

NSW EPA Consultation

Proposed Climate Change Licensee Requirements

BlueScope Submission

7 October 2025

Executive Summary

BlueScope welcomes the opportunity to contribute to the NSW EPA's consultation on the Proposed Climate Change Licensee Requirements (**Licensee Requirements**). The company is strongly committed to decarbonisation, with a published pathway that includes 2030 targets and a net zero goal by 2050, supported by transparent disclosures and significant investment in breakthrough low-emissions steelmaking technologies. BlueScope continues to be one of the Illawarra's largest employers and a cornerstone of the State's industrial and economic base.

While BlueScope supports ambitious and credible emissions reduction, the proposed Licensee Requirements contain critical flaws that may undermine the financial viability of industry and the State's ability to attract new industrial investment, thus potentially impeding BlueScope's ability to decarbonise its operations in New South Wales. The company is concerned that the potential implications of the proposed changes, particularly their impact on complex, hard-to-abate and trade-exposed manufacturing industries, are not fully understood.

BlueScope acknowledges the EPA's intent to align industrial emissions reductions with State targets. Under the proposal, Licensees must set emissions reduction goals for each year that NSW has a legislated target and demonstrate a meaningful contribution to those targets. For Licensees such as BlueScope, whose decarbonisation pathways depend on technological advances and other key enablers beyond its control, setting emission reduction goals that align with the EPA's objectives without recognising these practical challenges would require careful consideration to mitigate the risk of inadvertent greenwashing. Further, if Licensees set goals aligned with NSW's targets that are not ultimately achievable, they could be at risk of enforcement action from the EPA or third parties.

Emissions reduction obligations, such as those potentially arising from the EPA's proposed requirements, that do not account for the practical realities of globally exposed, hard-to-abate industries such as steelmaking, would impose onerous obligations on Licensees and could jeopardise the viability of existing operations and deter future investment in NSW.

Without the necessary key enablers for decarbonisation in place, the only viable option for significantly reducing emissions may be to scale back or cease production, stifling the growth of existing operations. Similarly, any obligation to purchase and surrender offsets could impose a substantial cost burden on trade-exposed industries.

Contrary to the EPA's apparent intention, the proposed Climate Change Mitigation and Adaptation Plan Requirements are highly prescriptive. They compel Licensees to prepare detailed disclosures of fixed content with minimal flexibility. These requirements will be resource-intensive to meet, expose Licensees to enforcement risks if not complied with, and fail to deliver commensurate benefits, particularly for those who already publicly disclose their decarbonisation plans. The proposed approach risks diverting resources from genuine decarbonisation initiatives.

This submission outlines the context and details underpinning BlueScope's concerns. The company urges the EPA to adopt a more streamlined framework that promotes interjurisdictional cohesion and enables Licensees to determine the level and content of their publicly disclosed decarbonisation plans to deliver optimal emissions reduction outcomes.

BlueScope remains committed to ongoing constructive engagement with the EPA to support a successful transition to net zero, reducing emissions while sustaining investment and jobs in New South Wales.

1 Context for BlueScope's submission

1.1 Australia's largest steel producer

BlueScope is an Australian-headquartered, ASX-listed steel manufacturer, specialising in the production of steel materials, products, systems and technologies. It operates in 15 countries, with approximately 100 sites in Australia, being a mix of large manufacturing plants, roll-forming facilities and distribution centres. The business specialises in flat steel products, including hot rolled coil, cold rolled coil, plate, value-added metallic coated and painted steel solutions and tubular steel sections. Its key focus is on higher value, branded products for the building and construction industry, with increasing capability in supplying locally made steel for the renewable energy and defence sectors.

