



Environment Protection Authority

Climate Change Licensee Requirements

March 2026



A decorative vertical band on the left side of the page, featuring a variety of traditional Aboriginal patterns. These include concentric circles, wavy lines, and geometric shapes, all rendered in a light blue color against a white background.

Acknowledgement of Country

The NSW Environment Protection Authority acknowledges the Traditional Custodians of the land on which we live and work, honours the ancestors and the Elders both past and present and extends that respect to all Aboriginal people.

We recognise Aboriginal peoples' spiritual and cultural connection and inherent right to protect the land, waters, skies and natural resources of NSW. This connection goes deep and has since the Dreaming.

We also acknowledge our Aboriginal and Torres Strait Islander employees who are an integral part of our diverse workforce and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and culture.

Aboriginal artwork by Worimi artist Gerard Black

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Introduction

This document outlines the NSW Environment Protection Authority's (EPA) approach to introducing climate change-related requirements for environment protection licensees under the *Protection of the Environment Operations Act 1997* (POEO Act).

These requirements deliver on commitments in the EPA's *Climate Change Action Plan 2023–26*.¹ They set out the pathway the EPA and our licensees will take to contribute to achieving NSW's net zero emissions targets.

EPA licensees contribute 50–60% of the greenhouse gas emissions in NSW. The EPA has a statutory duty to develop environmental quality objectives, guidelines and policies to protect the environment from the threat of climate change. We have a responsibility to work with our regulated community and stakeholders to address environmental issues.

The principles underpinning our approach to introducing climate change-related requirements for our licensees are:

- **evidence-based:** requirements on licence holders should be evidence-based
- **enforceable:** the requirements are clear to comply with and to enforce
- **staged implementation based on risk:** the implementation of these requirements will be phased in. The timing of the stages will be based on the size and impact of the premises' emissions and will ensure that licensees are making a meaningful contribution to NSW's greenhouse gas emission reduction targets. Staged implementation will support compliance by gradually building licensee capability
- **avoiding duplication:** requirements will be designed to enable the repurposing of existing reporting material.

The requirements are a major component of the EPA's approach to ensuring licensees reduce emissions and improve their climate change resilience. They are complemented by the following EPA guidance:

- *Emissions Reporting and Climate Change Mitigation and Adaptation Plans*²
- *Greenhouse Gas Mitigation Guide for NSW Coal Mines*³.

The requirements also complement the EPA's *NSW Guide for Large Emitters*, which supports proponents and decision-makers to consider climate change within the NSW planning process.⁴

¹ NSW EPA 2023, [Climate Change Action Plan 2023–26](#), NSW Environment Protection Authority, Parramatta

² NSW EPA 2026a, [Emissions Reporting and Climate Change Mitigation and Adaptation Plans: Guidance for environment protection licensees](#), NSW Environment Protection Authority, Parramatta

³ NSW EPA 2026b, [Greenhouse Gas Mitigation Guide for NSW Coal Mines](#), NSW Environment Protection Authority, Parramatta

⁴ NSW EPA 2025a, [NSW Guide for Large Emitters: Guidance on how to prepare a greenhouse gas assessment as part of NSW environmental planning processes](#), NSW Environment Protection Authority, Parramatta

Who these requirements apply to

These requirements apply to a licensed premises, as defined in the environment protection licence, that **emitted 25,000 tonnes or more of carbon dioxide equivalent (CO₂-e) scope 1 and 2 greenhouse gas emissions per year in any of the previous three financial years.**⁵

Impacted licensed premises whose greenhouse gas emissions are expected to fall below 25,000 tonnes of CO₂-e scope 1 and 2 emissions per year **for the next three financial years** are not required to meet these requirements. This provision ensures that the requirements are targeted at licensed premises with sustained large emissions, avoiding unnecessary regulatory burden where emissions are expected to remain below the threshold.

