlines expectations of EPA decision-making
- identifies issues commonly encountered by the EPA during EIA of this factor
- outlines the timeframes for reviewing this guideline.

Why does the EPA need an Environmental Factor Guideline for Greenhouse Gas Emissions?

Under section 15 of the *Environmental Protection Act 1986* (EP Act), the EPA has the objective to use its best endeavours to protect the environment and to prevent, control and abate pollution and environmental harm. One way in which the EPA discharges this objective is to consider proposals referred to it under Part IV of the EP Act. The reports that the EPA produces following formal assessments must set out what the EPA considers to be the key environmental factors identified in the course of the assessment, the EPA's recommendation as to whether the proposal may be implemented, and (if the EPA recommends that implementation be allowed) the conditions and procedures that should apply to that implementation. The Minister for Environment (in consultation with other decision-making authorities) then decides whether or not the proposal may be implemented.

The section 15 objective, combined with the established link between cumulative sources of GHG emissions and the risk of climate change, and the broad acknowledgement that the warming climate will impact the Western Australian (WA) environment, means it is appropriate for the EPA to consider the effects of proposals that contribute to the state's GHG emissions.

The EPA considers that global warming should be limited to no more than 1.5 degrees Celsius (1.5°C) above pre-industrial levels to minimise the risk of environmental harm to WA's environment. In order to contribute to this goal, the EPA's view is that there should be a 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 emphasises reductions beyond these should also be made as far as practicable, and that WA emissions should reach net zero well before 2050.

How are EPA guidelines applied?

This guideline provides guidance on when and how GHG emissions will be considered by the EPA under Part IV of the EP Act.

The intent of EPA guidelines is to inform the development, consideration and assessment of a proposal, not determine the outcome of the EPA's consideration under Part IV of the EP Act. In the end, each proposal will be considered on its individual merits.

Given climate science and policy are rapidly evolving, the EPA will also have regard to relevant Commonwealth and State government legal and policy instruments where they reflect contemporary science and are consistent with the EPA's objective.

The EPA notes that at the time of publication of this guideline Commonwealth climate laws generally provide that they are not intended to exclude or limit the operation of State law that is capable of operating concurrently. The EPA will consider practicable mechanisms to reduce the overlap and avoid duplication with existing frameworks for proposals considered under Part IV of the EP Act. This includes any reforms of relevant Commonwealth and/or State legal or policy instruments that take effect.

The EPA notes that the State Government, having considered the Vogel-McFerran review and constitutional advice from the Solicitor-General, issued the *Greenhouse Gas Emissions Policy for Major Projects 2024*. The EPA similarly acknowledges reforms of the Commonwealth Safeguard Mechanism effective from 1 July 2023 and the desirability of avoiding duplication or conflict with this scheme. This guideline also includes measures which are designed to support the ability of the Commonwealth Safeguard Mechanism to reduce WA's emissions as far as practicable.

What are greenhouse gases and the different scopes?

This guideline relates to the seven categories of GHG covered by the United Nations Framework Convention on Climate Change (UNFCCC) Reporting Guidelines on Annual Inventories. These gases are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), hydro fluorocarbons (HFCs), perfluorocarbons (PFCs) and nitrogen trifluoride (NF₃).

Scope 1 GHG emissions are those released to the atmosphere as a direct result of an activity, or a series of activities, which are part of a proposal being considered by the EPA.

Scope 2 GHG emissions are those from the independent consumption of an energy product by the proposal. The EPA acknowledges that scope 2 emissions from a proposal are also the scope 1 emissions from an independent energy proposal. However, scope 2 emissions are likely to be relevant to the consideration of a proposal where the proponent has control over its choice of independent energy quantity and source.

Scope 3 emissions are indirect GHG emissions other than scope 2 emissions that are generated in the wider community. Scope 3 emissions (both upstream and downstream) occur as a consequence of the activities of a proposal, but from sources not owned or controlled by the proponent as part of the proposal.

Scope 1, 2 and 3 emissions are also categorised under Commonwealth legal and policy instruments for facility reporting purposes. In most cases, the EPA expects there will be alignment of emissions categories for Commonwealth *National Greenhouse and Energy Reporting Act 2007* (NGER) 'facilities' and EP Act 'proposals'. If there is a difference¹, the EPA expects NGER facilities reporting information to be utilised to provide information fit for purpose for EP Act assessments.

