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NSW Environmental Protection Authority
climatechange.review@epa.nsw.gov.au

Submission to EPA Climate Change Policy & Action Plan

The City of Sydney (the City) welcomes this opportunity to provide a submission to the NSW EPA draft Climate Change Policy and Action Plan.

The City has endorsed a target for net zero emissions across the local area by 2035. We also have targets to reduce emissions by 70 per cent based on 2006 levels, and for at least half of the electricity used in our area to be from renewable sources by 2030.

In 2019, the City declared a climate emergency, stating that climate change poses a serious risk to the people of Sydney. There are now 2,278 jurisdictions¹ in 39 countries that have declared a climate emergency including 115 in Australia, many in NSW.

Prior to the pandemic, emissions in our local area were 26 per cent below our 2006 baseline - over which time there has been significant growth in the number of new buildings and infrastructure, employment, housing, and economic development - which clearly shows that emissions can be decoupled from growth.

Leading businesses who operate in our area play an important role, including members of our Better Buildings Partnership, Sustainable Destination Partnership, and CitySwitch Green Office programs. Many have net zero commitments.

For new developments and major refurbishments, the City recently endorsed new net zero planning controls. These will require minimum energy ratings from January 2023 and net zero energy use from 2026.

As an organisation, the City has been certified carbon neutral by the Australian Government since 2011. As of June 2021, our emissions were 76 per cent below 2006 levels, mainly through energy efficiency and purchasing 100 per cent renewable electricity, which has supported regional economies in NSW.

The draft EPA Climate Change Policy and Action Plan relates to opportunities within its remit and complements the NSW Government Climate Change Policy Framework; Net Zero Plan; Electricity Infrastructure Roadmap; Net Zero Industry and Innovation Program; and Electric Vehicle, Hydrogen, Climate Change Adaptation, and Waste and Sustainable Materials strategies as well as other initiatives.

It is from this context that the City welcomes the proactive approach being undertaken by the NSW Government to consult widely and to support industry and communities to be prepared for climate impacts and meet the NSW Government net zero commitments.

¹ <https://climateemergencydeclaration.org/climate-emergency-declarations-cover-15-million-citizens/>

Our feedback relates to the urgent need and opportunities to do more, sooner.

Aboriginal and Torres Strait Islander Involvement and Engagement

The City supports the EPA's Statement of Commitment to Aboriginal People of NSW in the Policy and Action Plan. Each point is well considered and of utmost importance.

The new Action 3 is supported which is to listen to and learn from Aboriginal people; create opportunities to meaningfully engage and receive feedback on our climate change response. It is also noted that one of the co-benefits identified in addition to reducing emissions is Protection of Country and Aboriginal cultural values.

It is recommended that in addition to the pre-ambles and Action 3, that tangible actions to deliver on the EPA's commitment to Aboriginal people are clearly articulated and integrated within every relevant action in the Action Plan.

For example, cultural fire land management practices by Aboriginal practitioners are demonstrated to improve the health of natural ecological systems, whilst preserving traditional culture and connection to Country, as well as reducing the risk of uncontrolled bushfires to people and property. Despite these myriad benefits, there are a range of regulatory barriers (in addition to funding) that are holding back wider and regular cultural fire land management.

It is recommended that the EPA takes a lead role to identify and remove legislative and regulatory barriers to cultural fire land management practices within its remit to protect communities against climate impacts (i.e. bushfires).

Reduce fugitive methane emissions as a top priority

The City supports the proposed new Action 2 to require and support regulated industries to develop and implement plans to minimise emissions and exposure to climate risks, as well as the subset of actions.

Climate Change Mitigation and Adaptation Plans and Pollution Reduction Programs are envisaged to improve transparency, raise awareness, and identify opportunities to reduce emissions.

However, reducing methane emissions from coal and gas mining is an immediate opportunity that should be appropriately progressed immediately, given the potency of methane as a greenhouse gas.

The time is now given that technological solutions exist today² and resource companies can fund improvements out of super profits (profiteering) being made during the global energy crisis.

The NSW Government has committed funding³ to reduce fugitive emissions from mining, however it is unclear whether this is sufficient, successful, or fair in terms of contributions from taxpayers versus resource extraction companies.

² <https://www.euractiv.com/section/energy-environment/opinion/methane-emissions-the-equivalent-of-a-nord-stream-leak-every-two-days/>

³ <https://www.regional.nsw.gov.au/meg/industry-support/coal-innovation/fugitive-methane-emissions-from-coal-mines>

The most recent NSW State of Environment Report⁴ shows fugitive emissions from coal and gas account for a substantial 9% of total emissions across the state.

Yet a recent report by the well-respected International Energy Agency⁵ indicates that fugitive emissions from coal mining in Australia may be under-reported, by approximately half of officially reported figures.