Consistent with the National Greenhouse and Energy Reporting Scheme (NGERS), offsets do not count towards the threshold of 25,000 tonnes of CO₂-e. Australian Carbon Credit Units, whether held, retired or sold, are not to be included when calculating whether a premises meets the threshold.

In time, requirements may apply to projects that emit 25,000 tonnes or more of CO₂-e scope 1 and scope 2 emissions that are not licensed by the EPA.

Although making up a small number of our licensed premises (about 200 of about 2,000 licences), those premises that emit over 25,000 tonnes of CO₂-e per year represent the vast majority of emissions from EPA licensees and about 50% of NSW's scope 1 (direct) emissions.

The requirements will be phased in for different groups of licences. Some will be implemented in the short term and others in the medium to longer term.

This approach recognises that we are in the early stages of regulating for climate change, and are working our way to doing this as efficiently and effectively as possible. The evidence and capabilities needed to regulate different aspects of climate change impacts will continue to develop. Some of the regulatory requirements that will be implemented in the longer term rely on foundational activities being progressed in the short to medium term.

Supporting the NSW climate targets

Climate change is already affecting businesses directly by increasing the frequency and severity of natural disasters such as bushfires, droughts, heatwaves, floods and windstorms. These events damage property and equipment, overload safety and monitoring systems, and reduce operational days.

Indirectly, climate change will continue to disrupt domestic and international supply chains, create competition between industries and communities for limited resources, raise insurance premiums and operating costs, and expose businesses to greater environmental risk.⁶

Reducing the ongoing emission of anthropogenic greenhouse gases to the atmosphere can reduce the severity of climate change, protecting the environment, communities and the economy.⁶ We

⁵ Gross emissions (not including offsets). Total emissions must be calculated using location-based scope 2 emissions.

⁶ IPCC 2018, [Special Report – Global Warming of 1.5°C](#), Intergovernmental Panel on Climate Change, Geneva

need to limit the rise of global average temperatures to between 1.5°C and 2°C to avoid worsening climate change. To limit global average temperatures, this broadly would require an almost 50% reduction in emissions by 2030 and net zero emissions by 2050.⁷ The NSW Parliament has committed to greenhouse gas emissions reduction targets under the *Climate Change (Net Zero Future) Act 2023* (Net Zero Act), which are consistent with and more ambitious than the Australian Government's targets. The NSW targets are:

- 50% reduction on 2005 net emissions levels by 30 June 2030
- 70% reduction on 2005 net emissions levels by 30 June 2035
- net zero emissions by 30 June 2050.

The latest projections from the NSW Department of Climate Change, Energy, the Environment and Water show a significant risk that NSW is not on track to meet its 2030 and 2035 targets without further action by the government and the private sector.⁸ NSW is gradually reducing overall emissions, but more work is needed to correct our course to stay on target.

The EPA recognises that the decarbonisation journey will be complex and varied for different industries and businesses. Decarbonisation requires a range of skills, strategic planning and financial backing. In some industries, technology to reduce emissions is available and commercial. In other industries, technologies may still be in the development stage, or they may not yet be commercially viable or mature enough for widespread adoption.

Nonetheless, for businesses, embracing decarbonisation is crucial for future success. Changing social values and consumer preferences have increasingly emphasised sustainability and net zero goals, pushing companies towards emissions reduction. Although reducing emissions may increase costs in the short term, there is an urgency to progress greenhouse gas mitigation and climate change adaptation. The longer we wait, the more difficult and expensive greenhouse gas abatement and climate resilience will be for businesses, consumers and the environment.

To effectively decarbonise the economy, a complementary approach is needed that integrates a variety of strategies and tools. This involves pairing the EPA's regulatory action with government incentives and targeted support for emerging technologies and practices.

The EPA's regulatory approach provides a well-signalled future pathway that allows businesses to take climate action into account in their business planning. The EPA will develop greenhouse gas mitigation guides for specific sectors. These guides will complement other NSW Government agency guidance. This will provide the evidence base for action and help licensees understand the specific action each sector can take. Financial and other support may also be available from state and Australian Government programs, as well as financial institutions to help licensees reduce their emissions. Forms of support are discussed later in this document.

