

28 June 2024

Committee Secretary
Senate Standing Committee on Environment and Communication
Department of the Senate
Submitted via email to seniorclerk.committees.sen@aph.gov.au

SUPPLEMENTARY SUBMISSION

Inquiry into Glencore's proposed carbon capture and storage project

The following is a supplementary submission to Glencore's original submission made on 2 May 2024 to the Senate Inquiry into Glencore's proposed carbon capture and storage project.

We respectfully request that the Senate Standing Committee on Environment and Communication consider and accept this supplementary submission as part of their deliberations when compiling their final report.

Glencore in Australia

In Australia, Glencore produces coal, zinc, nickel, cobalt, copper, lead and silver from 22 active mining operations. We also operate metals-processing assets in Queensland, Western Australia and the Northern Territory, including concentrators, smelters and refineries.

We are among Australia's largest producers and marketers of natural resources, connecting Australian resources with industrial customers worldwide. Through our diverse portfolio, we supply the resources that advance everyday life.

Our employees and contractors are fundamental to our success, and people are central to everything we do.

Our operations are a significant socio-economic contributor to Australia. We employ 17,460 people in Australia and, in 2023, contributed almost \$23.5 billion to the regional, state and national economies.

This included a spend of \$12.9 billion on goods and services sourced from 7,000 businesses across the country and \$8.2 billion in government tax and royalty payments.

Glencore is committed to supplying the transition-enabling commodities needed for the energy systems of tomorrow, while continuing to responsibly serve the energy needs of today.

Response to Queensland Government Decision on Environmental Impact Statement (EIS)

On 24 May 2024, Glencore was notified by the Queensland Government that its CTSCo Carbon Capture and Storage (CCS) project in the Surat Basin would not be allowed to proceed.

This decision followed \$50 million of investment and 10 years of time developing the project. The decision was extremely disappointing and frustrating given there is no scientific evidence to support rejection of the project and the rationale for the decision rests on two conflicting pieces of Queensland legislation.

The CTSCo Project was a test case for carbon capture and storage in Queensland. With this decision, the Queensland Government has now effectively banned carbon capture and storage projects in Queensland. It is a missed opportunity for Queensland and sends mixed messages to industries looking to invest in low-emission technologies, including CCS.

Domestically, State and Federal Governments place emission reduction targets and obligations on companies like Glencore. It is important that the regulatory environment supports the uptake of emerging technologies to allow companies to achieve these targets.

If CCS is not available as an abatement option for industry, it will have far-reaching ramifications for the resources sector, which provides jobs for thousands of Queenslanders and is the cornerstone of the State economy.

Until now, CCS has enjoyed bipartisan support. Ironically, the Queensland Premier Miles who commented negatively on the project before the approval process was complete was also Minister for State Development who approved the capture portion of the CTSCo project. Likewise, the Leader of the Nationals, Mr David Littleproud commented in support of the project in November 2021¹ only to oppose the project following Agforce's misinformation campaign.

This further underscores our belief that rejection of the Project was in large part political opportunism.

CCS Technology

CCS is a proven technology that has been in use for approximately 40 years, and today is used in Australia and around the world.

Globally, there are 41 CCS projects in operation, 26 in construction and 325 more in development. In Australia, there are 18 CCS projects at various stages of development.

CCS presents one of the few technologies capable of abating large volumes of carbon dioxide and forms a key part of Australia's technology-led strategy for achieving net zero emissions by 2050.

Emissions from industrial processes are purified and injected into deep underground reservoirs that can securely hold carbon dioxide in perpetuity.

For this reason, CCS has been repeatedly recognised by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) as a critical technology for mitigating emissions.

The International Energy Agency (IEA) reports that even with concerted action under the Paris Agreement's nationally determined contributions from each country, fossil fuels will still provide 60% – 75% of the world's primary energy by 2040. The IEA has said that CCS will play a 'unique and vital role' in reducing greenhouse gas emissions from using fossil fuels globally.²

Glencore will continue to consider opportunities for investing in CCS as a low-emission technology, which both the United Nations Framework Convention on Climate Change (UNFCCC) and the IEA have indicated will be critical if the world is to achieve its climate change goals.

¹ Carbon capture storage trial in Queensland to demonstrate Morrison's promise to reduce emissions via 'technology' - ABC News

² International Energy Agency (IEA), *Net Zero by 2050 – Analysis*, published May 2021.

Overview of the CTSCo Project

As Australia possesses large quantities of geologically stable land, it is well-placed to implement CCS technology to store domestically captured emissions.

The purpose of the CTSCo project was to investigate the capacity for safe geological storage of carbon dioxide in reservoirs within the Surat Basin region.

Over three years, the project proposed to capture 330,000 tonnes of carbon dioxide from the coal-fired Millmerran power station, transport it by road, and inject it into the Precipice Sandstone aquifer.

The proposed storage location in a very deep part of the Precipice Sandstone aquifer was selected for testing by the Australian Government because it contained non-potable water at depths of 2.3 kilometres below the surface, which is at a depth much greater than groundwater typically used for agriculture and human consumption. No agricultural producer is drawing from the Precipice Sandstone aquifer within 50 kilometres of our proposed test storage location. Carbon dioxide leakage would have been extremely unlikely as numerous impermeable geological layers confine the formation proposed to store the carbon dioxide.

