

6 January 2009

Emission cut a “significant target” - KIC

Kwinana industries are examining the impact of the Federal Government’s emissions reduction White Paper, which is a significant target for a group of companies which have already made reductions in greenhouse gas emissions.

“There is an irony that Kwinana Industry Council members have been working on emission reductions since the early 90s,” said KIC Director Chris Oughton.

“The 2000 cut-off means emission reductions will be even harder to find in some cases.

“The 2020 emissions target of a reduction of between five and 15 per cent below 2000 levels depending on the degree of international agreement is no a small ask.

“It comes at a time when industry is expanding, which means any cuts to emissions are in an environment of increasing levels of production and therefore harder to achieve,” he said.

The challenge of meeting the targets is made harder by the fact that industry is also managing its way through a global economic crisis and domestic economic uncertainty, Mr Oughton said.

“Meeting the target is not just a matter of changing a few pipes and flicking some switches,” he said.

“Personnel have to be trained, processes overhauled, equipment examined and reviewed, internal and external systems need to be designed and capital raised to pay for it all.

“This will be a mammoth undertaking across all areas of industry.

“In reality, the reduction target will have to be in the order of 25-30 percent of 2009 levels if the 2010 target of a five percent drop in year 2000 emissions is to be achieved,” he said.

According to Mr Oughton, it is too early for accurate cost estimates across the Kwinana Industrial Area because any costs would be highly variable depending on the particular type of industrial processes affected.

Industry groups have estimated the national cost of compliance will be about \$7 billion in 2010 after compensation and rising to \$10.5 billion by 2020.

KIC welcomes the financial assistance to meet the targets proposed by the federal government and Kwinana industries will examine the impact of the White Paper measures and the adequacy of compensation provided.