Greenhouse gas emissions, climate science and framework agreements

The UNFCCC provides the framework for international cooperation to reduce global GHG emissions and limit climate change. The UNFCCC Paris Agreement, which came into force on 4 November 2016, aims to limit warming to well below 2°C, preferably 1.5°C, compared to pre-industrial levels.

The 2018 Intergovernmental Panel on Climate Change (IPCC) special report on the impacts of warming shows the catastrophic consequences of allowing the world to heat by more than the 1.5 degrees, with grave consequences for the natural world and human populations. This report indicated that global emissions would need to fall by about 45 per cent from 2010 levels by 2030, and net zero achieved by 2050, to limit global warming to 1.5°C².

More recently, the IPCC's Sixth Assessment Report (AR6) emphasises that while 1.5°C and 2°C will be exceeded during the 21st century without deep reductions in emissions in the coming decades, immediate action would substantially reduce projected damages for human systems and ecosystems. The goal of limiting warming to 1.5°C requires global emissions to peak no later than 2025 followed by rapid, deep and sustained, and in most cases immediate, reduction in all sectors³.

The 28th Conference of the Parties to the UNFCCC considered the first 'global stocktake' of efforts to address climate change, and agreed to accelerate action on climate resilience and greenhouse gas emissions reductions with an expectation that all parties increase ambition in their nationally determined contributions (NDCs) in 2025.

¹ For example, in the Minister's appeal determination against EPA report 1750, the Minister found that scope 1 emissions from proposals include haulage, regardless of contracting arrangements.

² The Intergovernmental Panel on Climate Change (IPCC), 2018 Special Report, Global Warming of 1.5°C. Retrieved from www.ipcc.ch/sr15/

³ The Intergovernmental Panel on Climate Change (IPCC), 2022 and 2023 Sixth Assessment Reports (AR6). Retrieved from www.ipcc.ch/assessment-report/ar6/

National and Western Australian context

Australia currently contributes around 1.2 per cent of global GHG emissions. Australia's emissions for the year to June 2022 were approximately 432.6 million tonnes of carbon dioxide equivalent (CO₂-e), which is 29 per cent below emissions in 2005⁵.

The Australian Government has committed to the goals of the Paris Agreement, legislated its targets of 43% below 2005 levels by 2030 and net zero emissions by 2050, and is developing a national Net Zero Plan to support achievement of its NDC for 2035, which will be set in 2025.

In July 2023 Commonwealth also strengthened the Safeguard Mechanism to ensure covered facilities contribute to achievement of Australia's national targets,

WA's emissions in 2022 were 82.5 million tonnes CO₂-e, which represents 19 per cent of Australia's emissions. The State and Territory Greenhouse Gas Inventories show an increase in WA's emissions from the early 1990s. The state's emissions in 2022 were 8 per cent above 2005 levels due to growth in emissions from mining, extraction and processing of fossil fuels and transport.

The IPCC's AR6 report underscores the significant increase in projected regional climate impacts, with climate change already driving or exacerbating many extreme events with devastating impacts for communities and ecosystems, including the catastrophic 'Black Summer' fires of 2019–20, repeated bleaching of the Great Barrier Reef, loss of kelp forests, and more intense heatwaves and droughts. Temperatures and sea levels Australia-wide are projected to rise faster than the global average.

The State of Climate report (Oct 2024) by the Bureau of Meteorology and CSIRO found that Australia's climate has warmed by an average of 1.51 ± 0.23 °C since national records began in 1910.

In WA, the south-west is drying at one of the fastest rates in the world.⁶ Climate change will increase the number of concurrent and successive extreme events in the state, including drought, heat, flood and fire, with cascading impacts upon food and water resources, health, and supply chains. Some WA ecosystems, including coral reefs, kelp forests, Karri and Jarrah forests, are already at critical thresholds and further warming will result in damage and loss that is irreversible.

In recognition of the impact of climate change on WA, the State Government released the State's first *Climate Adaptation Strategy* in July 2023, to improve the climate-resilience of the communities, environment and economy.

The WA State Government has committed to legislating its target of net zero GHG emissions by 2050, and has released the *Sectoral Emission Reductions Strategy* setting out pathways and technologies for the transition to net zero emissions.

How this factor links with other environmental factors

The EPA recognises that there are inherent links between the *Greenhouse Gas Emissions* factor and other environmental factors through effects on climate. This is evidenced in part by the significant drying of the state's south-west. This drying in turn places significant additional pressures on water resources, flora and fauna, marine environmental quality, and social surroundings.

