

4 November 2022

To: climatechange.review@epa.nsw.gov.au

Dear Madam/Sir,

NSW EPA Climate Change Policy and Action Plan

The Nature Conservation Council of New South Wales (NCC) is the state's peak environment organisation. We represent over 160 environment groups across NSW. Together we are dedicated to protecting and conserving the wildlife, landscapes and natural resources of NSW.

NCC welcomes the NSW EPA Climate Change Policy (**Policy**) and Action Plan (**Action Plan**) as an important step in enabling NSW to play its role in limiting dangerous climate change. We hope the plan is implemented swiftly and improved in the ways set out below.

While the EPA directly regulates a subset of polluting activities in NSW, we appreciate that this plan recognises EPA's role in driving down pollution across the economy in order to protect the NSW environment from climate change. As such we've included recommendations for a broad range of initiatives.

Enhanced ambition is required to align with Paris goals and meet the EPA's statutory duty

The Policy sets objectives to reduce emissions in line with the NSW government target of 50% reductions in emissions by 2030 and net zero emissions by 2050.

However, the NSW government is already on track to achieve its 50% reduction by 2030 target with existing policies, mostly through the shift from coal-burning to clean energy sources for electricity generation.

Therefore, there is a risk that this plan will drive no emissions reductions in this critical decade.

Furthermore, the 50% by 2030 target, while welcome, is not science-based. The ambition of Australia's targets, and the aggregate ambition of nations globally, must increase to limit overshoot of dangerous thresholds like 1.5 degrees. This need to ratchet up ambition is reflected in international agreements, and should also be reflected in the Policy and Action Plan.

Carbon budget analysis by pre-eminent global experts A/Prof. Malte Meinshausen and Dr. Zebedee Nicholls of Climate Resource found:

“For Australia to meet its obligations to pursue efforts to limit warming to 1.5°C, a 2030 reduction of 74% relative to 2005 emissions, and net zero by 2035 is consistent with a 50% chance of staying below 1.5°C.”ⁱ

Given the sharp increase in the severity of climate impacts above 1.5°C of warming, and the EPA’s statutory duty in section 9 of the POEO Act to ensure environment protection from climate change, the objectives in the Draft Policy of 50% reduction by 2030 and net zero by 2050 fail to meet that duty.

We recommend including an additional objective in the Policy which targets reducing emissions in line with limiting warming to 1.5°C. This will ensure opportunities for increased ambition are explored, low-cost abatement isn’t left on the table, and enable future ratcheting of NSW government climate targets.

Recommendation: include an additional objective in the Policy to pursue efforts to reduce greenhouse gas emissions in line with limiting warming to 1.5°C.

Independent expert review would help ensure the Policy and Action Plan is on track for meeting Paris-aligned goals

We recommend regular (e.g. every two years) independent expert reviews of progress under the Action Plan to assess ambition gaps against 1.5 degree scenarios, and identify opportunities for strengthening the Action Plan. The review panel could include climate scientists, economists, industry and civil society representatives.

Recommendation: establish an independent review panel to monitor progress of the plan against 1.5 degree scenarios, and suggest opportunities for strengthening the plan, biannually.

Assess opportunities to reduce emissions from native forest logging.

The EPA plays an important role in regulating native forest logging in NSW. The emissions from this activity are not publicly reported, as emissions sequestration by state forests is subtracted in all public reporting.

Recommendation: Establish new actions in the Action Plan to assess and reduce emissions from native forest logging.

Improve the load-based licensing scheme

The NSW Load-Based Licencing (LBL) scheme charges fees for polluting and has been operating since 1999. However, the effectiveness of the scheme is limited by unjustified

exclusion of the highly polluting coal mining sector. The effectiveness of the scheme is also limited because the fees are set so low that facilities prefer to simply pay the fee, rather than take measured and economically efficient steps to reduce pollution. For example, the EPA's own expert report found that for PM10 pollution, the fee is set at around 1% of the damage costs of pollutionⁱⁱ.

Reducing greenhouse pollution is a co-benefit of many pollution reduction measures, for example electrification of heating, transport, and chemical processes.

The NSW Government is overdue to review the LBL scheme, and the review has been stalled for at least six years, since 2016. This is a clear case of industry wishes being put ahead of the public good, and undermines confidence in the EPA and NSW government's ability to achieve effective regulation through the Climate Change Policy and Action Plan.

Recommendation: Finalise the review of the Load-Based Licensing Scheme, increase the fee, and include the mining sector.

Set methane reduction targets

Methane is a highly potent greenhouse gas that absorbs heat 84 times faster than carbon dioxide over a 20-year period. The United Nations Environment Programme Global Methane Assessment highlights the critical role that cutting methane emissions plays in the slowing the rate of global warming.

Due to the high impact methane has on warming in the short term, we recommend setting a target and a program of identifying methane reduction opportunities.

Recommendation: set a target for methane reductions and use this to inform sectoral targets and guidelines.

Rule out the use of native forest biomass for electricity

The POEO general regulation currently does not provide clear guidance on whether the use of native forest biomass for electricity generation is allowable, and under what circumstances. This uncertainty is demonstrated by the proposal by Verdant Energy to restart the Redbank Power Station, using around 750,000 tonnes of native forest biomass per year.

The burning of native forest biomass is incredibly emissions intensive and should simply be ruled out.

Recommendation: rule out the burning of native forest biomass for electricity generation



Nature Conservation Council

The voice for nature in NSW

Thank you for the opportunity to participate in the consultation.

Your key contact point for further questions and correspondence is Dr Bradley Smith, Policy and Advocacy Director, available via bsmith@nature.org.au and (02) 9062 3514. We welcome further conversation on this matter.

Yours sincerely,

Jacqui Mumford
Chief Executive
Nature Conservation Council

ⁱ Climate Resource, [Comparison between Australia's 2030 and 2050 emission reduction targets and 1.5°C pathways](#), 2022

ⁱⁱ BDA Group, [Comparative review of load based licensing fee systems final report](#), April 2014, table 2.7