

**To: Department of Environment, Parks and Water Security,
Northern Territory**

**Re: Greenhouse Gas Offset Emissions Offsets Policy and
Technical Guidelines**

6 December 2021

Introduction

AMEC appreciates the opportunity to provide a delayed submission to the Northern Territory's Department of Environment, Parks and Water Security (the Department) on the draft 'Greenhouse Gas Emissions Offset policy and technical guidelines (the Policy). The development of an appropriate framework to offset Greenhouse gas emissions is critically important to the mining and mineral exploration sector, which has the potential to unlock economic growth and drive the Territory's objectives in line with the Territory Economic Reconstruction Commissions Report¹.

About AMEC

The Association of Mining and Exploration Companies (AMEC) is a leading national industry association representing over 450 members from all around Australia. Our members are explorers, emerging miners, producers, and a wide range of businesses working in and for the industry; we have 30 member companies actively exploring, mining, and developing projects in the Northern Territory.

The mining and exploration industry make a critical contribution to the Australian economy, employing over 255,000 people, and in 2018/19 collectively paid over \$39 billion in royalties and taxation. In 2019/20 resources companies invested \$35 billion in new capital and generated more than \$176 billion in mineral exports. \$2.8 billion was spent on minerals exploration in 2019/20, representing an 18% increase from the previous year.

Greenhouse Gas Offset Emissions Offsets Policy and Technical Guidelines

General feedback

AMEC considers climate change policy and the determination of relevant and proportionate emissions reduction targets to fall under the remit of the Australian Government. All State and Territory policies should align with the Commonwealth position. AMEC supports a national bipartisan response led by the Australian Government to climate change, emissions reduction, and abatement through unified and consistent actions. This response should appropriately reflect Australia's dependence on the jobs and combined revenues that the mining and mineral exploration industry generates.

¹ https://ntrebound.nt.gov.au/__data/assets/pdf_file/0020/952301/terc-final-report.pdf

We have made several submissions to the Greenhouse Gas Emissions Policy frameworks of other Australian jurisdictions. The submissions have all recommended the alignment of each individual jurisdiction with Australia's existing international commitments, in leading to an integrated, orderly, phased transition to a low carbon economy.

Minimisation of the administrative duplication this policy will create must be a priority.

Definitions

The "purpose" section includes definitions of emissions and of a carbon dioxide equivalent. A clear section that provides definitions would bring much needed clarity to a complex subject.

Hierarchy of documents

The provision of a clear table under Section 2, specifies how this document relates to the NT Offset principles and other offset documents is appreciated. However, whether the policy and technical guidelines has legal standing must be detailed. Industry is opposed to statutory guidance, and requests that this document be clearly identified as non-statutory in nature.

This distinction is important as if (and when) Greenhouse Gas offsets are challenged a court decision may turn on the language choices in this document. The current drafting lacks sufficient robustness to be statutory guidance.

Clarity of recognition of Commonwealth Reporting requirements by NT Government.

Australian companies and corporations have obligations under the Commonwealth National Greenhouse and Energy Reporting Act 2007 (NGER Act) to report if emissions or electricity consumption exceed certain thresholds. Companies that exceed thresholds must reduce their net emissions by purchasing and surrendering Australian carbon credit units (ACCUs) to offset their emissions.

The Northern Territory Government recognition and acceptance of this evidence is welcomed by AMEC as good policy and reduces potentially costly administrative duplication.

Target for emissions offsets

AMEC supports the net zero greenhouse gas emissions by 2050 stance, having adopted the same position as an Industry Association. What the interim targets are, will need to be identified and published with sufficient time for companies to prepare.

Applying emissions offset requirements

There is some concern within Industry regarding the ambiguity in language for determining when an offset is required. The language provides flexibility, but there is concern, as stated above, that it is open to legal challenge.

The alternate emissions offset units, outlined in 8.1.2.1, should require that they satisfy the conditions of an ACCU.

Allowing for indirect offsets to greenhouse gas should be reassessed. Given the depth and liquidity of the secondary market, and the option to create alternative emissions offset units, it is unclear what the

need is for indirect offsets. The indirect offsets are also unlikely to satisfy all of the NT Offset Principles, neither contributing to the relevant NT Targets, nor being additional or secure.

Emissions offset priority order

The priority order seems to have confused Territory benefits with offsetting Greenhouse Gas emissions. AMEC is opposed to the complicated equation detailed under Section 9. Greenhouse Gas emissions are sufficiently complex without forcing “offsets that co-benefit” the Territory, which (inconsistently) implies the broader offsetting does not benefit the Territory.

Delivery requirements and timeframes

Greater clarity is required on what is needed to satisfy the requirements and timeframes of conditions. For example, it would be reasonable to suggest that once the created carbon had been offset, the carbon offset requirement would have been met. This needs to be specified.

Offset Adjustment

To invest a company needs certainty. The Section 11 language suggests “adjustments will likely be required where monitoring identifies that the actual emissions are different”. The process of how these adjustments will be undertaken are not clarified. As the offset will be established in an environmental approval condition that has Ministerial consent, it is assumed that the process under the Environmental Protection Act will be followed.

Final comment

AMEC welcomes continued opportunities for collaboration with the Department in the planned systematic expansion and evolution of the policy over time, to ensure Industry’s unique position is appropriately represented as the Territory works towards the net zero emissions by 2050 target.

For further information contact:

Neil van Drunen

or

Dayna O’Leary

Director WA, SA, NT & Industrial Policy

Policy Officer

AMEC

AMEC

0407 057 443

08 9320 5150