

Draft EPA Climate Change Policy and Action Plan 2022-25

Frequently asked questions

Why is the EPA releasing a draft Climate Change Policy and a draft Action Plan?

The EPA has a critical role in protecting the environment and community from the threat of climate change and supporting industry and the community to meet the NSW Government's Net Zero commitments. The EPA is already responding to climate change induced severe weather events that impact our environment and our communities.

Our policy and the action plan set out how we will work with government, experts, our regulated community and the community more broadly to minimise, prepare for and manage the impacts of climate change.

What are some of the key specific actions the EPA will take to address climate change?

Actions include:

- working with industry, government and experts to improve the evidence base on climate change
- support licensees prepare, implement and report on climate change mitigation and adaptation plans
- partnering with NSW Government agencies to address climate change during the planning and assessment process for activities the EPA regulates
- establishing cost-effective emission reduction targets for key industry sectors
- providing industry best-practice guidelines to support them to reduce their greenhouse gas emissions
- phased introduction of greenhouse gas emission limits on environment protection licences for key industry sectors
- developing and implementing resilience programs, best-practice adaptation guidance and harnessing citizen science and education programs
- working with Aboriginal people and our Youth Advisory Council to improve the EPA's evolving climate change response

Will the EPA's Climate Change Policy and Action Plan complement other climate change work by the NSW Government?

Yes, we have undertaken extensive work to ensure our draft Climate Change Policy and Climate Change Action Plan complements, supports and builds on the NSW Government's robust climate change policy frameworks.

This includes important climate change policies and strategies, such as the Net Zero Plan, NSW Climate Change Adaptation Strategy, Electricity Infrastructure Roadmap, NSW Hydrogen Strategy, Coal Innovation Fund, the Sustainable Farming Program and additions to the NSW Electric Vehicle Strategy and the Net Zero Industry and Innovation Program.

Who is the lead NSW Government agency on climate change policy?

The Office of Energy and Climate Change (OECC) is the lead NSW Government agency on strategic NSW climate change policy. The EPA is working closely with OECC.

When will the EPA be imposing new requirements?

Actions will be staged so that they are well-informed and properly paced to enable regulated industries time to adjust, where needed.

It will take time to set emission targets and related performance to ensure they are reasonable and feasible, informed by expert advice and global best practice and industry has the support and time to adjust.

How does the policy and action plan support the Paris Agreement?

The goal of the [Paris Agreement](#) is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

The [UN Net Zero Coalition](#) has recommended a 45% reduction on 2005 levels by 2030 to meet the Paris Agreement. NSW has a more ambitious target of 50% by 2030.

The EPA's draft climate change policy and action plan complements, supports and builds on the NSW Government's robust climate change policy frameworks.

Will NSW be increasing the frequency of state-based emissions reporting to quarterly, to be in line with National Greenhouse Gas Inventory (NGGI) reporting?

NSW emission reporting is now delivered through the NSW Government's [Net Zero Emissions Dashboard](#). Reporting will continue to be annual to be consistent with [National Greenhouse and Energy Reporting Scheme](#) requirements.

Do the EPA climate change actions align with other jurisdictions, including the Commonwealth?

The NSW EPA has considered the approaches of global and Australian environmental regulators and our draft Action Plan incorporates and builds on the best current and proposed approaches. We're working closely with other jurisdictions and the Commonwealth to seek alignment where possible.

In particular, we are committed to ensuring that our regulation of greenhouse gases considers the reporting, performance and other obligations imposed by the Commonwealth Government. That includes the Clean Energy Regulator's Safeguard Mechanism.

How does the policy and action plan interconnect with federal programs, such as offsets?

The EPA will consider the role of greenhouse gas emission offsets as we develop emission limits and industry sector or site-specific performance requirements. We will be looking to ensure that our regulated community is making genuine efforts to reduce and minimise their emissions before relying on offsets.

Where offsets are needed and allowed, we will ensure they are sourced from accredited schemes, such as those overseen by the Commonwealth Clean Energy Regulator.

We are interested in your feedback on this matter.

Which industries does this policy impact and how?

The draft policy and action plan apply to all the EPA's regulated community. That is, the people, businesses, industries and government organisations that are regulated by the EPA. Examples include: managers of contaminated sites; licensed industrial and agricultural premises (holders of environment protection licences); some forestry operators.

We recognise that there will be some significant differences between types of activities, individual operators and different sites that we regulate. For example:

- some activities emit more greenhouse gases than others
- some sources of greenhouse gas emissions are easier to abate than others (due to technological and other factors)
- some sites are more exposed to the impacts of climate change than others (and may require additional support with adaptation planning)

We will start with first listening to our regulated community, so we understand the climate change actions already being taken. We will then assess the information and evidence available to determine where we should focus our regulatory effort.