BlueScope's products are recognised leaders in Australia, and include COLORBOND® steel, TRUECORE® steel, ZINCALUME® metallic coated steel, TRU-SPEC® steel and the LYSAGHT® and FIELDERS® building products. BlueScope manufactures approximately 3.2 million tonnes of steel annually at the Port Kembla Steelworks (PKSW) in Australia, using the Blast Furnace (BF)-Basic Oxygen Furnace (BOF) method of primary iron and steelmaking. The BF-BOF production route is often referred to as 'primary' steelmaking as it creates iron and steel with virgin iron ore as the primary input. Using this production method, iron ores are smelted with coke, limestone and other inputs in a BF to produce virgin iron. Molten virgin iron and a proportion of cold ferrous feed (CFF), usually in the form of steel scrap, are then converted into steel in a BOF.

BlueScope is the only domestic manufacturer of flat steel products, providing sovereign capability to supply key sectors including building and construction, manufacturing, agriculture, infrastructure, transport and defence. In addition to supplying key domestic sectors, BlueScope exports around a quarter of its Australian steel production, with volumes varying according to domestic and international market conditions.

BlueScope employs approximately 6,700 people in Australia, including around 3,500 people at the PKSW and adjacent facilities in the Illawarra region of New South Wales. BlueScope's contribution to New South Wales includes generating a total of 20,000 direct and indirect jobs, \$12 billion in output per year and \$2.3 billion in household income per year.¹ BlueScope is currently progressing several major investments in NSW, including the No. 6 Blast Furnace reline (\$1.15b), Plate Mill Modernisation (\$300m), shipping berths upgrades (\$182m) (all at PKSW), and construction of a new metal coating line (\$415m) at its Erskine Park facility, which all contribute to the state and national economies.

1.2 BlueScope operates in a highly competitive market against producers that do not bear material carbon costs

BlueScope operates in a highly competitive global market, exporting to the world and competing against imports at home. In 2022, the global steel industry produced just under 1.8 billion tonnes of finished steel, and one in every five tonnes produced was exported.² The Australian steel sector is highly trade exposed. Australia's crude steel production was 5.8 Mt in 2021-2022 with steel imports of 2.5 Mt and exports of 1.0 Mt.³ The steel sector is even more trade exposed when

¹ IRIS Study 'BlueScope's Economic Contribution to Australia, NSW and the Illawarra', January 2023

² World Steel Association, World Steel in Figures 2023

³ Department of Industry, Science and Resources, Commonwealth of Australia, Resources and Energy Quarterly December 2022, steel imports

considering the steel contained in imported goods. The World Steel Association estimates Australia's true steel use is 10.5 Mtpa⁴, meaning imports account for approximately half of Australia's true steel consumption.

Australian steelmakers are fundamentally price-takers. BlueScope competes domestically against imports from producers in low-cost jurisdictions, often with higher greenhouse gas emission (GHG) intensity and less stringent environmental standards. GHG emissions from the PKSW are lower than the average of blast furnace emissions from Australia's major source countries of steel imports (China, Japan, Korea and India).⁵ However, in the absence of a functioning Border Carbon Adjustment (BCA) Mechanism that is effective and robust, BlueScope faces dual competitive pressure from low-cost imports that are not subject to equivalent carbon constraints, and from overseas manufacturers that benefit from substantial government support, such as free carbon credits or funding to implement low carbon technologies, which effectively shield them from carbon costs. As a result, almost all the imported steel in Australia bears little, if any, material carbon cost.

Designing and implementing an effective BCA is inherently complex and as such, it is likely to be some time before a robust mechanism is in place for all relevant products. At this stage, it appears that any BCA will apply to imports only and not exports from Australia, leaving Australian manufacturers at a significant disadvantage when exporting to countries without similar GHG standards, even once a BCA is in place. Further, a BCA is likely be designed with consideration of Commonwealth level emissions reduction requirements (i.e. the Safeguard Mechanism) and is unlikely to address additional carbon costs that are imposed at a State level.

In the interim, it is critical that state and federal decarbonisation policies remain stable, predictable, and complementary and that significant support is available for hard-to-abate, trade-exposed sectors. Without this, there is a real risk of carbon leakage, where emissions-intensive production shifts offshore, and of deterring future investment in the state's industrial base, particularly in trade-exposed sectors like steel.