Complementing the national framework

The EPA currently regulates about 2,000 licensed premises (2024). About 150 of these premises emit more than 25,000 tonnes of CO₂-e scope 1 and scope 2 emissions per year and report to

⁷ IPCC 2023, *Climate Change 2023 Synthesis Report*, Intergovernmental Panel on Climate Change, Geneva

⁸ NZC 2024, *2024 Annual Report*, Net Zero Commission, November 2024, Parramatta

NGERS. Of these 150 licenced premises there are 40–50 that also report to the Safeguard Mechanism (>100 kilotonne of CO₂-e scope 1 emissions per year). We estimate that there are another 40–50 licensed premises that emit above 25,000 tonnes of CO₂-e scope 1 and scope 2 emissions a year that are not required to report to NGERS.

NGERS is the national framework for reporting greenhouse gas emissions and energy consumption. As a reporting tool only, NGERS does not require facilities to reduce emissions or electricity consumption. It also does not require facilities or operators to publish or report their emission reduction plans.

The Safeguard Mechanism is the Australian Government's scheme for reducing emissions from Australia's largest-emitting industrial facilities. It sets 'baselines', that is, net limits on the greenhouse gas emissions that these facilities can emit. These baselines will gradually decline over time, reducing emissions and helping Australia reach our national emissions reduction target.

The Safeguard Mechanism only applies to facilities that have very large emissions. It does not require facilities to outline their plans to reduce emissions in the future or to adapt to climate change. The scheme also does not require onsite emissions reductions, as it does not limit the number of offsets and Safeguard Mechanism Credits that can be used to meet a baseline. The Safeguard Mechanism does not require facilities or operators to publish or report their emission reduction plans.

The Safeguard Mechanism alone will not be enough to help NSW meet its emission reduction targets or drive onsite abatement. Our approach supports the NSW Government's legislated targets for emissions reductions, which are more ambitious than the Australian Government's targets and build upon the work required under the Safeguard Mechanism.

The licensee requirements outlined in the following section will bridge these gaps and progressively require emissions reduction and reporting of emissions, supporting licensees to meet the NSW legislated emissions reduction targets.

Requirements and support

The EPA is committed to supporting our licensees to effectively manage and reduce their greenhouse gas emissions and build their climate resilience. Five types of climate change requirements will be phased in over time:

1. Annual climate change emissions reporting
 2. Climate change mitigation and adaptation plans
 3. Specific mitigation actions
 4. Emissions measurement
 5. Greenhouse gas emission limits on licences.
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1. Annual climate change emissions reporting

Licensees whose premises emit 25,000 tonnes or more of CO₂-e (scope 1 and scope 2) emissions (gross emissions not including offsets) in any of the previous three financial years will be required to provide the EPA with an annual climate change emissions report.

The report must include, as applicable:

- scope 1 (direct) emissions
- scope 2 emissions
- energy consumed
- energy produced.

To minimise administrative burden, the EPA intends to receive the same emissions and energy data provided to the Clean Energy Regulator, with any necessary explanatory addendum where reporting boundaries differ from environment protection licence boundaries. The EPA is also exploring options, in collaboration with the Australian Government, to enable emissions and energy data reported under NGERS to be provided directly to the EPA in future, including through automated data-sharing arrangements.

The report must also include a brief commentary explaining any material changes in emissions during the reporting period, such as changes in production levels or the implementation of mitigation measures.

Further information on reporting scope, boundary alignment, emissions measurement approaches (including scope 2 reporting), and specific sectoral requirements (including legacy landfill emissions) is set out in the *Emissions Reporting and Climate Change Mitigation and Adaptation Plans* guidance document.⁹

⁹ NSW EPA 2026a, [Emissions Reporting and Climate Change Mitigation and Adaptation Plans: Guidance for environment protection licensees](#)

Why is this requirement needed?