⁴ CO2 emissions in 2022. Retrieved from <https://www.iea.org/reports/co2-emissions-in-2022>

⁵ From Australia's National Greenhouse Accounts. Retrieved from <https://greenhouseaccounts.climatechange.gov.au>

⁶ The State of Climate report (Oct 2024) found that in the south-west of Australia there has been a decrease of around 16% in April to October rainfall since 1970. Across the same region, May to July rainfall has seen the largest reduction in Australia, by around 20% since 1970.

This guideline addresses one of the major causes of a changing climate; however, the potential impacts of changes in WA's climate will also be considered under each relevant factor.

When this guideline may be considered

Generally, the geographic scope of the EPA's obligations is the State of WA and its environment.

The EPA will have regard to this guideline when considering proposals under Part IV of the EP Act. This includes new proposals, changes to existing proposals (including expansions) and changes to existing implementation conditions.

Generally, GHG emissions from a proposal will be considered where they are reasonably likely to exceed:

- 100,000 tonnes CO₂-e of scope 1 emissions in any year; or
- 100,000 tonnes CO₂-e of scope 2 emissions in any year.

Proposals should not be split into separate referrals to avoid consideration of GHG emissions. Generally, the EPA will assess changes to existing proposals and implementation conditions in the context of the ongoing (but not past) GHG emissions from the existing proposal. The EPA will have regard to whether the combined effect of the existing proposal and the expansion or change are reasonably likely to exceed the above amounts.

The EPA encourages other decision-makers under the EP Act (including s. 45C and s. 46) and other legislation, to also have regard for the guideline. The EPA also encourages the objectives and content of this guideline be considered as soon as practicable for all proposals with ongoing GHG emissions in excess of the above amounts.

The consideration of GHG emissions from proposals will usually be subject to the approach as outlined in this guideline to ensure projects are considered in an effective, consistent and equitable manner.

This guideline and the Safeguard Mechanism

The EPA notes significantly strengthened Commonwealth Safeguard Mechanism laws commenced on 1 July 2023. Under these laws, covered⁷ emissions are required to be reduced to net zero by 2049-50 along a straight line trajectory, commencing with baselines determined by the Clean Energy Regulator. For new facilities baselines, best practice emissions intensities will be required, with most best practice values now legislated. Most existing facilities are expected to be covered by an emissions intensity determination allowing site specific emissions intensity at commencement, transitioning to an industry average emissions intensity by June 2030.

Given the maturing of the Commonwealth Safeguard Mechanism and the State's *Greenhouse Gas Emissions Policy for Major Projects 2024*, the EPA expects that emissions reductions required under the Safeguard Mechanism are now likely to represent an "as far as practicable" reduction of, and in most cases meet its factor expectation for, covered emissions.

Notwithstanding this, the EPA considers it is required to consider proposals individually to discharge its statutory duties, and to provide advice to the Minister about proposals' contributions to cumulative GHG emissions which have a significant effect on WA's environment through climate change.

⁷ Covered emissions in this guideline means those GHG emissions from a designated large facility under the Safeguard Mechanism, which are subject to a baseline and ongoing decline rates consistent with the Safeguard Mechanism regime in force in November 2024

Activities that may be considered under this factor

Development activities that may be considered under this factor include, but are not limited to:

- the extraction, processing and refining of oil and gas
- the burning of fossil fuels for energy production
- mining and processing of metallic and non-metallic minerals
- waste to energy plants
- infrastructure development
- chemical manufacturing and processing
- development that clears vegetation.

Considerations for EIA

Considerations for EIA for *Greenhouse Gas Emissions* factor include, but are not necessarily limited to:

- application of the mitigation hierarchy to avoid, reduce and offset emissions
- emissions reduction the proponent expects to achieve through compliance with state or national requirements, including the Safeguard Mechanism
- the adoption of best practice design, technology and management appropriate to avoid, reduce or offset scope 1 GHG emissions
- whether reasonably practicable alternatives and measures to avoid, reduce or offset emissions have been considered for scope 2 emissions
- whether reasonably practicable measures have been considered to reduce scope 3 emissions, such as entering into arrangements with third parties to reduce emissions
- relevant sector pathways, benchmarks and/or milestones
- whether the proponent has corporate emission reduction targets and the proposal is consistent with achieving those targets
- whether there are other legal and policy instruments that can require reductions in GHG emissions from a proposal to meet the EPA's objectives.

