

TO: Department of Water and Environmental Regulation

**RE: Climate Change in Western Australia Issues Paper –
September 2019**

29 November 2019

INTRODUCTION

AMEC appreciates the opportunity to be consulted on the Climate Change in Western Australia Issues Paper – September 2019. The Government's response on this issue is critically important to the mining and mineral exploration industry.

ABOUT AMEC

The Association of Mining and Exploration Companies (AMEC) is the national peak industry body representing over 280 mining and mineral exploration companies across Australia.

The mining and exploration industry make a critical contribution to the Australian economy, employing over 255,000 people. In 2017/18, these companies collectively paid over \$31 billion in royalties and taxation, invested \$36.1 billion in new capital and generated more than \$250 billion in mineral exports.

In 2017/18 Australian mining and exploration companies invested \$1.97 billion to discover the mines of the future around Australia.

AMEC POSITION

AMEC considers that climate change policy and the setting of a relevant and proportionate emissions reduction target is the responsibility of the Australian Government. We do however note that the State Climate Change Policy is envisaged to be a roadmap for the long term that assists with the careful planning and investment required to ensure the continued prosperity of the State. Such an approach is fundamentally important for critical investment and decisions to be made through the mine cycle.

The Australian Government has entered into international commitments regarding climate change and emissions reduction since 'The Declaration of the Hague' called for a Convention for Climate Change in March 1989. Australia was one of 23 countries that signed the Declaration, pledging it would work through and with the United Nations to take measures to reduce greenhouse gas emissions. Since 1989, there have been several commitments, including most recently the Paris Agreement. Each has been agreed to by the Australian Government, with the onus for its leadership to meet the agreed targets.

AMEC supports a national bipartisan response led by the Australian Government to climate change, emissions reduction and abatement through unified and consistent action including:

- Government policy that appropriately reflects Australia's dependence on the jobs and combined revenues generated by the various sectors of the resources industry;
- An integrated, orderly, phased transition to a low carbon Australian economy aligned to the national commitments made under the United Nations Framework Convention on Climate Change (UNFCCC) and that allows flexible solutions and continued and sustainable economic development in line with UNFCCC Article 3, Principle 4¹;
- Providing certainty to industry and investors by not exceeding the international commitment to a 26-28% carbon emissions reduction per 2005 levels by 2030;
- Continued recognition by the Australian Government of the validity of 'carry over' credits agreed in accordance with the Kyoto Protocol;
- Government policy that does not significantly disadvantage new entrants in comparison with established companies;
- The equitable implementation of commitments across each sector of the economy and Government;
- A Government policy that does not disadvantage trade exposed industries and workers in trade exposed industries in comparison to international competitors or result in carbon leakage;
- Any amendment of policy:
 - Align with existing international obligations and commitments;
 - Are implemented transparently, gradually and in consultation with Industry;
- The development and deployment of low emissions and abatement technologies with a focus on outcomes rather than fuel or technology type;
- Prioritise the lowest cost abatement and avoid duplication of emission regulation and offsets between jurisdictions;
- Companies should be accountable for Scope 1 emissions alone in line with the Federal Policy Framework;
- Scope 2 and 3 emissions should not be included in the calculation of Greenhouse Gases that a regulator expects to be abated;
- A policy that rewards innovation and Greenhouse Gas abatement that surpass regulated levels;
- Reinvesting all revenues raised from emissions reduction regulation directly in reducing Australia's national Greenhouse Gas emissions profile.

The mining and mineral exploration industry is already working toward achieving these objectives in their operations.

¹ UNFCCC Article 3; Principle 4: The Parties have a right to, and should, promote sustainable development. Policies and measures to protect the climate system against human-induced change should be appropriate for the specific conditions of each Party and should be integrated with national development programmes, considering that economic development is essential for adopting measures to address climate change.

Companies are pro-actively reviewing various energy generation, sustainability and emissions reduction alternatives and strategies, and introducing contemporary renewable energy technologies to meet their specific needs, business circumstances, location and project economics.

There are numerous examples where low emission technology and renewables have been or are being introduced into a project's energy mix by mining companies. This has included, but not limited to generating alternative power from sources such as solar, gas, wind, water, battery, hydrogen, or a hybrid model as a replacement to their current predominantly diesel fuel powered plant, vehicle fleet and mining equipment.

The capital and technology costs, business imperatives and project economics are major factors that need to be closely balanced when making such decisions.

Acknowledging these issues AMEC supports the general thrust of the 11 focus areas identified in the WA Climate Change Policy.

Great care however needs to be taken to ensure that there are no unintended consequences for the mining and mineral exploration sector which is critically important in a resource-based economy.

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