Reporting greenhouse gas emissions and energy use directly to the EPA under the POEO Act is critical to ensuring the EPA can work with licensees towards meaningful climate action.

Requiring NSW licensees to report on their greenhouse gas emissions and energy use will establish standardised and reliable emissions and energy data for EPA licensees. It will inform EPA decision-making on future requirements by establishing a baseline with which to compare future emissions, allowing us to identify trends, benchmark performance and identify where intervention is needed. The EPA will analyse and publish this data to improve transparency and accountability.

2. Climate change mitigation and adaptation plans

The EPA will progressively require licensees to prepare, implement and report progress against climate change mitigation and adaptation plans (CCMAPs). Licensees will be required to publish their plans and progress reports, and update their plans every three years.

Within the plans, licensees would be required to publish their current emissions, existing and planned mitigation measures, and establish emissions reduction goals. They will also be required to submit their estimated future emissions to the EPA to support NSW Government emissions modelling work and provide information to the EPA on where additional support or regulatory intervention may be needed.

We know that some of our regulated community already have similar plans in place. Any documentation prepared under other schemes that satisfies the CCMAP requirements will be acceptable to the EPA as long as any gaps are addressed in a published addendum.

The EPA will progressively develop greenhouse gas mitigation guidance for key sectors. These will factor in each sector's unique operating environment and challenges, and other applicable schemes supporting emissions reduction. Once published, we will require licensees to benchmark the mitigation actions in their plans against the relevant guide. Over time, some of the actions in the guides will be put into regulation or as conditions on licences. Licensees must implement these mitigation actions set out in regulation and include these mandatory actions in their CCMAP.

The CCMAP requirements initially focus on mitigation requirements for large emitters, as set out in the *Emissions Reporting and Climate Change Mitigation and Adaptation Plans* guidance document.¹⁰ Over time, the EPA will release guidance on climate change adaptation. The timing and content of future requirements will be developed in consultation with industry and the community.

Licensees will be able to apply to the NSW Government's Industrial Decarbonisation Initiative to seek financial support for implementing some of the actions identified in CCMAPs. Some licence holders will also be able to seek financial support to develop their CCMAPs. The EPA will publish information on available grants and communicate this information directly to licensees.

¹⁰ NSW EPA 2026a, [Emissions Reporting and Climate Change Mitigation and Adaptation Plans: Guidance for environment protection licensees](#)

Why is this requirement needed?

A plan is the first step in ensuring licensees investigate and understand the options they have available to decarbonise. The EPA surveyed licensees in 2023 and found that 75% did not have an emissions reduction plan.¹¹ Survey respondents also said they would like support and guidance on how to create emissions reduction and climate change risk management plans.

The CCMAP approach does this and helps standardise the information that is made public. Public reporting of the CCMAPs also ensures transparency and provides an incentive for licensees to remain accountable to their public commitments. A study of United Kingdom-incorporated listed firms found that simply requiring businesses to publicly disclose their emissions led to an 8% reduction in their emissions.¹² These plans will also help inform the EPA's evolving climate change response by allowing us to identify good performance and lift standards across the board.

3. Specific mitigation actions

The EPA will develop targeted mitigation requirements for industry sectors to implement specific technologies, processes or emission actions by specific dates. These measures will be tailored to each sector or licensee where necessary, acknowledging the unique challenges and opportunities that they each face.

These requirements will be evidence-based and will drive emissions reductions in specific sectors, directly supporting NSW's greenhouse gas emissions reduction efforts. Any proposed new requirements will be signalled well in advance to provide suitable lead-in time for businesses and related markets to adjust. These requirements will be subject to public consultation and opportunity for community and industry input.

We recognise the importance of signalling these requirements in advance of their implementation date. Once a licensee is required to implement a specific mitigation action, it may remove the ability for that licensee to access NSW and Australian government grant funds and may restrict a licensee's ability to earn Australian Carbon Credit Units under Australian Government programs.