Information required for EIA

Emissions estimates and trajectories

It is in the public interest that GHG emissions arising from significant developments in WA, and measures to mitigate those emissions, are documented and disclosed. The practice of seeking information on scope 1, 2 and 3 emissions from a proposal is not new. The EPA will usually ask proponents to provide credible estimates of scope 1, 2 and 3 emissions, and how they are likely to change over the life of the proposal, to inform the assessment process.⁸

The EPA's usual minimum expectation for proposals is for deep, substantial and sustained emissions reductions this decade and achievement of net zero emissions no later than 2050 along a linear trajectory (at a minimum) from 2030. This is consistent with the Paris Agreement and the conclusions of IPCC AR6. The EPA emphasises that, proponents should seek to exceed these expectations and reach net zero well before 2050.

Taking into account the State's *Greenhouse Gas Emissions Policy for Major Projects 2024*, the EPA considers the Safeguard Mechanism presents an opportunity to streamline information requirements to support the EPA's consideration of covered scope 1 proposal emissions.

⁸ EPA expectations of emissions estimates are found in section 3.1 of the GHG EMP template April 2023.

For scope 1 emissions not covered by the Safeguard Mechanism, such as those from grid-connected electricity generation, some proposal transportation, and land clearing, the EPA will usually require additional information. This will also remain an option where proponents prefer not to provide streamlined information.

The EPA will therefore usually require one of two information types about proposal Scope 1 emissions to enable it to conduct EIA in relation to GHG emissions from a proposal:

1. **Scope 1 information Option A:** Safeguard Mechanism confirmation; and/or
2. **Scope 1 information Option B:** Benchmarking and best practice review.

The EPA will also usually require information about scope 2 and 3 emissions over 100,000 tonnes CO₂-e in any year.

Scope 1 information Option A: Safeguard Mechanism confirmation

This information should be provided for proposal Scope 1 emissions which are covered by the Safeguard Mechanism:

- information on expected scope 1 emissions covered by the Safeguard Mechanism, including expected baseline, and how these emissions are anticipated to reduce over the life of the proposal through compliance with the Safeguard Mechanism
- how best practice measures have been adopted to avoid or reduce a proposal's scope 1 emissions at commencement
- whether carbon offsets are proposed to be surrendered for more than 30% of the proposal's expected baseline scope 1 emissions⁹

For proposal emissions above 100,000 CO₂-e of in any year which are not covered by the Safeguard Mechanism, including any emissions from: clearing of native vegetation, production of grid-connected electricity, some proposal transportation, option B information should be provided.

Scope 1 information Option B: Benchmarking and best practice

This information should be provided for proposal emissions which are reasonably likely to be above 100,000 tonnes CO₂-e in any year, which are not covered by the Safeguard Mechanism.

This information should also be provided by proponents who do not provide information outlined in option A.

Option B Scope 1 information includes:

- a clear pathway for reducing scope 1 over the life of the proposal. This should usually be consistent with, or exceed, the EPA's minimum expectations for emissions reductions. The EPA emphasises that if proponents cannot practicably achieve these minimum expectations, they should clearly justify why.
- justification for the emissions baseline used and the alternative approaches that were considered to calculating baselines (including an explanation why these were not adopted)
- emissions intensity of the proposal and benchmarking of scope 1 emissions intensity against comparable projects and international and Australian best practice
- how best practice measures have been adopted to avoid or reduce a proposal's scope 1 emissions at commencement, and throughout the life of the proposal through regular reviews

⁹ This is consistent with the Safeguard Mechanism emissions reporting transparency provisions, which encourage onsite abatement

- a description of intended GHG emissions offsets to offset residual emissions for scope 1 emission sources that cannot be avoided or reduced to achieve proposed commitments and targets.
- whether there are other legal and policy instruments that can regulate GHG emissions from the proposal to meet the EPA's objectives. Justification for not adopting Scope 1 information Option A, if relevant.
- how the scope 1, 2 and 3 emissions from project operation beyond 2050 is consistent with a global low-carbon transition to net zero by 2050 scenario.

In some cases, the EPA may also require:

- an expert review to demonstrate how best practice measures have been adopted. The EPA would generally only require this for proposals using a new technology or where benchmarking shows the technology is poor practice
- an expert review of whether offsets that satisfy integrity principles are likely to be reasonably practicable and available at the time of proposed future surrender. The EPA would generally only require this where there is likely to be substantial (more than 30%, and above 100,000 tonnes CO₂-e in any year) reliance on offsets.