The EPA has a significant opportunity to lead in the global shift to reducing fugitive methane emissions by improving reporting and by requiring immediate actions through improved regulations.

This can, and should, be implemented as part of the recent Land and Environment Court ruling for the EPA to fulfil its statutory duty in section 9(1)(a) of the Protection of the Environment Administration Act 1991 to “develop environmental quality objectives, guidelines and policies to ensure environment protection from climate change”.

It is recommended that accurate reporting and capturing of fugitive methane emissions from fossil fuel mining projects in NSW, particularly coal, be made a requirement immediately. Making plans to reduce emissions can occur in parallel.

Supporting the renewable energy transition

The most recent NSW State of the Environment report shows that stationary energy (electricity generation) is the single largest source of emissions, making up 38%. This is a sector with a major emissions reduction opportunity.

The NSW Government is taking significant steps to decarbonise the electricity grid via its support for renewable energy zones and associated infrastructure and the approach proposed by the EPA draft plan may complement this transition.

The City supports the principles of proposed new Actions 7 and 9 to develop greenhouse gas emission targets for key industry sectors, and to progressively place emissions limits and other requirements.

Setting an industry wide emissions reduction target for the electricity generation sector in NSW is a key priority, to ensure that the EPA's regulated community, especially environment protection licensees, actively contribute to the State's net zero targets.

The extent to which the EPA will be required to support the electricity sector in setting and meeting targets will depend to a large extent on the success of the NSW Electricity Infrastructure Roadmap and what changes are introduced under the Commonwealth Government Safeguard Mechanism which is under review.

It is recommended that the EPA investigates how to reduce emissions from existing coal and gas generation in the immediate term and establishes medium term targets if not sufficiently covered by the Commonwealth Government Safeguard Mechanism.

⁴ <https://www.soe.epa.nsw.gov.au/>

⁵ <https://www.bbc.com/news/world-australia-61727940>

Financing decarbonisation and climate resilience

The City of Sydney acknowledges that the EPA has a critical role in protecting the environment and community from the threat of climate change and in supporting industry and the community to meet the NSW Government's Net Zero commitments.

Improving resilience and upgrading technologies to reduce emissions requires a significant amount of public and private investment.

With the current energy price crisis, there is a unique and immediate opportunity for the NSW Government to tax resources companies based on windfall profits (profiteering)⁶. A similar scheme was recently introduced by the Queensland Government.

Further, significant public revenue is forgone in Australia and NSW each year through high levels of fossil fuel subsidies⁷. These subsidies should be phased down with funding redirected to decarbonisation and climate change resilience priorities.

Both funding sources would be significant and would not add to domestic inflation. These are ways for the Australian and NSW Governments to fairly finance climate resilience and net zero in a way that does not diminish intergenerational equity.

It is recommended that the NSW Government takes a lead role to work with the Australian Government to wind back fossil fuel subsidies, and to introduce a tiered mining royalties scheme that taxes resource companies based on windfall profits, and redirect these funds to reducing emissions and improving climate change resilience.

Reduce emissions from transport as a top priority

The most recent NSW State of the Environment report shows that transport is the second largest source of emissions, making up 20%. As outlined in Figure 4 of the draft Action Plan, the Transport sector is also expected to be the second highest source of NSW emissions in 2050.

Australia is the only OECD country without fuel efficiency standards. Australian vehicles emit more greenhouse gas emissions than the equivalent vehicle category in other markets like Japan, the EU, the USA.

Reducing greenhouse gas emissions from transport has myriad other benefits like improving air quality and public health, lower running costs and improved liveability.

Whilst vehicle emissions standards are largely the remit of the Australian Government, there are complementary programs to encourage zero emissions vehicles such as those being run by the NSW and ACT governments.

It is recommended that the NSW Government works with the Australian Government to introduce vehicle fuel emissions standards and noxious pollution standards on par with European levels.

⁶ <https://amp.theguardian.com/australia-news/2022/sep/21/massive-missed-opportunity-nsw-could-make-23bn-with-tiered-tax-on-record-coal-profits>

⁷ <https://australiainstitute.org.au/post/australian-fossil-fuel-subsidies-surge-to-11-6-billion-in-2021-22/>

In addition to fuel emissions standards, there are significant opportunities for the NSW Government to reduce emissions from the transport sector by prioritising active and public transport in preference to private vehicles, especially in urban areas.

In addition to being the second largest source of emissions in NSW, the transport sector is the fastest growing source of emissions. The NSW EPA needs to broaden its remit, and work with other agencies like Transport for NSW to prevent emissions increasing further out to 2030 - or risk NSW not meeting its emissions targets.

As outlined in the Draft Climate Change Policy and Action Plan, in addition to its regulatory remit, the NSW EPA can influence, monitor, enable and educate. The drafts also contain a section on expanding the remit of the EPA.