These requirements will be implemented on an industry-by-industry basis as technology improves. The first of these requirements focuses on the coal mining sector, supported by the *Greenhouse Gas Mitigation Guide for NSW Coal Mines*.¹³

Licensees may be eligible for funding support for some of the mitigation actions they implement. The EPA will publish information on available grants and communicate this information directly to licensees.

Why are these requirements needed?

Emissions reduction is critical to meeting NSW's legislated targets. Emissions reduction should be evidence-based, industry-specific and feasible to implement. These requirements are intended to

¹¹ NSW EPA, [Climate Change Survey Results](#), NSW Government website, accessed 29 May 2025

¹² Downar B et al. 2021, 'The impact of carbon disclosure mandates on emissions and financial operating performance', *Review of Accounting Studies*, volume 26, 1137–1175

¹³ NSW EPA 2026b, [Greenhouse Gas Mitigation Guide for NSW Coal Mines](#)

drive down emissions directly and encourage abatement actions, while recognising that each sector will be subject to different opportunities, risks and timeframes. As the EPA develops emissions mitigation guidance and builds a robust evidence base of emissions data, and as available technology becomes market-ready, we will introduce targeted mitigation action requirements.

4. Emissions measurement

Over time, as technology, capabilities and evidence evolve, the EPA will progressively require premises-level greenhouse gas monitoring for certain groups of licensees, where suitable. This means licensees would measure some of their onsite emissions rather than relying on estimates used for their climate change annual emissions reporting (see Box 1).

As a first step, the NSW Government will progressively establish regional greenhouse gas monitoring networks.

Regional networks will provide ongoing information on regional greenhouse gas concentrations and help distinguish between the sources of emissions in a region (see Box 2.) As for existing NSW-based air quality monitoring networks, costs will be recovered from industry once the greenhouse gas monitoring networks are established and operational. The monitoring networks are intended to help contribute to the science around reducing uncertainty in fugitive emissions estimations.

Over time, as technology improves, monitoring requirements may also be put in place for key sources of fugitive methane, such as:

- surface and underground mining
- wastewater treatment facilities
- landfills.

Why is this requirement needed?

Fugitive methane is a priority for the EPA because methane is a potent greenhouse gas. Per molecule, methane can warm the Earth faster than carbon dioxide. In 2023, fugitive emissions from coal mining, which are mainly methane, made up about 8% of total NSW scope 1 greenhouse gas emissions.

As part of its recent review of 59 coal mine licences across the Hunter, Central West and Illawarra, the EPA publicly consulted with stakeholders and the community on the regulation of coal mines in NSW. During the consultation, we heard feedback about the need to monitor fugitive emissions.

Fugitive methane is inherently challenging to measure due to the diffuse and unpredictable nature of its sources. Unlike point-source emissions, such as those from smokestacks or exhaust vents, fugitive methane emissions can arise from a variety of locations, including surface mines, unsealed

wells, pipelines and other infrastructure. These emissions can occur intermittently and at varying magnitudes, making it difficult to consistently and accurately detect and quantify them.¹⁴

The methods used to report emissions to NGERs are based on estimates, and actual emissions can differ from these figures.¹⁵ Improved measurement of fugitive methane emissions will:

- improve the accuracy and reduce uncertainty around estimation methodologies
- support the EPA's regulatory actions – the EPA's ability to take regulatory action or tailor support for sectors is limited when there are high levels of uncertainty
- support future regulations such as implementing greenhouse gas emissions targets and licence limits.

The EPA engaged CSIRO to conduct a review of methane measurement technologies for fugitive methane emissions.¹⁶ This review has identified that to reduce uncertainty around emissions estimations, the emissions reported under NGERs could be supplemented by a combination of facility-level, local and regional greenhouse gas measurement techniques. Regional networks can help detect the greenhouse gases in the air in a region and provide long-term information on greenhouse gas levels. This can help identify emission hotspots. Once the networks are established, the NSW Government will work with experts to explore inverse modelling (see Box 2) methodologies to identify emissions from key facilities captured by the networks. This work will be done in consultation with other jurisdictions and the Australian Government. Learnings from this work will be provided to the Australian Government. Facility-level measurement, coupled with background information from the regional networks and inverse modelling, could enable more detailed estimation of emission sources at individual sites.

