

7 October 2025

ATTENTION:
Mr Tony Chappel
Chief Executive Officer
NSW Environment Protection Authority

RE: Submission on Proposed Climate Change Licensee Requirements

Dear Mr Chappel,

The Australian Lot Feeders' Association (ALFA) welcomes the opportunity to provide feedback on the NSW EPA's Proposed Climate Change Licensee Requirements (Consultation Draft, July 2025).

ALFA is the Peak Industry Council representing 356 accredited cattle feedlots nationally, with approximately 1.6 million cattle on feed nationally. The feedlot industry makes up 36% of the cattle slaughtered in Australia and contributes to over 42% of Australia's total beef exports. As a key contributor to a trade-exposed industry, up-stream supply chain operators, such as meat processors, retailers, and exporters, rely heavily on the feedlot industry for the supply and export of high quality, safe, grain-fed beef to feed families in Australia and abroad. This submission highlights ALFA considerations to proposed licensee requirements.

General Comments

ALFA supports effective and science-based action on climate change and recognises the role the feedlot sector plays in reducing emissions intensity across the beef production system. The feedlot industry has made considerable progress through investment in methane reduction, renewable energy, waste management, and productivity efficiency.

However, ALFA holds serious concerns about the proposed NSW EPA approach. The framework risks creating state-based regulatory inconsistency, duplication of reporting, and unrealistic, technology-specific compliance obligations.

Such an approach will impose unnecessary costs and complexity on feedlot businesses in NSW, leading to competitive disadvantage relative to operators in other states and deterring future possible investment in NSW's red meat sector.

1. Whole-of-Herd Approach Needed

One fundamental flaw in the proposed policy is that it applies regulatory obligations to feedlots, which account for only around 10% of the total cattle herd in New South Wales.

This creates a distorted and inequitable outcome, where a small portion of the industry already the most measured, managed, and accountable production system is singled out for additional compliance obligations, while 90% of the state's herd remains unregulated.

Feedlots are a downstream component of the cattle industry, providing a finishing system for cattle bred and backgrounded across extensive grazing enterprises. Therefore, any credible policy approach must adopt a whole-of-herd perspective if livestock emissions are to be addressed equitably and effectively.

ALFA's strong position is that the NSW EPA should either:

- Exercise a whole-of-herd approach that considers emissions across the entire livestock sector; or
- Exclude feedlot cattle from any direct regulatory reference until a consistent, sector-wide framework is developed at a national level.

Targeting the feedlot sector in isolation does not deliver a meaningful climate outcome and risks policy distortion by penalising the most efficient and regulated component of the beef supply chain.

2. National Consistency and Regulatory Alignment

Climate policy must be coordinated nationally. ALFA urges the NSW EPA to align any licensing requirements with the Federal Safeguard Mechanism and the National Greenhouse and Energy Reporting (NGER) framework.

Fragmented, state-based regulation will undermine investment certainty and contradict the national government's intent to deliver an integrated and efficient emissions reduction framework across industries.

ALFA urges NSW EPA to remove the need to publish a CCMAP on businesses/licensees' websites. Where a business considers that appropriate it should be a choice and not forced via regulatory overlay.

Feedlots operate as part of an integrated national beef supply chain, and differing state rules on emissions measurement or compliance thresholds will inevitably distort where cattle are fed and processed, disadvantaging NSW operations.

3. Sector-Specific Technology Pathways

ALFA is concerned by references to "technology-specific" mitigation measures in the draft framework. The feedlot sector operates within complex biological, regional, and infrastructure constraints that make prescriptive technology mandates impractical and, in many cases, technically or economically infeasible.

Rather than imposing specific technologies (for example, electrification of process heat), ALFA supports outcomes-based and market-based approaches that empower operators to choose appropriate abatement methods based on site conditions and proven science.

Technology transitions in regional NSW must also be supported by:

- Adequate power network capacity and infrastructure;

- Realistic cost assessments; and
- Recognition of site variability across the sector.

4. Biogenic Methane and Emission Estimation Methodology

The inclusion of biogenic methane from cattle within the 25,000 tCO₂e threshold is ambiguous and potentially problematic. If feedlots are to be captured on this basis, the EPA must specify a consistent and nationally recognised estimation method.

ALFA recommends the use of the methodology adopted by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and incorporated into the National Greenhouse Inventory, based on the updated methane prediction equations by de Almeida and Cowley (2024) and de Almeida et al. (2025).

These improved methodologies correct previous overestimations of methane emissions from feedlot cattle and are now accepted as the scientific standard. Any deviation from this approach will lead to inconsistent, inaccurate, and inequitable facility capture.

5. Thresholds and Reporting Duplication

The proposed three-year rolling threshold of 25,000 tCO₂e penalises businesses that have already invested in abatement measures. ALFA recommends a single-year baseline (FY2025) aligned with NGER data to ensure fair and consistent treatment.

The proposed changes would also lead to duplication of emissions reporting across multiple programs (EPA, NGER, NPI, ASRS). ALFA urges the EPA to commit to a “report once, use many” data-sharing model to reduce red tape and administrative burden.

6. Role of Offsets

ALFA is concerned by indications that the EPA may limit the use of carbon offsets based on geography. Restricting offset use to NSW-only projects undermines the operation of Australia’s national carbon market and increases abatement costs without improving environmental integrity.

Offsets, regardless of where they are generated, deliver real climate benefits and are a legitimate, efficient mechanism to achieve abatement in sectors where biological or technological constraints exist.

7. Feedlot Industry Commitment

The feedlot industry continues to demonstrate leadership in emissions reduction through:

- Deployment of solar and energy efficiency technologies;
- Ongoing national trials of feed additives to reduce enteric methane; and
- Investment in R&D partnerships with MLA, CSIRO, Institutions and Government to improve emissions data and abatement technologies.
- Some feedlot operators are already using feed additives and a mechanism to reduce omissions

These efforts demonstrate genuine, industry-led progress—achieved voluntarily and supported by evidence.

Conclusion

The NSW feedlot sector represents a small yet vital part of the cattle industry, managing around 10% of the herd while delivering measurable improvements in productivity and sustainability. Singling out feedlots for emissions regulation—without a whole-of-herd framework—creates inequity and undermines the credibility of the policy.

ALFA therefore urges the NSW EPA to:

1. Adopt a whole-of-herd or national approach, not a feedlot-specific framework;
2. Align with federal systems (Safeguard Mechanism, NGER);
3. Avoid technology mandates and support market-based methods;
4. Use consistent national methodologies for methane estimation; and
5. Streamline reporting to minimise duplication.
6. Remove the need to publish a CCMAP.

ALFA remains committed to working collaboratively with the NSW EPA and other jurisdictions to develop practical, nationally consistent climate policies that support both emissions reduction and the continued competitiveness of Australia's feedlot and red meat sectors.

Yours sincerely,



Bomber Lancaster
General Manager, Policy and Biosecurity
ALFA

