

7 October 2025

NSW Environmental Protection Agency
6 Parramatta Square
10 Darcy St
Parramatta
NSW 2124



Via email: climatechange.review@epa.nsw.gov.au

Dear Secretariat,

SUBJECT: Climate Change Licensee Requirements for Large Emitters

The Australian Chicken Meat Federation (ACMF) appreciates the opportunity to provide feedback on the NSW EPA's proposed climate change licensee requirements for large emitters, and the broader direction outlined in the Climate Change Action Plan consultation document.

As a vital contributor to sustainable food production, the Australian chicken meat industry plays a critical role in ensuring national food security, supporting regional employment, and strengthening economic resilience. The industry is firmly committed to minimising its environmental impact and has achieved significant progress over the past decade, including reductions in fossil fuel consumption, land use, and greenhouse gas emissions per kilogram of meat produced. The Australian Chicken Meat Industry Sustainability Framework is closely aligned with national climate objectives and prioritises climate resilience, sustainable feedstock sourcing, circular economy principles, and responsible water stewardship.

While we support efforts to address climate change, we have concerns about the current proposal's scope, implementation timeline, and future direction. We welcome the opportunity to discuss with the NSW EPA ways in which industry and regulatory and licensing authorities can work together to achieve a considered approach to GHG reduction targets.

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ABOUT THE ACMF AND THE AUSTRALIAN POULTRY INDUSTRY

The Australian Chicken Meat Federation (ACMF) is the peak industry body representing all key players in Australia's chicken meat industry. It serves as the voice of the industry at the national level, advocating on behalf of chicken growers, integrated producers, and other industry participants. The ACMF plays a central role in shaping industry policy, fostering best practices, and liaising with government, regulators, and stakeholders on a wide range of issues, including biosecurity, animal welfare, environmental sustainability, and food safety.

The chicken meat industry is a significant contributor to Australia's economy. In the 2024-25 financial year, the gross value of production (GVP) is projected to reach \$3.8 billion, reflecting the industry's growth trajectory and increasing domestic demand for poultry products. The sector supports the employment of more than 58,000 full-time equivalent workers, many of whom are located in regional and rural areas, where the industry provides essential economic stability and job opportunities. These roles span across chicken farming, processing facilities, logistics, feed production, and allied services, underpinning a complex, integrated supply chain.

Chicken meat remains the most popular source of animal protein for Australian households, surpassing all other meat varieties. Annual per capita consumption is forecasted to exceed 55kg in 2025-26, showcasing the widespread preference for chicken as a dietary staple. This far exceeds other meats, such as pork, which ranks second with a per capita consumption of 28kg per annum. 68 per cent of Australians eat chicken meat as part of a meal at least twice a week because of its affordability, popularity with the entire household, versatility, and taste.

The Australian chicken meat industry is widely recognised for having the lowest environmental footprint among all land-based animal protein sources. Chickens convert feed to meat with unparalleled efficiency compared to other livestock, requiring significantly less grain, water, and land to produce the same amount of protein. This high level of efficiency helps reduce the overall demand on natural resources.

Chicken meat plays a pivotal role in Australia's food security by offering a reliable, affordable, and sustainable source of protein. With a growing population, food affordability and accessibility remain crucial challenges. The high production efficiency of the chicken meat industry ensures a stable supply, helping to keep retail prices competitive and protein-rich foods accessible to all Australians.

CONTEXT & INTRODUCTION

The Australian chicken meat industry is committed to supporting the ongoing sustainability of the poultry industry and our supply chain. As the industry with the smallest environmental footprint of land-based meat protein in Australia, chicken meat continues to play a pivotal role in meeting the nation's growing food demands as a versatile, nutritionally dense, affordable, and sustainable protein source.

New South Wales is Australia's leading chicken meat-producing region, contributing approximately 37% of the nation's total output. Production is concentrated in both regional and peri-urban areas, with major hubs such as Griffith and Tamworth playing a vital role in supporting regional development and employment. Nationally, the chicken meat sector supports around 58,000 full-time equivalent jobs, both directly and indirectly, and is an integral part of the broader agricultural and food manufacturing landscape.

The Australian chicken meat industry is proud to have significantly reduced its environmental footprint over the past three decades, with targeted improvements in feed conversion efficiency, optimisation of poultry nutrition, and clean energy usage. These tangible improvements in GHG are most demonstrated through enhanced feed conversion efficiency over the past decades. Our sector has progressed from a feed conversion ratio (FCR) of 2.5kg to 1.5kg, which equates to over 1 billion kg less feed required annually and a 3–4.5% GHG reduction for every 0.1 improvement in FCR. Parallel to this, our industry has invested heavily in advanced processing innovations to maximise carcass utilisation, ensuring that a greater proportion of each bird is transformed into market-ready products. These efforts not only reduce waste but also support a more sustainable and responsive supply chain that meets diverse consumer and commercial needs.

