

State backs Labor veto call on worst polluters

19th February 2007, 6:45 WST

State Environment Minister Tony McRae has supported a controversial policy from Federal Labor to give government the power to block new developments with high greenhouse gas emissions, despite criticism it could grind economic growth in resource-rich WA to a halt.

Mr McRae said a policy to allow his Federal equivalent to veto new projects that produce or are responsible for more than 500,000 tonnes of carbon dioxide a year would help Australia battle global warming.

The veto would affect new resource projects including Kwinana's HISmelt, Austeel at Cape Preston and a range of schemes on the Burrup Peninsula. It would also affect new coal and gas power stations, big factories, aluminium smelters and major paper mills.

Mr McRae rejected claims from business and mining groups that it would shake investor confidence and drive projects offshore. He said the threshold would create some up-front costs but would eventually boost profits through more efficient energy use.

"I think investors would see the balance sheet wasn't damaged by more efficient business. I think they see it ultimately means more profits," Mr McRae said.

"In a changing world where ultimately every business on the globe is going to have to confront this, the question is do you want to be at the leading edge of technological change and the forefront of fighting climate change or are you going to lag behind?"

Chamber of Commerce and Industry chief John Langoulant said it was a "half-baked" idea that could restrict energy supplies and increase power costs.

"The next thing for (shadow environment spokesman Peter) Garrett to do is explain how electricity is to be provided to industry throughout Australia and WA, which is energy dependent. Until we know the answer to that, we can't take the policy credibly," he said.

Chamber of Mines and Energy spokesman David Parker said it would not prevent global warming because projects would move to countries with less stringent controls. He said Australia already had some of the strictest environmental regulations in the world.

Mr Garrett said the policy could be used to block approval but it was more likely the Federal Government would use it to attach conditions to approval to minimise emissions.

"Attacking climate change needs policies that enable government to make decisions about developments on the basis of their greenhouse gas impact and to be able to attach approval conditions to proposed developments that help

minimise emissions," Mr Garrett said.

KIM MACDONALD