Facility-level measurement requirements would be implemented once the regional networks have collected several years of data.

This work is intended to support and complement the Australian Government's review of measurement and emission estimation methods.

Box 1: Fugitive methane emission estimation methods for surface mines

Emission estimates, particularly those that use emission factors, may not be representative of actual emissions from individual facilities. In 2024, the Commonwealth Clean Energy Regulator amended the National Greenhouse and Energy Reporting (Measurement) Determination 2008 to phase out the use of Method 1 for all surface coal mines covered by the Safeguard Mechanism by July 2026. The Climate Change Authority recommended changes to further enhance the accuracy of fugitive methane emission estimates. These mines will switch to either Method 2 or 3, which are more sophisticated and robust methods. The Australian Government has committed to reviewing NGER

¹⁴ Fugitive methane from underground coal mines is the exception to the above. It is emitted through a 'point source' ventilation shaft. However, it is called 'fugitive methane' for the purposes of international and domestic climate change reporting (IPCC 2019). Underground coal mines are normally ventilated by flushing air from the surface, through the underground tunnels in order to maintain a safe atmosphere. Ventilation air picks up the methane and carbon dioxide released from the coal formations and transports these to the surface where they are emitted to the atmosphere. Being released from a ventilation shaft makes it feasible to measure and the NGERs requires direct monitoring of methane from this source (CER 2025)

¹⁵ CCA 2023, 2023 NGER Act Review, Climate Change Authority, Canberra

¹⁶ NSW EPA 2025b, Improving Measurement of Fugitive Methane Emissions, NSW Environment Protection Authority, Parramatta

methods for estimating fugitive methane emission sources, starting with the industry-based sampling requirements and standards for surface coal mining. The EPA will support the Australian Government in the review of measurement and emission estimation methods.

Box 2: NSW greenhouse gas monitoring network

The EPA's work on the measurement of fugitive methane has been ongoing and is described on the EPA website.¹⁷ To help contribute to the science around measurement of fugitive methane, the EPA engaged the University of NSW to undertake a mobile survey of fugitive emissions in the Eastern Creek area of Sydney and also engaged CSIRO to provide advice on measurement of fugitive methane.

The next step in this journey is to establish a regional monitoring network.

The NSW Government will establish regional greenhouse gas monitoring networks to measure ambient concentrations of greenhouse gases over time. Initially the NSW Government will prioritise establishing the network in the Hunter region, attaching greenhouse gas monitors to existing air quality monitors. The locations for the greenhouse gas monitors will be informed by the knowledge and experience gained during the establishment of the existing air quality networks as well as further targeted consultation with key stakeholders.

Once a greenhouse gas monitoring network has been established, the NSW Government will work with experts to pilot '**inverse modelling**' techniques to attribute the measured concentrations to greenhouse gas emissions at a particular facility. Inverse modelling combines greenhouse gas measurements with known meteorological and chemical transformation models to estimate the sources and rates of greenhouse gas emissions or uptake.

There is still a significant amount of work required to establish appropriate assumptions for inverse modelling because the models rely on accurate data inputs regarding atmospheric conditions, ambient concentrations and regional variations. These assumptions are important to ensuring the model outputs are reliable and representative of actual emissions levels, and to improving the overall accuracy of greenhouse gas inventories and emissions reduction strategies.

Once the robustness of inverse modelling has been determined, over time the model results could be compared with NGERS inventories, and with any facility-reported emissions in planning applications, to help verify greenhouse gas estimates.