Our journey toward a low-emissions future is also being guided by the Australian Chicken Meat Sustainability Framework, the first initiative of its kind globally to set sector-specific sustainability metrics and targets for chicken meat production. In collaboration with AgriFutures, we are currently developing a methodology to capture and report on our sustainability frameworks metrics and targets which will be reported on in 2026. This will enable transparent reporting against the framework and clearly demonstrate our measurable ESG progress to government, trading partners, consumers, and the broader community.

Importantly, these initiatives have been led by the industry itself, reflecting a longstanding commitment to environmental stewardship. They have emerged not in response to regulatory pressure but rather from a proactive responsibility to lead sustainable change and continually working to improve operations, to ensure they can feed a growing Australia, both now and in the future. Therefore, we strongly support a regulatory environment that recognises and builds on existing industry-led efforts, driving meaningful outcomes without adding unnecessary complexity to the current ESG landscape or imposing operational burdens that lack clear benefit.

The proposed Climate Change Licensee Requirements, in their current form, do not provide sufficient assurance that the NSW EPA is engaging with industry in a considered and collaborative manner to achieve shared climate goals.

Clarification of NSW EPA's Legal Authority to Impose License Conditions of this nature

Foremost, we seek explicit clarification on whether the proposed Climate Change Licensee Requirements fall within the statutory remit of the NSW Environment Protection Authority (EPA). While recent legal rulings and provisions under the *Protection of the Environment Operations Act 1997* (POEO Act) provide a foundation for EPA to develop environmental quality objectives, guidelines and policies to ensure protection from pollution, GHG emission are not explicitly defined as 'pollutants' under this legislation.

Although we acknowledge the 2021 Land and Environment Court decision in *Bushfire Survivors for Climate Action v EPA* clarified that the EPA has a duty to develop policies and objectives to protect the environment from climate change, the ruling did not explicitly change the fact that the POEO Act was not designed as a climate change statute nor the powers provided to NSW EPA to regulate to this extent.

Therefore, it remains uncertain whether the EPA's statutory powers under the Protection of the Environment Operations Act 1997 and the 2021 ruling extend to such far-reaching regulatory requirements, especially in an area traditionally regulated at the federal level.

NSW EPA to Urgently Conduct a Regulatory Impact Statement

We are also concerned by the absence of a Regulatory Impact Statement accompanying the proposed Climate Change Licensee Requirements. This is an essential undertaking by regulatory agencies and departments under the Subordinate Legislation Act 1989 with guidance for agencies under the NSW Government Guide to Better Regulation.

This is to ensure that proposed legislative requirements do not have broader implications on businesses, community groups or the economy. In the case of proposed Climate Change Licensee Requirements, we anticipate that this will have a degree of impact on productivity, regional growth, expansion of enterprises and food security. Conducting a RIS is also particularly important given the NSW EPA's intention to bring about its longer-term plan to introduce sector specific carbon budgets, which we believe will introduce an even greater impact upon the state's strategic growth priorities.

As the NSW EPA is well aware, a robust RIS is a critical safeguard against poorly designed regulation. It ensures that any major regulatory proposals or amendments are grounded in evidence, proportionate to the issue at hand, and aligned with broader economic and strategic objectives. When departments neglect to undertake this essential analysis, they risk introducing policies and requirements that are reactive, fragmented, and ultimately counterproductive to long-term policy goals. While reducing greenhouse gas emissions is a core priority for the NSW EPA, it is essential that this objective is pursued in concert with other strategic imperatives set by government departments and expected by the community, particularly those relating to food security, animal welfare, biosecurity, and broader ESG commitments. The proposed licensee requirements risk undermining these parallel goals. For example, while governments and communities may increasingly advocate for free-range poultry systems based on perceived animal welfare benefits, these approaches can inadvertently challenge sustainability objectives by requiring greater land use and increasing biosecurity risks due to heightened exposure to wild birds and environmental pathogens.

This places industry in a difficult position, forced to reconcile conflicting policy directions without a clear framework. At the same time, with poultry consumption forecast to reach 55 kg per capita and the state's population projected to grow significantly by 2030, scalable and efficient food production systems are critical to meeting demand. Imposing rigid emissions constraints on conventional systems which is currently the most viable means of delivering affordable protein, could inadvertently compromise national food security objectives. It is important that NSW EPA takes into consideration to such competing priorities when developing new regulatory proposals or licensee requirements that may conflict with industry's capacity to meet these strategic imperatives set by other Departments, the Federal Government and the wider community.