1.3 BlueScope strongly supports decarbonisation and is committed to reducing its greenhouse emissions

BlueScope supports Australia's 2030 and 2050 emission reduction targets, and recognises the recent announcement of Australia's 2035 target. BlueScope has developed a decarbonisation pathway to support delivery of its climate strategy. It has a 2050 net zero goal for scope 1 and scope 2 emissions across all operations globally, supported by two interim emissions intensity targets for 2030⁶:

- A 12 per cent reduction in GHG emissions intensity for its steelmaking operations globally; and
- A 30 per cent reduction in GHG emissions intensity for its non-steelmaking activities globally (such as cold rolling, metal coating and painting lines).

Both targets are measured against a FY2018 baseline.

BlueScope's interim emissions reduction targets are purposefully set at the portfolio level and expressed on an intensity basis to enable a flexible, scalable and economically viable approach to decarbonisation. This allows BlueScope to optimise emissions reductions across its global

⁴ World Steel Association, Steel Statistical Yearbook 2022, table 58

⁵ CRU Emissions Analysis Tool, average blast furnace emissions from China, Japan, Korea and India

⁶ BlueScope Steel Limited Climate Action Report (September 2024)

operations, ensuring that efforts are directed where they can deliver the optimal impact while maintaining operational viability.

Existing primary steelmaking processes are GHG intensive and achieving BlueScope's interim 2030 and 2050 net zero goals is ambitious. BlueScope takes a dual-stream approach to decarbonising its operations; this strategy focuses on both the near-term optimisation of existing assets and a longer-term technology evolution that is highly dependent on several key enablers. These include the development of emerging low-emissions ironmaking technologies, access to affordable, firm large-scale renewable energy, availability of competitively priced green hydrogen (with natural gas as a first step in enabling the transition), access to appropriate quality and sufficient quantities of economic raw materials, and supportive and consistent policy settings.

To date, BlueScope has delivered NSW and Australia's largest emissions reduction from facilities covered by the Safeguard Mechanism, reducing scope 1 emissions by 40 per cent (4 Mt CO₂e) since 2005, achieved in large part due to the closure of a blast furnace in 2011.

A focus on process optimisation, energy efficiency initiatives, and increased scrap utilisation rates, has resulted in PKSW now operating near the optimal efficiency for BF-BOF steelmaking, ranking in the top 15% of comparable facilities globally (according to data from World Steel Association - Worldsteel). From this position, further reductions from the PKSW using a BF-BOF production route will be much harder and more costly to achieve. The transition to net-zero will require the development and commercialisation of low-emission primary iron and steelmaking technologies along with the availability of the associated key enablers.

BlueScope believes converting from blast furnace iron making to direct reduced iron (**DRI**) is the most prospective technology option for future low-emissions ironmaking in Australia. Most DRI is currently manufactured via shaft furnaces using natural gas but could be produced using green hydrogen once commercially available. To be converted into steel, DRI needs to be further processed in an electric arc furnace (**EAF**). However, DRI-EAF steelmaking route requires high-grade magnetite ore, which represents only about 6% of global supply; it is unable to utilise the low to medium grade hematite iron ores that are prevalent in Australia's Pilbara region.

An electric smelting furnace (**ESF**) coupled with a BOF may be suitable for using hematite ores from the Pilbara as the ESF can potentially remove impurities from DRI without significant yield losses. The emerging DRI-ESF technology route is the focus of BlueScope's technical collaborations with steelmaking partners ThyssenKrupp, Tata Steel and POSCO.

Estimates show that reductions of around 85 per cent in CO₂ emission intensity are potentially available by processing Pilbara iron ores through a DRI-ESF pathway with green hydrogen, compared with the current industry average for the conventional blast furnace steel route.⁷ However, the scale of the challenge to produce molten iron using lower-grade ores via the nascent DRI-ESF route should not be underestimated. Overcoming this is critical to decarbonising global steelmaking.

