



Submission to NSW EPA Feedback on Climate Change Licensee Requirements

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1. Introduction

Parents for Climate represents over 25,000 parents, grandparents and carers from across Australia. We are Australia's leading organisation for parents advocating for a safe climate. Our supporters are from across the political spectrum, across all electorates, and from varied socio-economic backgrounds. We seek non-partisan responses to climate change and its impacts.

We welcome the NSW EPA's request for feedback on proposed requirements for NSW's large greenhouse gas emitters. As parents, our concern is simple: the choices made today about how emissions are measured, disclosed and reduced will directly shape the health, security and cost-of-living faced by our children tomorrow. Families in NSW are already experiencing the impacts of climate change, from bushfire smoke that keeps kids indoors, to rising heat that disrupts school days, to higher energy bills tied to fossil fuel volatility.

That is why we strongly support robust, independent, transparent requirements for licensees. Every tonne of methane unmeasured today is a tonne our kids will pay for tomorrow. Parents for Climate has called in numerous submissions to government consultations for tougher regulation including:

1. Independent direct measurement of fugitive emissions, which – as noted by the EPA – have been found to be significantly underestimated.

2. Consideration of Scope 3 emissions arising from major developments, given that climate pollution produced extra-territorially still harms Australia, and several courts have rejected the market substitution argument often used by project proponents to justify approvals. We note that the EPA's proposals disappointingly do not extend to Scope 3 (apart from strictly optional disclosure and targets).

We have reviewed the three consultation documents:

- Climate Change Licensee Requirements
- Climate Change Mitigation and Adaptation Plans (CCMAP)
- Greenhouse Gas Mitigation Guide for NSW Coal Mines

Our feedback is focused on the first two documents, which establish the proposed regulatory framework. We are not experts in specific emissions mitigants for coal mines, and will leave that feedback to others.

Licensee Requirements: Fugitive Measurement and Disclosure

We are *supportive of EPA's focus on reducing methane from coal mining and pleased to see the call for direct onsite measurement*. However, we **recommend such measurement should be undertaken by independent experts**, perhaps via a supplier panel established and supervised by the EPA, and including periodic auditing of such measurements. Panelists should be required to demonstrate that they have no conflicts of interest in performing independent measurements.

We note that the fugitive monitoring rules are intended to apply to mines that emit more than 25,000 t CO₂-e pa. However, given significant under-reporting of fugitives today, **we recommend that facilities falling up to 50% under that threshold be required to commission independent direct measurement** to establish whether – should it adopt the continuous monitoring as stipulated in the proposed licensee requirements document – its emissions would meet the threshold.

Regarding the **consultation questions**:

1. We strongly support continuous monitoring of fugitive emissions wherever they may occur, but do not have the technical expertise to comment on potential regional differences.
2. In terms of the proposed time frames, alignment with timing for mandatory disclosures under AASB S2 could also be considered, particularly for facilities that are not currently part of the Safeguard Mechanism.

CCMAP Commentary

Emissions Estimates

While emissions goals are covered in section 3.3 in the Climate Change Mitigation and Adaptation Plans (CCMAP) document, we **recommend that the 10 year estimates explicitly require alignment with an emissions reduction trajectory** that is compatible with the NSW's 2030 and 2035 targets..

Further, the 10 year estimates should be **required to be expressed in terms of gross facility emissions and emissions intensity of gross facility emissions**, even if a number net of offset and/or SMC use is also provided.

Gross facility emissions intensity (based on production levels) is a key metric to track whether a facility is planning (via its estimates) to implement genuine emissions reduction measures; and if it has (in its historical disclosures). The absence of this metric in the 2023/24 Safeguard Mechanism data is a key transparency weakness.

In assessing a facility's implementation of genuine reductions, another *key data point* is *whether it has outsourced certain activities to shift emissions from Scope 1 and 2 to Scope 3 without necessarily reducing overall emissions associated with the activity*. Given the optionality of Scope 3 in the CCMAP document, it is **recommended that the EPA implement measures to address "Scope switching"**.

Mitigation Hierarchy

We were pleased to see inclusion of the mitigation hierarchy in the CCMAP document along with the discussion Box 2 about using offsets, stressing minimum integrity and a preference for the use of NSW ACCUs.

Parents for Climate recently settled its case with Energy Australia over the use of its "Go Neutral" power and gas plans. As part of the settlement Energy Australia published a statement¹, which admitted: **"offsets do not prevent or undo the harms caused by burning fossil fuels** for a customer's energy use". The same applies to un-combusted fugitive emissions of methane.

The current low cost of offsets (including ACCUs) and their unfettered use as permitted by the Safeguard Mechanism provide commercial and regulatory incentives for licensees to skip past the "avoid, reduce, substitute" stages of the hierarchy, straight to the "offset" option. We acknowledged that EPA notes "nor does it mean that the preferred option will always be the lowest-cost option". However, the next sentence "it is important that the preferred option is cost-effective" tends to neutralise that. We **recommend more explicit requirements for facilities to implement genuine on site reductions**.

CCMAP Consultation Questions

1. Regarding other plans similar to the proposed CCMAPs, we were surprised that the reporting obligations under the European Union's CSRD and EU ETS were not listed, given that they are generally judged to be world leading.
2. Regarding the concern from licence holders regarding potentially revealing commercially sensitive information, we would argue that given the enormous societal risks of climate change, the public good of such disclosures significantly outweighs the commercial concerns of major emitters.

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<https://www.energyaustralia.com.au/about-us/media/news/go-neutral-litigation-energyaustralia-acknowledges-issues-offsetting-and-moves>

3. Regarding additional information to help licensees create their CCMAPs, we would recommend the provision of a disclosure template to improve quality, consistency and comparability. This would include:
 - a. Headings and description of content to be included under each heading and sub-heading.
 - b. The required structure of tabular data, which could include spreadsheet templates.
 - c. Other guidance as necessary to ensure CCMAPs are of high quality, complete, consistent and comparable across organisations and facilities.

From our perspective as a party interested in analysing the data, we would love to see key data such as the 10 year estimates compiled by EPA into publicly available spreadsheets to facilitate deeper analysis. This would not only make analysis easier for experts, but would also enable families, schools and communities in NSW to clearly see which facilities are planning genuine climate action and which are not. A family-friendly dashboard of emissions data would help parents make informed choices and hold decision-makers accountable.

For example, the Safeguard Mechanism spreadsheet published by the Clean Energy Regulator has become much more useful since ANSIC codes were added, but as mentioned above, is frustrating given its lack of facility production data and/or emissions intensity metrics relevant to each industry.

Conclusion

Parents for Climate urges the EPA to strengthen the proposed requirements to ensure they protect families and communities across NSW.

We specifically call for:

- Independent, conflict-free monitoring so that parents can trust the numbers.
- Mandatory disclosure of gross emissions and intensity metrics, so families can see who is genuinely cutting pollution and who is shifting the problem elsewhere.
- Limits on the overuse of offsets, which do not undo the damage to our children's climate and health.
- Family-friendly public data access, so that communities living alongside polluting facilities can understand the risks and hold operators accountable.

Parents, grandparents and carers across NSW want to know that the EPA is standing on the side of their children's future. As parents, we urge the EPA to ensure these licensee requirements are strong, enforceable, and consistent with NSW's climate targets. The wellbeing of the next generation depends on it.

Thank you for the opportunity to contribute to this consultation. We would be pleased to participate in follow up sessions.