Scope 2 information

The following information should be provided where a proposal has estimated scope 2 emissions over 100,000 tonnes in any year CO₂-e:

- What reasonably practicable measures and alternatives have been considered to avoid or reduce scope 2 emissions at commencement, and will be considered throughout the life of the proposal through regular reviews.
- Whether scope 2 emissions are expected to be reduced through sectoral measures, including laws or policies
- Whether emissions are indirectly addressed under the Safeguard Mechanism (i.e. scope 1 emissions from a non-grid connected electricity generator), and the extent to which they are required to be reduced under that law

Scope 3 information

The following information should be provided where a proposal has estimated scope 3 emissions over 100,000 tonnes in any year CO₂-e:

- Information that demonstrates that consideration has been given to reducing scope 3 emissions, where reasonably practicable, and what consideration will be given to reducing them throughout the life of the proposal through regular review
- A summary of where scope 3 emissions will be emitted (domestic or international), and whether they are or are reasonably likely to be subject to emissions reduction requirements as scope 1 or 2 emissions.

Other information

Commercial-in-confidence

Where contemplated abatement actions constitute commercial-in-confidence information, the proponent may request that specific details are treated as confidential and are not made publicly available, with justification to support this request.

Detailed information requirements

The EPA no longer requires a GHG environmental management plan (EMP) but understands some proponents may wish to continue to provide the EPA with information in this form. This will usually be acceptable to the EPA.

The EPA also advises that specific and technical details of some information is available in the EPA's GHG EMP template and therefore this template remains a useful source of guidance.

The EPA has therefore retained the GHG EMP template April 2023 as a transitional, information tool.

Periodic public reporting against environmental reviews

The EPA recognises the importance of innovation as critical to the success of achieving its objective and acknowledges the need for flexibility to allow for changes in management of GHG over time as more effective mitigation alternatives become available.

Where appropriate, the EPA may recommend requirements for proponents to periodically review the feasibility of technologies to reduce emissions from proposals and publicly report on actions taken to implement relevant technologies identified through periodic reviews.

Expectations of EPA decision-making

This following is provided for information only, noting the EPA cannot pre-judge its future decision-making processes or outcomes, and EPA factor guidance cannot pre-determine the outcome of future EPA assessment decisions.

The EPA considers that given the importance of minimising GHG emissions as far as practicable, and the complex political history of climate change related decision-making, it is important to provide information about what proponents and the public can reasonably expect from EPA decision-making about GHG.

Decisions to assess proposals and streamlined assessment

In relation to decisions to assess a proposal or to carry out streamlined assessment of GHG emissions as part of an EPA assessment, the trigger¹⁰ level of 100,000 tonnes of CO₂-e of scope 1 or 2 emissions in any year are a primary consideration. When determining whether these trigger levels are likely to be met, the EPA will usually:

- In the case of Scope 1 emissions, exclude scope 1 emissions covered by the Safeguard Mechanism and also consider whether there are other legal or policy mechanisms that will cause those emissions to be substantially reduced
- In the case of Scope 2 emissions, exclude emissions that are from another facility and covered by the Safeguard Mechanism and also consider whether there are other legal or policy mechanisms that will cause scope 2 emissions to be substantially reduced

When assessing significant proposals, the EPA will also assess scope 3 emissions likely to be over 100,000 tonnes of CO₂-e in any year and consider whether there are legal or policy mechanisms that will cause those emissions to be substantially reduced.

In cases where the EPA does not assess a proposal because it falls under a trigger level, and the proposal later exceeds the trigger level, the EPA may advise the Minister to exercise the s 43 EP Act power to direct the EPA to assess the proposal at that time.

¹⁰ The trigger is whether emissions are reasonably likely to exceed this level, based on credible estimates

Recommended conditions applying to GHG emissions

When considering whether to recommend conditions, the EPA will have regard to whether practicable measures for reducing those emissions have been considered or implemented.

Where scope 1 emissions are covered by the Safeguard Mechanism the EPA may recommend conditions requiring:

- Proponents to notify the State of a substantial change to its obligations under the Safeguard Mechanism in relation to the proposal; and
- regular reporting or reviews where specific reduction strategies are being relied upon (e.g. new technology, sequestration).

Where scope 1 emissions exceeding the trigger level exist that are not covered by the Safeguard Mechanism or otherwise substantially reduced by other legal or policy mechanisms, the EPA may recommend conditions (as appropriate) requiring:

- limits on net emissions;
- reduction of net emissions through sequestration, offsetting and other flexibility mechanisms;
- emissions reviews and reporting;
- technology adoption and/or review.