Which 'key industry sectors' will the EPA be focusing on?

This will be decided in collaboration with industry sectors, NSW Government and climate change experts. However, everyone has a part to play. Our initial focus will also be informed by the information we receive through our licensee survey, an early action in the action plan.

How will the EPA support its licensees and other parts of its regulated community to comply with the policy and action plan?

The policy itself already provides information about what the NSW EPA expects our regulated community to do. However, we will be developing guidance (and other support materials such as templates) to assist our regulated community to meet new actions under the action plan. These will be rolled out in stages to align with the staging of the actions under the action plan.

How will the EPA support Councils?

The EPA will support councils in its roles as consent authorities, as co-regulators of environmental legislation, and as licensees (e.g. as operators of waste facilities and sewage treatment plants). The EPA has identified specific actions where we can partner and support local government in each of these roles.

We will be carefully considering what councils are already doing to address climate change and will be asking them about the support they need to adapt and be more resilient to a changing climate; including those that operate waste facilities, and other operations that are licensed by the EPA.

What funding will be available for licensees, including councils?

The EPA will be encouraging and supporting our licensees, including our council licensees, to access existing government funding and grants.

For example, funding opportunities under the Waste and Sustainable Materials Strategy, the Net Zero Industry and Innovation Program, the Emissions Intensity Reduction Program and Sustainability Advantage.

We will also consider whether our licensees, including council licensees, need targeted assistance and we will report back to the Government on this.

A resource which may be useful for:

- industry and businesses is [NSW Climate and Energy Action](#)
- councils is [Net Zero Emissions Guidance for NSW Councils](#)

I am an environment protection licensee. What do I need to do right now?

Right now, you have an opportunity to inform the EPA's draft policy and draft action plan by providing feedback on the draft documents.

Will councils be required to have their own climate change strategies and plans?

The draft action plan proposes that all licensed facilities, including those managed by councils, develop climate change mitigation and adaptation plans. We will work with all our licensees (including councils) to support the development and implementation of these plans.

We know that some councils are already developing their own climate change strategies and plans that apply beyond their licensed premises, across their entire local government area. This is a sensible approach to ensuring councils and the communities they service are more resilient to climate-related impacts and that they are decarbonising their own operations.

The EPA is happy to discuss how we might be able to support all these approaches.

Why doesn't the EPA set emission reduction targets now?

The EPA will be collecting additional information from our licensees, our government partners and a range of experts and stakeholders to ensure these targets are effective at focusing the EPA's regulatory effort. This is set out in our action plan. This approach will ensure the targets are feasible and based on the latest evidence.

Why doesn't the EPA require all licensees to meet the 2030 target and are net zero by 2050 immediately?

As we work to enable NSW emissions to reduce by 50 per cent by 2030, it will not be appropriate to expect all licensees to reduce their emissions at the same rate. What's possible will vary due to many factors. Examples of these factors for consideration include the type and age of the facility and available technology. The EPA will consider what's reasonable and feasible at the sector and facility level and ensure that the requirements are reasonable and feasible while also encouraging proactive abatement.

Why is the EPA setting emission reduction targets for industry sectors ahead of direct regulation?

The purpose of setting industry sector targets is to help us focus our regulatory effort where we can achieve the greatest gains by using the suite of regulatory approaches available to us, such as information and guidance, behavioural change programs, education and (where appropriate) enforceable requirements and licence conditions.

Sector emission reduction targets will help contribute to the broader NSW net zero targets. They will be feasible, evidence-based, and complemented by related emission reduction pathways.

Will the EPA be enforcing the industry sector targets?

No. The targets themselves will not be enforceable, as they will apply to the industry sector (or sub-sector) as a whole (not to an individual licensee). However, our targets will provide tailored and transparent signals for the industry sectors in question, as we work with them to influence and require greenhouse gas emission reductions.

How will industry sector targets be achieved if they are not enforceable?

Industry sector targets will help the EPA decide where to focus its regulatory efforts and guide and inform planning and licensing decisions. This will include working towards the development of enforceable greenhouse gas emission limits and other requirements, that we propose to progressively place on licences.

Will sector targets be translated directly into licence limits?

No. However, the sector targets along with any relevant best-practice guidance developed for industry sectors are likely to *guide and inform* planning and licensing decisions.

Why doesn't the EPA include emission reduction limits immediately on all licences?

We will not set emission targets and related performance requirements immediately. It will take time to consider what is reasonable and feasible, seek expert advice, monitor global actions and give industry time and support to adjust.

Our proposed climate change actions will be staged to enable the EPA to take a measured and evidence-based approach, and work with its regulated industries to support improved practices and give them time to adjust.

Will the EPA put greenhouse gas conditions on a facility's licence, if they are already on the development consent?