These are important instruments that the EPA should use to reduce transport emissions by encouraging people out of cars for short journeys, for example by moderating speed limits, and by making active and public transport as well as micro-mobility more affordable, safe, and accessible.

A major cause to the growing emissions from the transport sector are directly attributed to the decisions and funding priorities of Transport for NSW. In aggregate, these decisions would be material enough for the EPA to consider Transport for NSW as a regulated entity.

As a minimum, the NSW EPA has a monitoring role for transport emissions and the interventions by other agencies to reduce overall emissions from this growing sector.

It is recommended that the NSW EPA includes Transport for NSW as an organisation that it licences and regulates. In addition, the NSW EPA should use all tools available within its remit including - influence, monitoring, enabling and education - to reverse the growing emissions from the transport sector across NSW as an immediate priority.

Reducing emissions from waste

As outlined in the draft Action Plan, the EPA is responsible for delivering on the NSW Government's commitment to achieve net zero emissions from organic waste from landfills by 2030, as part of the NSW Waste and Sustainable Materials Strategy 2041 (WaSM).

The WaSM however predominantly focuses on tonnes diverted from landfill to drive down methane emissions. While this is necessary action, it ignores the loss of valuable resources and the principles of circular economy.

It is recommended that the EPA develops additional targets that consider the environmental cost of landfilling minerals and fossil fuel based materials that require additional resources and energy to replace.

Textiles and e-waste are also significant waste streams that represent approximately 10 per cent of the residential general waste currently going to landfill and the environmental impacts from manufacturing these materials are significant. Textiles alone are reported to represent 6 to 8 per cent of global emissions.

Increasing material efficiency by extending product life through reuse and repair is also a conspicuous gap in the WaSM and a significant opportunity to abate embodied carbon.

Developing and implementing solutions for recovering white goods such as washing machines and refrigerators, which also contain harmful refrigerants that contribute significantly to climate change, would reduce embodied carbon, and ensure proper degassing.

It is recommended that the EPA identifies and implements opportunities, including regulation and facilitating reuse and repair through extended producer responsibility and/or buyback schemes, to extend product life and prevent the landfilling of textiles and e-waste.

EPA licences of waste and resource recovery facilities predominantly focus on pollution controls, noise, air and odour emissions during operational stages.

However, there is limited monitoring of these facilities to verify that they are achieving the resource recovery performance as intended at the design and development application phase.

Further, emissions from different resource recovery facilities should be also measured so that the full impact of materials management can be assessed and used to inform future planning and procurement of services.

It is recommended that the EPA updates its licencing requirements for waste and resource facilities to improve transparency around capacities and resource recovery performance, as well as greenhouse gas emissions during operational phases.

These improvements would allow for more accurate planning and assessment for future treatment capacity requirements.

Adapting to climate change impacts

The City welcomes the EPA acknowledgement that major climate impacts are occurring at increasing frequencies and levels of intensity.

New actions proposed by the EPA are supported, namely, to prepare adaptation and resilience plans and actions for the EPA and its licenced industries, and with input by young people to make observations about changes in their local environment.

It is recommended that the EPA requires licenced organisations to invest in sustainable infrastructure and habitat restoration in addition to developing resilience plans and actions.

Natural disasters currently cost the Australian economy \$38 billion per year, with this cost estimated to double by 2060. Yet the Productivity Commission estimates that currently 97% of all disaster funding is spent on recovery and clean-up while just 3% is spent on mitigation, preparedness, and resilience.⁸

As the frequency and severity of natural disaster events increase, it is critical to identify opportunities to mitigate future costs through continued investment in disaster resilience and adaption.⁹

⁸ <https://knowledge.aidr.org.au/resources/ajem-april-2022-increasing-disaster-resilience-for-continued-wellbeing-and-prosperity>

⁹ <https://www2.deloitte.com/au/en/pages/economics/articles/building-australias-natural-disaster-resilience.html>

It is recommended that the EPA ensures climate risks are integrated into its long term financial decision making and allocates sufficient resources to mitigation, preparedness, and resilience.

Preparedness takes many forms and will require investing in infrastructure, subsidies for insurance, better building standards and land use planning, relocating buildings, better information about climate impacts and vulnerability, and working with Aboriginal and Torres Strait Islander people on nature-based climate adaptation and mitigation.

It is recommended that specific actions and funding packages are committed to by the EPA, for example to work with Aboriginal and Torres Strait Islander people in identifying and implementing nature-based climate adaptation and mitigation.

Stronger regulatory responses in future

The City welcomes the clear signal that increased regulations may be introduced if tracking shows that the EPA regulated community is not successfully reducing greenhouse gas emissions and exposure to climate risks.

Should you wish to speak with a Council officer about this submission, please contact Anna Mitchell, Executive Manager Sustainability & Resilience on 9265 9333 or at amitchell@cityofsydney.nsw.gov.au.

Yours sincerely



Monica Barone
Chief Executive Officer