

Environment and Communications
Answers to questions on notice
Climate Change, Energy, the Environment and Water Portfolio

Question No: SQ24-000249
Hearing: Additional Estimates
Outcome: Outcome 1
Division/Agency: Net Zero Industries Division
Topic: Emission baseline limits
Question Date: 23 February 2024
Question Type: Written

Senator Canavan asked:

1. Could the department please provide the emission baseline limits (under the safeguard mechanism) for the following four facilities over the next 10 years on an annual basis. If the emission baselines are production-adjusted, please provide the relevant annual production of each facility for the most recent year.

- a. NKS01 Nickel West Kalgoorlie Facility
- b. NKW01 Nickel West Kwinana Facility*
- c. NKW01 Nickel West Kwinana Facility*
- d. NMK01 Nickel West Mt Keith Facility

Note *: The Department's website uses the same label for two "west Kwinana" facilities which I believe reflects the two refineries there. <https://www.cleanenergyregulator.gov.au/NGER/The-Safeguard-Mechanism/safeguard-data/Safeguard-baselines-table>

2. Under the safeguard mechanism, has the Government adjusted any of the baselines for facilities in the Australian nickel industry to reflect the Emissions Intensive and Trade Exposed nature of this industry?

Answer:

1. The Safeguard Mechanism reforms commenced on 1 July 2023. Under the reforms, baselines for existing Safeguard facilities will be determined based on each facility's production, facility-specific emissions intensity values and industry average emissions intensity values. As actual production levels for the current and future compliance years are not yet known, and applications for facility-specific emissions intensity determinations are due by 30 April 2024, the baselines for these facilities will depend on those variables.

The latest published baselines for these facilities is for 2021-22 (prior to the reforms). The baselines are available on the Clean Energy Regulator's (CER) website at:

<https://www.cleanenergyregulator.gov.au/NGER/The-Safeguard-Mechanism/safeguard-data/safeguard-facility-reported-emissions/safeguard-facility-reported-emissions-2021-22>

The multiple entries on the CER's website for the Nickel West Kwinana refinery (NKW01) reflects different baseline and multi-year monitoring period determinations for the single facility prior to the commencement of the Safeguard reforms.

2. As part of the Safeguard Mechanism reforms, trade-exposed baseline adjusted (TEBA) applications open at the end of each compliance year on 1 July and close on 31 October each year. There have been no adjustments to any facility baselines since the reformed Safeguard Mechanism was legislated, as the first compliance year (1 July 2023 to 30 June 2024) is still underway. The first applications for TEBA can be submitted between 1 July 2024 and 31 October 2024.