Ultimately, before proceeding further with these new requirements, it is essential that the NSW EPA undertakes a RIS to ensure the proposal is proportionate, evidence-based, and aligned with broader policy objectives.

NSW EPA to Prevent Reporting Duplication

We also seek clarification on how the proposed NSW EPA requirements will interact with existing federal carbon reporting obligations, particularly under the National Greenhouse and Energy Reporting (NGER) Scheme administered by the Clean Energy Regulator. It is critical that emissions data already reported under NGER be recognised and utilised by NSW EPA for state-level compliance purposes.

We strongly advocate for the NSW EPA to source emissions data directly from the Clean Energy Regulator, which is publicly accessible, rather than requiring licensees to submit duplicate reports. This approach would reduce administrative burden, promote consistency across jurisdictions, and support a more streamlined regulatory environment, that will particularly support businesses operating multiple sites.

Given the increasingly crowded landscape of environmental reporting and compliance, it is essential that the NSW EPA take steps to minimise unnecessary complexity, cost, and administrative burden where possible.

NSW EPA to Communicate Regulatory Changes to Impacted Facilities

NSW EPA has a responsibility to directly notify and consult businesses anticipated to fall within scope, rather than relying solely on peak industry bodies to disseminate this information. As the issuing authority, the EPA is best placed to communicate regulatory expectations and support adoption among impacted businesses. This direct engagement will also allow the EPA to hear firsthand about any operational challenges in implementing these proposed requirements and tailor guidance and resources to ensure a seamless transition.

ACMF would be willing to facilitate any of these discussions with impacted businesses as required, to ensure NSW EPA have ample opportunity to be part of a feedback loop from directly impacted businesses.

Impact of Sector Carbon Budgets

While the NSW EPA has advised that carbon budgets are not part of its medium-term project plan, this assurance does not provide sufficient clarity regarding the state's long-term regulatory direction. We are under the impression, based on the discussion paper, that sector-based budgets are a consideration for all licensee holders, depending on emissions reduction performance in the interim.

We are concerned that the anticipated requirements may disproportionately impact sectors that have already taken early action to reduce emissions. This concern is compounded by the lack of clarity surrounding how sector-specific carbon budgets would be defined and allocated by the NSW EPA. For example, if blanket reduction targets, such as a uniform 25% decrease in emissions for the agriculture sector are applied, industries that have already adopted low-emission practices may find it operationally unfeasible to meet further reductions within the same timeframe. This could inadvertently discourage early adoption and penalise proactive operators before the budgets are in place.

For our industry in particular, which has achieved a meaningful reduction in emissions intensity over the past few decades through targeted efficiency improvements, any such requirements risk disregarding those efforts and undermining the value of early action. As previously discussed, our improvements in feed conversion efficiency over the past decades, has progressed from a feed conversion ratio (FCR) of 2.5kg to 1.5kg, which equates to over 1 billion kg less feed required annually and a 3–4.5% GHG reduction for every 0.1 improvement in FCR. These gains reflect sustained, science-based efforts to reduce environmental impact, without the provision of regulatory enforcement. However, as discussed, imposing blanket emissions budgets risk overlooking such achievements and could inadvertently penalise sectors like ours that have already made substantial progress in reducing their carbon footprint.

Moreover, the discussion paper suggests this requirement to meet a sector specific carbon budgets will apply to all licence holders, implying a corresponding reporting burden to accurately capture emissions data. Carbon reporting requirements for businesses that are not classified as large-scale industrial operations emitting over 50,000 GHG emissions are not mandated at the federal level. This indicates that the regulatory landscape in New South Wales would impose a more stringent carbon reduction framework, that will introduce regulatory hurdles to a wider range of businesses, that could lead to reductive impacts on the state's broader growth objectives.

Although the regulatory structure of sector specific carbon budgets has not been laid out by the NSW EPA, ACMF are strongly opposed to the intent of applying carbon budgets to agricultural license holders. As these license holders provide services that are critical to food security, we believe that this approach would limit productivity, supply capacity and affordability. ACMF considers this to be regulatory overreach, extending beyond all other state or federal requirements, and therefore should be formally ruled out by the NSW EPA.

NSW EPA to Clarify the Purpose and Consider Implications of Proposed CCMAPs and Emissions Forecasting Requirements

We seek further clarity on the purpose and expectations of CCMAPs, particularly as the NSW EPA has not yet issued guidance on the required content of these plans and has indicated it does not intend to review or monitor them. In the absence of clear direction and strategic purpose, there is a significant risk that CCMAPs will become a procedural formality, offering limited value in supporting meaningful emissions reduction outcomes.