This will be determined in consultation with the Department of Planning and Environment. It is common for relevant conditions of consent to be reflected in the development's environment protection licence (once it is applied for and granted). This helps make the environmental performance related requirements more transparent and enforceable by the EPA and enables continuous improvement under the EPA's regulatory framework.

How will the EPA develop licence limits?

The EPA will progressively place feasible, evidence-based greenhouse gas emission limits and other requirements on environment protection licences, for key industry sectors that we regulate. We'll develop these emission limits and other licence requirements to help NSW meet its net zero targets. Our requirements will also be *informed by* any **sector emission reduction targets** we have developed for the industries we license.

We will ensure any emission limits or other licence requirements complement NSW government actions already taking place under the NSW Net Zero Plan, and any actions being taken by the Commonwealth Government (e.g. under the [Safeguard Mechanism](#)). We will also consider how to future-proof our approach, so that it recognises and allows for any future changes to Commonwealth policies or initiatives.

Will licensees be required to publicly report on their performance against sector targets and licence conditions?

The EPA in collaboration with agency partners will track and report on how sectors are performing against the relevant sector target.

Licensees will continue to be required to report on compliance with their licence conditions and publish monitoring results in accordance with our published [guideline](#).

Does the policy and action plan apply to CO₂ in addition to other greenhouse gases?

Yes. The policy and action plan applies to all greenhouse gases emitted due to human activities. This includes CO₂, which makes up almost 70% of greenhouse gases caused by human activities in NSW. Other greenhouse gases of concern include nitrous oxide (N₂O), methane (CH₄), ozone (O₃) and some synthetic gases. These are typically reported in terms of their 'CO₂-equivalency' (CO_{2-e}).

Which emission scope(s) (1,2,3) will be considered in targets and licence limits?

We will consider both scope 1 and 2 emissions, which is consistent with the NSW Government's Net Zero Plan, and National Greenhouse Gas Emissions Reporting Scheme requirements. We are not considering scope 3 emissions at this stage, but we are interested in your feedback regarding this.

Will the EPA charge fees for greenhouse gases in the load-based licensing (LBL) scheme as part of this review?

No, we are not proposing to charge fees for greenhouse gases in LBL at this time. However, we're committed to strengthening our regulatory response in the medium- to longer-term if it is required to support the NSW Government's climate change actions and commitments, including the NSW net zero targets.

How will the EPA ensure that climate change mitigation and adaptation plans don't duplicate other processes?

The EPA will develop a guideline for preparing climate change mitigation and adaptation plans. This will recognise the various types of reporting requirements, disclosures and plans EPA's licensees may already have prepared, for example:

- Taskforce on Climate-related Financial Disclosure statements, which are sometimes required or recommended via the financial/insurance sector and reported in organisations' annual reports; and
- Greenhouse Gas Management Plans, which may be required through the planning process.

How will the EPA engage with Aboriginal people?

We acknowledge Aboriginal peoples as the enduring custodians of the land, sea, waters and sky of NSW. The Action Plan commits the EPA to regular and meaningful engagement with Aboriginal peoples to inform our evolving regulatory response to climate change.

How will the EPA engage with young people?

We are committed to listening to young people on our climate change approach, to seek their views, look to address their concerns and provide opportunities for them to provide their ideas and to get more involved. We'll initially provide these opportunities through the EPA's Youth Advisory Council.

The Council represents a diversity of young people living in NSW with inaugural members from across the state including Northern Sydney, Western Sydney, inner Sydney, Blue Mountains, Young, Albury, Mudgee and Central Coast.

What role did a court order have in the EPA developing a climate change policy?

Before the Land and Environment Court handed down its ruling, the EPA had released our EPA Strategic Plan 2021-24, which identifies climate change and ecological sustainable development as two of our key focus areas. Within this plan, we committed to:

- take action to reduce greenhouse gas emissions, mitigate climate change impacts and build greater environmental and community resilience aligned with the principles in the NSW Net Zero Plan
- champion sustainable approaches to mitigate the cumulative impacts of industry on local communities and environments.

On 26 August 2021, in the matter of *Bushfire Survivors for Climate Action v EPA*, the Land and Environment Court ordered the EPA to fulfil its statutory duty to develop environmental quality objectives, guidelines and policies to ensure environment protection from climate change.

This duty is found in section 9(1)(a) of the *Protection of the Environment Administration Act 1991*. Under this section, the EPA is required to "develop environmental quality objectives, guidelines and policies to ensure environment protection". The Court found that this statutory duty extends to protecting the environment from climate change.

More information: See *Bushfire Survivors for Climate Action Incorporated v Environment Protection Authority* [2021] NSWLEC 92

The court ruling has further informed and guided the EPA's development of the draft climate change policy and the action plan.

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