The greenhouse gas monitoring networks and the inverse modelling will provide a means of tracking regional greenhouse gas reductions and assessing the success of any regulatory interventions. It will also provide greater public transparency on NSW greenhouse gas emissions. Greenhouse gas monitoring networks will play an important role in helping the NSW Government track progress towards targets under the Net Zero Act, and will contribute to understanding whether Australia is meeting its obligations under the Paris Agreement and the Global Methane Pledge.

¹⁷ NSW EPA, [Measurement of Fugitive Methane Emissions](#), NSW Environment Protection Authority website, accessed 1 February 2026

5. Greenhouse gas emission limits on licences

As outlined in our *Climate Change Action Plan 2023–26*, targeted, evidence-based limits for greenhouse gas emissions will be progressively placed on new and existing environment protection licences for key industry sectors that we regulate.¹⁸ This is a long-term action and will not be implemented in the short term. Any limits will be preceded by detailed consultation.

Emission limit requirements on licences need to be informed by the NSW Government’s regional greenhouse gas monitoring network and broader work across government.

Why is this requirement needed?

Setting individual greenhouse gas emission limits on licences provides an outcomes-focused approach to driving emissions reductions. However, for the EPA to be able to effectively take action for breaches of licence limits, the limits need to be supported by accurate measurement of emissions and determination of meaningful site-level limits.

Support available

The NSW Government is providing a range of support to help industries reduce their emissions and strengthen their climate resilience. Initiatives include:

- supporting industries to deliver value-for-money emissions reduction projects
- accelerating transformative decarbonisation projects
- helping to build local skills, knowledge and jobs, to ensure NSW industry prospers in a low-carbon economy.

More information about NSW Government support can be found on the NSW Climate and Energy Action website.¹⁹

The Australian Government has established support programs to help industry decarbonise, including investment in abatement projects, green hydrogen and solar energy manufacturing. More information about the available support programs can be found at the Australian Government’s *Climate Change* website.²⁰

The EPA will release guidance on available funding and other support alongside the requirements to assist impacted licence holders. For more information and support on how agricultural and landfill licensees can quantify their emissions, see the supporting guidance documents, *Information for Agricultural Licensees* and *Information for Landfill Licensees*.²¹

¹⁸ NSW EPA 2023, *Climate Change Action Plan 2023–26* – see Action 18

¹⁹ NSW Climate and Energy Action, *Programs, Grants and Schemes for Business and Industry*, NSW Government website, accessed 2 February 2026

²⁰ Australian Government, *Climate Change*, Cth Department of Climate Change, Energy, the Environment and Water website, accessed 29 May 2025

²¹ NSW EPA 2026c, *NSW EPA Climate Change Requirements – Information for agricultural licensees*, NSW Environment Protection Authority, Parramatta; NSW EPA 2026d, *NSW EPA Climate Change Requirements – Information for landfill licensees*, NSW Environment Protection Authority, Parramatta

Glossary and acronyms

Table 1 Acronyms used in this document

Term	Explanation
CCMAP	Climate change mitigation and adaptation plans
CO ₂ -e	Carbon dioxide equivalent
EPA	Environment Protection Authority
NGERS	National Greenhouse and Energy Reporting Scheme
POEO Act	<i>Protection of the Environment Operations Act 1997</i>

