

# BUSINESS HUNTER

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NSW EPA

Via Email: [climatechange.review@epa.nsw.gov.au](mailto:climatechange.review@epa.nsw.gov.au)

## RE: NSW EPA DRAFT CLIMATE CHANGE POLICY AND ACTION PLAN

### Introduction

Business Hunter welcomes the release of the Draft *EPA Climate Change Policy* and Draft *Climate Change Action Plan 2022-25* (Action Plan) and the opportunity to comment on the draft.

Business Hunter supports a measured transition to a net-zero emissions economy and supports the targets recently adopted by the state government with a goal of net zero by 2050.

As the peak business organisation for the Hunter region, Business Hunter is the voice of Australia's largest regional economy, with a membership group spanning more than 4,200 businesses across ten local government areas. We represent the perspectives of member and affiliate businesses across all sectors and all sizes of business, including those the target of the draft Action Plan.

In this context, Business Hunter would like to make reference to a number of high level matters that are concerned with the Action Plan. It is likely individual submissions from specific industry or industry groups will pick up on similar themes and on this basis, we trust our submission will add to that voice.

Business Hunter agrees with the overarching intention of the Action Plan to *“step into the regulatory space in a way that is deliberate, systematic, well-informed and properly paced.”* As the economy moves more definitely towards a carbon and emissions reduction framework, it is vitally important this is done in a measured and considered way and move away from the past practise of what has been at times an ad-hoc, uncoordinated and less than systematic approach to climate change policy issues in NSW.

### Commentary

The EPA's proposed actions are wide ranging and have the potential to add significantly to the administrative burden on licence holders through a whole new system of management plans, reporting requirements and licence conditions. The Action Plan does recognise the approach to climate change actions will operate in an existing broad framework of climate change policies, reporting regimes and actions at both voluntary and mandatory levels.

For some businesses, they are contending with state, national and international frameworks and it is important that respective plans do not add unnecessary complexity or inconsistency, once operational. It is also important not to manufacture a disadvantage for businesses in NSW by

# BUSINESS HUNTER

prescribing measures that are out of step with other states or national and international jurisdictions.

As the draft documents note, the proposed implementation of emissions reductions targets and related licence conditions has similarities to the proposed reforms to the Commonwealth's safeguard mechanism which is still to be finalised. The progression of the implementation of emissions reductions targets and related licence conditions should await the final outcomes of the Commonwealth's safeguard mechanism.

With regard to the implementation of the Action Plan, once finalised, Business Hunter encourages the EPA to work with industry to determine how existing industry initiatives, policy frameworks and reporting mechanisms could satisfy the EPA's requirements, with the objective of minimising duplication and re-reporting of existing information. This could include exempting facilities covered by the Commonwealth safeguard mechanism from additional emissions reductions requirements at the NSW level and adopting as far as practical, existing climate change mitigation and adaptation reporting frameworks, rather than developing discrete NSW requirements.

Our observation of businesses in the Hunter demonstrates there is a range of responses to climate action and emissions controls. Many businesses are well ahead of the curve and undertake measures to mitigate their environmental footprint and emissions without prompting. Many of course don't and regulation is the cause for them to take action.

In this context, there is an obligation to ensure the measures implemented to achieve the plan outcomes are reasonable and feasible and don't have the unintended impact of causing a business to become unviable in the process of implementing the respective measures. We recognise this cannot be a universal principle, however regulators must be conscious as to the impacts of the measures being proposed under instruments like the Action Plan.

We also note elements of our membership have expressed concerns regarding the coverage of scope 3 emissions in the Action Plan. As the EPA acknowledges in the Action Plan, there are existing NSW Government policies directed at emissions in the electricity sector, such as the NSW Electricity Infrastructure Roadmap. Layering additional requirements on licence holders relating to Scope 3 emissions is unnecessary. Scope 3 emissions lie outside the accounting responsibilities of the NSW Government and should not be captured within NSW regulatory framework.

We appreciate the opportunity to provide this submission and would be willing to expand on any of the matters raised if required.

Yours sincerely



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