Where scope 2 emissions exceeding the trigger level exist that are not covered by the Safeguard Mechanism or otherwise substantially reduced by other legal or policy mechanisms, the EPA may recommend conditions (as appropriate) requiring:

- limits on net emissions (e.g purchasing renewable energy);
- review (e.g. 3 to 5 yearly) of whether reasonable scope 2 reduction measures could be adopted.

In the case of scope 3 emissions that exceed 100,000 tonnes of CO₂-e in any year, the EPA may consider mechanisms that may reduce the effect of those emissions.

Decisions whether a proposal should be implemented

The EPA will make this decision as part of its holistic assessment of a proposal. The EPA will consider whether the proposal is likely to meet the EPA's factor objectives. One important consideration for GHG emissions is whether the proposal is consistent with the objective of minimising GHG emissions as far as practicable.

Issues commonly encountered by the EPA during EIA of this factor

The following issues are matters that are commonly encountered by the EPA due to the nature of proposals that are referred to it. Background on these issues is provided here to help proponents and the community engage with EIA. This issues section will be updated from time to time to reflect new issues as they arise in referrals and EIA.

Mitigating emissions for new proposals and significant amendments

Consistent with the objective of the EPA under the EP Act to use its best endeavours to protect the environment and to prevent, control and abate pollution and environmental harm, the EPA expects the application of best practice measures to avoid and reduce scope 1 GHG emissions. This might include facility design, technology choice, operation and closure.

Best practice

Best practice is the most effective, best combination of technologies used and the way in which an installation is designed, built, maintained, operated and decommissioned to avoid and minimise the environmental impacts arising from emissions.¹¹

The EPA's expectations include:

- avoiding or minimising emissions through best practice design and operation
- adoption of renewable and low emissions technologies
- identification of best practice for the sector that is appropriate to the scale of the relevant proposals at the time best practice is being considered
- evidence that the proposed best practices are capable of achieving stated emissions reductions
- identification of local conditions and current circumstances of the relevant proposal that might influence the choice of technologies or procedures to mitigate GHG emissions
- comparison of GHG emissions and energy intensity performance metrics with comparable facilities both domestically and internationally.

Expectation regarding GHG (carbon) offsets

In accordance with the mitigation hierarchy, the offsetting of emissions (carbon offsets) should be considered as a last resort. Carbon offsets should, as far as practicable, be limited to residual emissions that cannot be avoided or to account for emissions that exceed emission reduction commitments and targets.

Where carbon offsets are to be implemented, they should meet offset integrity principles and be based on clear, enforceable and accountable methods.

Where offsets are proposed to be surrendered for non covered emissions, the proponent should provide information about whether offsets are likely to be available and satisfy relevant offset integrity principles.

In considering offset integrity principles, the EPA will have due regard to the integrity standards set out in the Commonwealth *Carbon Credits (Carbon Farming Initiative) Act 2011*.

Offsets that reduce proposal emissions below 100,000 tonnes CO₂-e of scope 1 or scope 2 per year at referral stage will usually only be taken into account if they are legally enforceable.

Consideration should be given to whether carbon offsets conserve, preserve, protect, enhance and manage the WA environment.

¹¹ EU Industrial Emissions Directive (Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control)). Retrieved from ec.europa.eu/environment/industry/stationary/ied/legislation.htm

Guideline review

This guideline is intended to be reviewed in 5 years. The EPA acknowledges that climate science and policy are developing, and a review may be undertaken sooner to ensure, as far as practicable, the policy remains contemporary.

Version	Change	Date
1.0	Initial document	7 March 2019
2.0	Draft guideline – updated following public consultation	9 December 2019
3.0	Final guideline – updated following consultation with the EPA Stakeholder Reference Group	16 April 2020
4.0	Draft revised guideline for public consultation	27 July – 21 September 2022
5.0	Final revised guideline for publication	5 April 2023
6.0	Final revised guideline to take into account strengthened Commonwealth Safeguard Mechanism and revised State Policy	November 2024

As EPA documents are updated from time to time, users should consult the EPA website (www.epa.wa.gov.au) to ensure they have the most recent version.

Environmental Protection Authority 2019, *Environmental Factor Guideline: Greenhouse Gas Emissions*. EPA, Western Australia.

This document is available in alternative formats upon request.

National Relay Service TTY: 133 677

(To assist persons with hearing and voice impairment)

More information:

EPA Services
Department of Water and Environmental Regulation
Prime House, 8 Davidson Terrace
Joondalup WA 6027

Locked Bag 10
Joondalup DC WA 6919

p: 08 6364 7000
e: info.epa@dwer.wa.gov.au
w: www.epa.wa.gov.au