Table 2 Glossary of terms used in this document

Term	Explanation
Abatement	A reduction in atmospheric greenhouse gases through emissions avoidance or removal and sequestration of carbon from the atmosphere. ^(a)
Australian Carbon Credit Unit (ACCU)	One Australian Carbon Credit Unit represents one tonne of verified carbon dioxide equivalent abatement. ACCUs are created from eligible offsets projects and issued by the Clean Energy Regulator in accordance with section 147 of the <i>Carbon Credits (Carbon Farming Initiative) Act 2011</i> . ^(a)
Carbon dioxide equivalent (CO₂-e)	The amount of carbon dioxide emission that would have an equivalent effect on a specified key measure of climate change, over a specified time horizon, as an amount of another greenhouse gas or a mixture of other greenhouse gases. ^(a)
Carbon offset	A type of carbon credit that represents a reduction in emissions – whether prevented from entering the atmosphere or removed from the atmosphere – that is used to compensate for emissions that occur elsewhere. ^(a)
Greenhouse gas	Constituents of the atmosphere, both natural and anthropogenic, which are transparent to visible radiation (light) absorb and emit thermal infrared radiation emitted by the Earth's surface and the atmosphere.^(a) Under the <i>Climate Change (Net Zero Future) Act 2023</i> 'greenhouse gas' means: carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, hydrofluorocarbon gas, perfluorocarbon gas and other gases prescribed by the regulations.
Large emitters	For the purposes of this document 'large emitters' means licensed premises that emit 25,000 tonnes or more of CO ₂ -e scope 1 and scope 2 emissions per year, in any of the three most recently concluded financial years (gross emissions not including offsets).
Environment protection licence ('licence') and environment protection licensee ('licensee')	Environment protection licences ('licences') are a key measure for controlling the localised, cumulative and acute impacts of pollution in NSW. The <i>Protection of the Environment Operations Act 1997</i> (POEO Act) contains a list of activities that require a licence (in Schedule 1 of the POEO Act). Broadly, they are activities with potentially significant environmental impacts. An activity listed in Schedule 1 is referred to as a 'scheduled activity'. The EPA issues these licences and is the appropriate regulatory authority for all scheduled activities in NSW.
Location-based scope 2 emissions	Scope 2 emissions that are estimated using a location-based approach. Location-based scope 2 emissions methods use an average emissions intensity for grids where the electricity consumption occurs.

Term	Explanation
Market-based scope 2 emissions	Scope 2 emissions that are estimated using a market-based approach. Market-based scope 2 emissions methods reflect a company's emissions in the context of its purchases of renewable electricity or products.
Mitigation	A human intervention to reduce the sources or enhance the sinks of greenhouse gases. ^(a)
Net zero emissions	An overall balance between greenhouse gas emissions and removals. ^(a) This document refers to 'net zero' in the context of the goal to achieve global net zero emissions.
National Greenhouse and Energy Reporting Scheme (NGERS)	Introduced in 2007, the scheme provides a single national framework for corporations to report on greenhouse gas emissions, energy use and energy production. Corporations that meet a National Greenhouse and Energy Reporting threshold must register and then report each year. ^(a)
Premises	Premises which are licensed by the EPA to conduct 'premises-based activities' listed in Schedule 1 of the POEO Act.
Regulated community	Businesses regulated by the EPA.
Requirements	Legal requirements set by the EPA in regulation or in licence conditions.
Safeguard Mechanism	A framework for reducing emissions at Australia's largest industrial facilities. It sets legislated limits, known as baselines, on the greenhouse gas emissions of these facilities. These baselines will decline on a trajectory consistent with achieving Australia's emission reduction targets. ^(a)
Safeguard Mechanism Credit (SMC)	A unit representing one tonne of carbon dioxide equivalent emissions below a facility's baseline. SMCs are tradeable credits and can be sold to other Safeguard facilities or surrendered to stay within baseline for a facility. ^(a)
Scope 1 (direct) emissions	The release of greenhouse gases into the atmosphere as a direct result of activities occurring within a responsible entity's control (or geographic boundary). ^(a)
Scope 2 emissions	The release of greenhouse gases into the atmosphere from the consumption of electricity, heating, cooling or steam that is generated outside of a responsible entity's control (or geographic boundary). ^(a)
Scope 3 emissions	Greenhouse gases emitted as a consequence of a responsible entity's activities (other than scope 2 emissions) but beyond the responsible entity's control or geographic boundary. ^(a)

(a) CCA 2026, [Climate Change Authority Glossary](#), accessed 1 February 2026.

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Published by NSW Environment
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ISBN 978 1 923328 52 5

EPA 2026P4663

March 2026

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Environment Protection Authority

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