

The Hon Penny Sharpe MLC

Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage,
Leader of the Government in the Legislative Council



The Hon Paul Scully MP
Minister for Planning and Public Spaces
Member for Wollongong

By email: office@scully.minister.nsw.gov.au

Dear Minister

Late last year, our Government passed the Climate Change (Net Zero Future) Act 2023 (the Climate Change Act) with support from across the NSW Parliament.

The Climate Change Act enshrines in law, for the first time, NSW's emissions reduction targets. This includes reaching net zero emissions by 2050, as well as interim targets of a 50% reduction on 2005 levels by 2030 and 70% reduction by 2035. Further interim targets for 2040 and 2045 are required to be set through regulation.

As well as catalysing the economic opportunities that come from decarbonising our economy, meeting these targets is essential for the future health and wellbeing of the people of NSW, our affected communities and our environment.

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.

In light of these updated projections and the overarching application of the Climate Change Act, I am writing to advise you of updates to Government policy, which have implications for current and upcoming planning decisions.

As the Government doubles down on our efforts to address climate change, I consider those involved in assessment and decision-making processes under the planning system – including the NSW Department of Planning, Infrastructure and Housing (DPHI) and the Independent Planning Commission (IPC) – should have regard to these targets and, to the extent relevant, the Climate Change Act's guiding principles.

The Government has issued a statement clarifying the Net Zero Plan Stage 1: 2020-2030, noting that the Climate Change Act should be considered in Government decision-making, including in the planning system.

While acknowledging that sectors of the NSW economy will decarbonise at different rates to 2050, it is the Government's policy that all sectors need to ratchet down their emissions to meet NSW's legislated targets and the targets that will be established for 2040 and 2045.

The Environment Protection Authority is finalising new Climate Change Assessment Requirements and Guidelines for high-emitting projects. These must be taken into consideration by proponents as part of the planning assessment process.

The Government is in the process of setting up the Net Zero Commission, which was established by the Climate Change Act. The Government expects to make further updates to the Net Zero Plan and NSW's climate change policies in 2025 once it has received advice from the new Commission.

Updates to other Government policies will also be forthcoming. For instance, the Government is reviewing and will revise the former government's Strategic Statement on Coal Exploration and Mining. The Government is also in the process of preparing a new Critical Minerals Strategy and consulting on the establishment of Future Jobs and Investment Authorities to support communities dependent on fossil fuel-based industries through the transition.

Thank you for your consideration of these important matters and your ongoing support for strong environmental outcomes for NSW.

Sincerely



Penny Sharpe MLC

Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage

20/5/24

cc Kiersten Fishburn, Secretary, Department of Planning, Housing and Infrastructure