In 2021, the CTSCo project received \$1 million in funding from the Carbon Capture Use and Storage Development Fund, from a \$50 million Federal Government initiative to accelerate the development of CCS technology in Australia.

Queensland was one of the first jurisdictions in the world to establish a comprehensive legislative framework for carbon dioxide storage with the *Greenhouse Gas Storage Act 2009*, and the CTSCo project was granted a permit under this statute.

As part of the approval process under the Queensland *Environmental Protection Act 1994*, CTSCo prepared an environmental impact statement (EIS) and responded to 85 submissions from government departments, NGOs, businesses and landowners.

Research conducted by leading Australian institutions informed the project and was subject to technical peer review by a committee comprised of five experts in the area of CCS technology.

In addition, the project has been reviewed by expert third-party institutions, including the Queensland Government Office of Groundwater Impact Assessment (OGIA), CSIRO and the Australian Government Independent Expert Scientific Committee (IESC), who concluded that the test injection would have had no impact on regional agricultural producers or town water.

The Consultation Process

CTSCo engaged openly and transparently with all stakeholders, including affected and neighbouring landowners, indigenous groups, non-government organisations, industry peak bodies, community groups, and all levels of government.

The program logged over 1,650 engagement interactions across approximately 765 stakeholders.

The project team engaged with the local community and key stakeholders through a range of different methods, including direct engagement through public information meetings and face-to-face meetings, the production of factsheets and videos, meetings with government personnel, and interviews with the media.

Where submitters made detailed and specific submissions on the environmental impact statement, CTSCo committed to meeting with them to discuss CTSCo's response to their submission.

CTSCo first engaged with AgForce in 2016 and has had more than 50 engagement interactions with them since. CTSCo also received 85 submissions in response to the draft environmental impact statement, resulting in several significant changes and improvements to the proposed project.

As an organisation, we have been very disappointed by the misinformation campaign that AgForce and other agriculture sector NGOs have run in response to our proposed project. The marked-up advertisement below is just one example of this misinformation campaign.

INCORRECT
No evidence to support this claim. The benefit of storing CO2 is to reduction carbon emissions

INCORRECT
No evidence to support this claim. This language is misleading.

INCORRECT
No evidence to support this claim. This language is misleading.

INCORRECT
The test injection is 330ktCO2 of food grade carbon dioxide. This language is misleading.

INCORRECT
There no bores at this depth (2.3km) within 50km of the injection well. This language is misleading.

CORRECT
Last year our business contributed \$23 billion to the Australian economy, including \$8 billion in taxes and royalties

INCORRECT
The test injection is 330ktCO2 of food grade carbon dioxide. This language is misleading.

INCORRECT
Any release of trace metals is minor and stay contained within the plume which measures only ~1.5km. Outside of the plume the water remains unchanged.

GPO Box 1433 · Brisbane · Queensland 4001 · Australia

Tel 1300 119 786 · Web www.ctsco.com.au

Carbon Transport and Storage Corporation (CTSCo) Pty Limited ABN 12 143 012 971

The implications of the Queensland Government's decision to ban CCS

The Great Artesian Basin (GAB) is present across more than 70% of Queensland. The Great Artesian Basin (GAB) is not an isolated or uniform water source. It is made up of numerous aquifers, both potable and non-potable, with varying water quality levels.

The recent Queensland Government decision to ban greenhouse gas storage in any geological formation where the GAB is present eliminates the potential to utilise geological formations below the GAB, including depleted oil and gas reservoirs. Consequently, the ban effectively rules out any likely viable greenhouse gas storage location in the State. Given the Queensland government's carbon storage ban, several important questions have been raised.

- a. Under what circumstances is CCS acceptable in Australia and Queensland?
- b. Aside from CCS, the resource, oil and gas sectors are left with few large-scale abatement options besides offsets. What abatement options can our sector now utilise to achieve the ambitious targets State and Federal Governments have set?
- c. How will the Parliament provide certainty and stability to domestic and international companies still willing to invest in low-emission technologies?
- d. Given the widespread uptake of CCS technology globally and endorsement from leading international and local authorities, why is the Australian Government reluctant to provide similar support to CCS technology as it does to more established renewable technologies?
- e. There is increasing recognition that Australia will not reach its carbon emissions targets without CCS as part of the technology suite available to reduce emissions. How does Australia plan to meet this shortfall?
- f. Does the Federal Government plan to coordinate with State Governments on emission reduction targets, carbon offsets, regulations and CCS?
- g. Cheap, reliable energy is essential for sustaining Australia's manufacturing sector, and CCS is crucial to reducing emissions from power generators and industrial sources, including fertilisers and cement. In the medium term, what safeguards will be put in place to mitigate the rising energy cost and ensure the sustainability of jobs in Australian manufacturing?
- h. Coal power stations in Queensland are due to run into 2040. Without CCS, how will coal power stations reduce emissions in Queensland to meet government targets?
- i. If CCS is unacceptable, what are the additional costs and timeframes for industry and taxpayers to achieve the necessary abatement to reach emissions reduction targets?

Yours sincerely,

Cassandra McCarthy
Corporate Affairs Lead, Australia
Glencore