We are also concerned about the requirement to publish CCMAPs, given the lack of clarity around what information must be disclosed. This raises the possibility of inadvertently releasing commercially sensitive information, particularly where plans involve long-term strategies or operational methodologies.

This concern is also compounded by the potential interaction between CCMAPs and the current regulatory environment with a strong focus on addressing ‘greenwashing’ at the commercial level. Publicising CCMAPs without clear guidance on their required content or scope may expose organisations to legal risk, particularly if the plans are perceived as promotional material lacking substantiated environmental claims.

Furthermore, we do not consider the proposed CCMAPs to be justified, given that the industry has already developed and widely adopted its own comprehensive sustainability framework that is complete with measurable targets and transparent reporting metrics. With over 95% of the sector committed to this framework, the introduction of CCMAPs appears duplicative and misaligned with existing efforts that are already delivering tangible outcomes. We strongly oppose the imposition of additional planning requirements that introduce unnecessary regulatory risk and demonstrate a lack of recognition for sector-specific initiatives that are actively advancing environmental, social, and governance objectives.

The NSW EPA must carefully consider the intersection of these concurrent regulatory issues when determining the value and implications of mandating CCMAPs.

NSW EPA to Adopt a More Collaborative Approach to GHG Reduction

We believe there is significant value in the NSW EPA adopting a more enabling role in supporting industry-led emissions reduction, particularly given the complex operational environment in which food-producing sectors operate. This approach would not only contribute meaningfully to the state’s greenhouse gas reduction objectives but also foster a more collaborative relationship between the NSW EPA and industry, positioning them as a strategic partner or ‘enabler’ to a sustainable and productive industry.

The intensive livestock sector is already navigating a range of challenges, including rising input costs, evolving market demands, heightened biosecurity risks and increased role to secure the nation’s food security. In this context, increasing regulatory intervention must be designed to support industry’s transition to a lower emissions future while considering existing operational burdens.

NSW EPA’s efforts would be most effective if directed toward practical support measures, such as investment in emissions reduction infrastructure and waste management systems. For example, in emergency scenarios like an Emergency Animal Disease (EAD) outbreak, many facilities lack the capability to compost on-site due to regulations prohibiting its productive reuse. Addressing these

gaps through targeted infrastructure investment and policy reform would deliver real environmental benefits while also strengthening industry's biosecurity response capacity.

There's also a valuable opportunity for the NSW EPA to work more closely with Rural Research and Development Corporations (RDCs) to identify and implement emissions reduction strategies. RDCs are already investing in sector-specific research and innovation, and supporting them would allow the EPA to align its efforts with industry needs while advancing shared environmental goals.

While we acknowledge the NSW EPA's commitment to reducing greenhouse gas emissions, we believe its efforts would be more effectively directed through a phased and evidence-based approach. Should the proposed licensee requirements proceed, their initial application to coal mines and safeguard mechanism facilities presents a critical opportunity to assess their effectiveness in delivering tangible emissions reduction and the extent of its operational impact on industry.

Such assessments must be supported by independent, third-party reviews to ensure the measures are achieving intended outcomes without imposing disproportionate impacts on productivity, economic viability, or creating excessive administrative burdens for license holders. We therefore consider the proposed timeframe for introducing these new requirements to the agricultural sector to be premature and strongly advise that the implementation schedule should be deferred entirely until the comprehensive review is completed.

Given the strategic importance of industries such as agriculture and manufacturing, it is essential that any expansion of these requirements is informed by clear evidence of success and a demonstrated capacity to balance environmental objectives with economic and operational realities.

CONCLUSION

The Australian chicken meat industry has demonstrated a longstanding commitment to environmental stewardship, achieving measurable reductions in greenhouse gas emissions through proactive, science-based initiatives. These efforts are driven by industry environmental stewardship rather than the impost of environmental requirements, have positioned chicken meat as Australia's most environmentally efficient land-based protein source. As such, we urge the NSW EPA to recognise and build upon existing industry-led progress, rather than impose blanket regulatory measures that risk penalising sectors already delivering strong sustainability outcomes.

We remain committed to working collaboratively with government to achieve shared climate goals. However, we strongly oppose the introduction of sector-specific carbon budgets and other regulatory mechanisms that lack clarity, risk duplication, and impose disproportionate burdens on high-performing industries. A more targeted, consultative approach is essential to ensure that future policy settings support innovation, reward early action, and safeguard the viability of critical food production systems in New South Wales.

Should you have any questions regarding our response, please contact our Policy Officer Amy Roberts

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