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The Hon Jeremy Buckingham MLC
Chair
Joint Standing Committee on Net Zero Future
Parliament House of NSW

By email: netzero@parliament.nsw.gov.au

Dear Chair

I refer to the inquiry hearing on Monday 25 May 2026 into Emissions from the fossil fuel sector.

Thank you also for the opportunity to review the uncorrected transcript. I don't have any correction/clarifications.

Please find enclosed our response to both questions taken on notice during the hearing.

Yours sincerely

TONY CHAPPEL
Chief Executive Officer

16/06/2026

Encl.: Answer to the transcript questions on notice

Inquiry into Emissions from the fossil fuel sector

NSW EPA response to the question on notice (page 11 of the transcript)

The Hon. JACQUI MUNRO: Your submission states that you're not expecting to reach net zero by 2050. There is a graph on page 7.

TONY CHAPPEL: Of our submission? We certainly would expect to meet net zero by 2050. Sorry, Ms Munro, which document are you—

The Hon. JACQUI MUNRO: It says: DCCEEW's latest GHG emissions projections update shows that under current policy settings, NSW is not on track to achieve its emissions reduction targets.

TONY CHAPPEL: I understand. Assuming no other change to any of the variables—economic policy, social or other—that would be accurate. Our expectation is that over the coming decades we will be able to achieve that ultimate goal for 2050.

The Hon. JACQUI MUNRO: On the next graph you've got BAU, business as usual, and you've got current policy. What's the difference between business as usual and current policy?

TONY CHAPPEL: Those charts are produced by our colleagues in the science area of DCCEEW. I don't think I have that actual document in front of me. Perhaps we'll take that on notice and get you the technical explanation with our colleagues.

The Hon. JACQUI MUNRO: That would be helpful. In terms of understanding what you mean by, "We would expect to meet them with future policy changes or different policy settings," how does that work?

Answer:

The 2024 the NSW Department of Climate Change, Energy, Environment, and Water (DCCEEW) emission projections represent 'scenario modelling' and are the best estimate of a future scenario under the various assumptions applied at a point in time. Emissions projections were developed for:

- a business-as-usual (BAU) scenario and
- a current policy scenario.

The BAU scenario shows the greenhouse gas (GHG) emissions trajectory that accounts for major factors impacting NSW emissions, including population and market trends and current levels of GHG abatement technology adopted across the economy. The BAU scenario excludes the impact of the Net Zero Plan Stage 1: 2020–2030 (DPIE 2020; referred to as the Net Zero Plan) and related policies.

The current policy scenario is developed based on the BAU scenario, but accounts for emissions reductions projected to be achieved by the Net Zero Plan and related policies. The current policy scenario shows how the state is tracking towards the legislated NSW emissions reduction targets, based on current policy settings.

Further detail on the BAU and 'current policy' scenarios is contained in the 2024 Methods paper, which is available on the [DCCEEW website](https://www.environment.nsw.gov.au/sites/default/files/2025-06/nsw-greenhouse-gas-emissions-projections-2024-250104_0.pdf) - https://www.environment.nsw.gov.au/sites/default/files/2025-06/nsw-greenhouse-gas-emissions-projections-2024-250104_0.pdf

NSW EPA response to the question on notice (pages 12-13 of the transcript)

The CHAIR: Why, then, in those sectors, do we have this silo for land use and land use change, and agriculture? Why are those two—

TONY CHAPPEL: There's a natural carbon cycle that we're all a part of. From our point of view, as the regulator, we see more climate benefit in addressing the avoidance and reduction of release of fossil methane because of the challenges that are evident when you consider the offsetting of that with natural carbon sinks. The biosphere is perhaps best suited to offsetting natural emissions sources as well—biogenic sources. But other pollutants, like refrigerants or fossil methane, are more challenging. There is more benefit and more certainty in addressing those at the source.

The CHAIR: I understand that, but why would you look at a sector like land use and land use change separately to agriculture? Aren't they the same thing?

TONY CHAPPEL: I think they are accounted for in the same sector. We have an emissions modelling team that sits in the department. We don't do the modelling ourselves and we don't choose the way the sector's defined. But my understanding is the land use sector includes agriculture.

The CHAIR: No, it doesn't.

TONY CHAPPEL: No? Okay, I'm mistaken about that.

The CHAIR: It doesn't, and the methods paper and the modelling suggest that the land use, land use change, even though it's offsetting, in terms of net zero, vast sectors of our economic output and greenhouse gas output, will not change over the next 25 years. That peer-reviewed methods paper shows that the land use, land use change sector will actually decline in the amount of greenhouse gas that it's essentially offsetting. How can that be?

TONY CHAPPEL: If that's what the scientific expert consensus is, I'm not going to quibble with it. I'm not able to give an opinion on whether that projection is ultimately going to come to fruition.

ASELA ATAPATTU: Yes, I think we are not able to—we don't have the coverage of that information, so happy to take that on notice and come back to you with input from our colleagues in the department.

The CHAIR: But that's the information that feeds into your dashboard.

TONY CHAPPEL: It's not our dashboard.

ASELA ATAPATTU: It's a departmental dashboard.

Ms SUE HIGGINSON: Have you not seen the current methods paper?

TONY CHAPPEL: I think we do see the papers. I just don't have it in front of me. The dashboard is not something the EPA publishes. It's a New South Wales government dashboard that the Department of Climate—

The CHAIR: That DCCEEW does. Okay.

Ms SUE HIGGINSON: In relation to the methods paper for 2025, can you confirm that is something you've seen and has it been able to assist you in understanding the current dashboard?

TONY CHAPPEL: Yes, our teams have seen those. I can't recall whether I've specifically read that paper myself. But let me take that on notice and we can just confirm.

Ms SUE HIGGINSON: If it is available to you, I think that the Committee would benefit from being able to have a copy, or some advice from you about the methods paper. I understand it's normally been available. I'm just not sure why we don't have the current methods paper.

TONY CHAPPEL: Sure. Let us take that on notice

Answer:

The EPA confirms that agriculture is reported separately to the land use land use change and forestry (LULUCF) category of the inventory and projections.

The EPA notes that the 2006 Intergovernmental Panel on Climate Change (IPCC) guidelines defines the Agriculture, Forestry and Other Land Use (AFOLU) sector. Consistent with United Nations Framework Convention on Climate Change (UNFCCC) reporting, agriculture and LULUCF are reported separately in Australia's accounts. Management activities on cropland and grassland are accounted for in the LULUCF sector, while other agricultural activities are accounted for in the agriculture sector (that is, methane (CH₄) from enteric fermentation in livestock, rice cultivation, nitrous oxide (N₂O) from manure storage, agricultural soils and biomass burning).

Regarding future LULUCF projections, the EPA refers the committee to the [DCCEEW 2024 methods paper](https://www.environment.nsw.gov.au/sites/default/files/2025-06/nsw-greenhouse-gas-emissions-projections-2024-250104_0.pdf) - https://www.environment.nsw.gov.au/sites/default/files/2025-06/nsw-greenhouse-gas-emissions-projections-2024-250104_0.pdf.

Under the BAU scenario, the large emissions sink is projected to remain over the long term. Emissions from the LULUCF sector are -20.6 Mt CO₂-e for 2022, with the net sink projected to remain at -18.0 Mt CO₂-e in 2030 and -16.8 Mt CO₂-e in 2035. Under the current policy scenario, projections show a very small decrease in the LULUCF sink.

The EPA has not received a copy of the methods paper for 2025. DCCEEW advise that it is not yet finalised.