

4 July 2024

NSW Environment Protection Authority
4 Parramatta Square, 12 Darcy Street,
PARRAMATTA NSW 2150

climatechange.review@epa.nsw.gov.au

Dear EPA

RE: Submission on the Draft Climate Change Assessment Requirements

The Australian Sustainable Business Group (ASBG) welcomes the opportunity to comment on the [draft Greenhouse Gas Assessment Guide for Large Emitters](#) (The Guide)

The [Australian Sustainable Business Group](#) (ASBG) is a leading environment and energy business representative body that specializes in providing the latest information, including changes to environmental legislation, regulations and policy that may impact industry, business and other organisations. We operate in NSW and Queensland and have over 100 members comprising of Australia's largest manufacturing companies and other related businesses.

1 OVERVIEW

The Guide is to be considered the template for climate change mitigation measures for all NSW Environmental Protection Licence holders. As a consequence, it will have a fundamental impact on most ASBG members. Obviously for smaller emitters other GHG guides and CCMAPs will require less details, and prepared with generic and in many cases industry specific requirements.

Overall ASBG supports the general thrust of the Guide, including the thresholds, and especially the consideration of Scope 3 emissions as being encouraged but not required.

In relation to the Guide there are a number of issues, which require addressing including:

1. Avoidance of duplication and overlap with the Commonwealth systems, such as National Greenhouse and Energy Reporting and the Safeguard Mechanism
2. Excessive enforcement of NSW's *NSW Climate Change (Net Zero Future) Act 2023* targets, which may generate an uncompetitive environment for NSW EPL holding organisations from lower cost and higher CO_{2-e} imports.
3. Ensure the definitions used to account for carbon emissions are consistent and compatible with the Commonwealth's and also the International Standards Organisation's (ISO) series of standards on greenhouse gases.

2 Duplication Avoidance

There are a number of additional requirements under the Greenhouse Gas Mitigation Plans (GHGMP) and Climate Change Mitigation and Adaptation Plans (CCMAP) than under the Commonwealth's NGERs and Safeguard Mechanism's reporting requirements. While there is a brief progressive change table from GHGMP to CCMAPs, there is no such plan for NGERs and Safeguard Mechanisms to GHGMPs. ASBG considers the EPA should develop a path which shows at least how NGER and other Commonwealth GHG reports can substitute the required sections in the NSW GHGMP. Here the main focus will be on reduction of duplication, where appropriate sections of Commonwealth GHG reporting can substitute for sections in the NSW GHGMP and CCMAP.

R1 ASBG recommends to minimise duplication:

- ***A document or documents be prepared identifying similar or equivalent sections of Commonwealth Greenhouse Gas (GHG) reporting documentation with those under the NSW GHG Mitigation Plans and CCMAPs.***
- ***A formal documented method where Commonwealth GHG reporting documents can replace, or be simply modified, numbers inserted or included as a report, e.g. as an appendix in a NSW GHGMP and or aCCMAP.***

3 Application of NSW Net Zero Targets

ASBG main concern in this issue is the enforcement of NSW's Net Zero Targets regardless of the impacts on jobs and global GHG emissions. This point was made clear in [ASBG's Submission on draft Climate Change Policy and draft Climate Change Action Plan](#). In summary, ASBG encourages the NSW Government to collaborate NSW EPL holders, to work towards the Net Zero Targets, noting that some industrial sectors will face much more difficult challenges than others. The overall approach should be to retain NSW manufacturing where possible, rather than impose additional costs, as a result of GHG mitigation measures, with no counter protection from higher GHG intensity imported products.

As NSW Government cannot impose a Carbon Boarder Adjustment Mechanism (CBAM), only the Commonwealth can, there are few choices in ways the NSW Government may support local manufacturers from such increased costs. Direct subsidies, cheap loans etc. are some methods, but could be seen as non-boarder tariff barriers, therefore opening the door to trade barrier legal actions etc. Means to provide local support to adjust for higher operating costs needs to be carefully considered, such as grants etc. for installation of lower GHG emissions on a site-by-site basis. If such assistance in the form of financial support for justified increased GHG mitigation costs is not forthcoming, and there is no Federal support in terms of CBAMs, then the NSW Government would simply replace NSW jobs with overseas jobs and generally higher global GHG emissions. This is obviously undesirable from a greenhouse emissions and local jobs perspective.

R2 ASBG recommends the NSW Government work with affected EPL holders which are required to install lower GHG emitting process, plant and or equipment, but as a result are exposed to a higher cost per unit of production energy or plant. This to be undertaken by considering:

- **The ability in terms of overall costs and process availability as to the production type**

- **The competition the NSW manufacturer/organisation faces in terms of carbon intensity per unit of production they face – may require detailed assessment**
- **The ability of the NSW and Commonwealth Government/s to work with and financially support the continuation of jobs and production for that EPL holder and or industry sector.**

4 Compatible Definitions

ASBG represents industry members on the Australian Standards EV-021 consultative committee, which feeds into the international overseeing committee TC 207. As a consequence, ASBG is aware of the large set of ISO standards, 18 under the 14001 series, plus 5 other standards¹, which cover GHG emissions. Around the globe many large and even medium sized organisations, use the set of ISO 14001 GHG standards to internally monitor, measure, mitigate and improve their GHG emissions. Given these standards have been carefully developed by industry and ISO using members over more than 20 years, there is a considerable level of consistency and accuracy in the definitions and measurement methods used for GHG emissions on multiple levels. This work should be used where practicable.

As the measurements of GHG will affect the export potential of Australian goods, an internationally recognised set of definitions, measurement systems etc, are required to ensure there is little confusion during trade with other countries, especially those with CBAMs etc.

ASBG is aware that the Commonwealth via the new carbon accounting requirements under the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 and subsequent AASB standards such as [AABS's Draft Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information](#), will dominate GHG definitions, measurement and accounting. While there is an expected consistency even duplication of such data, the ISO data should also influence the Commonwealth's. Consequently, the NSW Government should also be aware of, even lead with the wealth the international ISO standards offer in terms of international consistency regarding GHG emissions, content measurement at all levels. ASBG considers that alignment of NSW key GHG definitions to the ISO set used will enable NSW industry to benefit internationally and also decrease the use of similar measurements and definitions reducing duplication etc.

R3 ASBG recommends the NSW Government review, consider, adopt or make consistent in the GHGMP, CCMAP and future GHG systems, where practicable, the definitions, measurement and accounting techniques used in the GHG set of ISO standards.

¹ Standards by ISO/TC 207/SC 7 [Greenhouse gas and climate change management and related activities](#)

Should you require further details and clarification of the contents of this submission please contact me.

Yours Sincerely

A handwritten signature in black ink that reads "Andrew Doig". The signature is fluid and cursive, with the first name "Andrew" written in a larger, more prominent script than the last name "Doig".

Andrew Doig

CEO

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