BlueScope is also partnering with BHP, Mitsui Iron Ore Development, Rio Tinto and Woodside Energy to jointly investigate the development of the country's largest ironmaking ESF pilot plant. This partnership provides a platform to demonstrate that production of molten iron from Pilbara hematite ores is feasible using natural gas when combined with DRI and ESF process technology. This could help open a pathway to near-zero GHG emission intensity operations for global

⁷ Media Release: "Australia's leading iron ore producers partner with BlueScope on steel decarbonisation" 9 February 2024

steelmakers relying on abundant Pilbara iron ore through the replacement of coal dependent blast furnaces with DRI-ESF equipment.

Success in this project may provide the basis for substantial decarbonisation of BlueScope's operations at PKSW and the foundation for an Australian 'green' (near-zero emissions) iron export industry. The project is currently at feasibility stage with a final investment decision, expected in 2026. If approved, the pilot facility is scheduled to begin operations in 2028. The collaboration supports BlueScope's vision for its Australian steelmaking operations to be a vibrant, modern and sustainable manufacturer with a clear role to play in enabling Australia's energy transition.

1.4 BlueScope is committed to publishing transparent disclosures detailing decarbonisation plans and performance

BlueScope is also committed to publishing transparent, disclosures that detail its decarbonisation plans and performance. This includes consistent and meaningful reporting of greenhouse gas emissions, energy consumption, sustainability goals and broader environmental performance.

To meet the evolving expectations of stakeholders and the broader community, BlueScope provides a comprehensive suite of sustainability disclosures. These include:

- Annual Sustainability Report – outlines BlueScope's approach to its material ESG issues and performance across its operations, including emissions reduction and climate change
- Sustainability Report Data Supplement – providing detailed metrics and supporting data to enhance transparency
- Climate Action Report – articulates BlueScope's climate action strategy, decarbonisation pathways, and progress toward its net zero goals.

The FY2025 Annual Sustainability Report is externally assured and has been prepared with reference to the Global Reporting Initiative (GRI) Standards, alongside consideration of emerging disclosure frameworks. BlueScope will report in accordance with the Australian Accounting Standards Board's (AASB) S2 Climate-Related Financial Disclosures in its FY2026 reporting suite.

The Climate Action Report (CAR) provides stakeholders with more comprehensive information on BlueScope's climate-related governance, mitigation and adaptation strategies, risk management, metrics and targets. It outlines decarbonisation activities aimed at optimising existing operations to meet the interim 2030 emissions intensity target, as well as planned pathways to achieve BlueScope's goal of net zero scope 1 and 2 emissions across global operations by 2050.

It is important to note that the CAR contains forward-looking statements and metrics that are not, and should not be considered to be guarantees, predictions or forecasts of future climate-related outcomes. These statements are subject to change, known and unknown risks, uncertainties and other factors, many of which are beyond BlueScope's control. Readers of the CAR should note that while BlueScope has a reasonable basis to make these forward-looking statements, they should not place undue reliance on these in light of the significant uncertainty in the data and other information that limit the extent to which they are useful for decision making, and the many underlying risks and assumptions that may cause actual outcomes to differ materially.

1.5 BlueScope has a significant role to play in enabling Australia's renewable energy transition

Steel's role in the larger task of decarbonising the Australian economy will be crucial because it is an essential enabler in the development of renewable energy. Much of the infrastructure that

Australia needs to drive the energy transition will be made from steel, including wind towers, solar farms, hydro and transmission infrastructure. It is estimated that approximately 400,000 tonnes per annum of additional steel will be required for renewable energy and related infrastructure, between now and 2050, to meet Australia's targets based on AEMO NEM forecasting.⁸ Additional steel will also be required to meet Australia's green hydrogen ambitions. As Australia's largest flat steel producer, BlueScope has a critical role to play in enabling Australia's renewable energy transition.

1.6 BlueScope's operations are fundamental to sovereign capacity in iron and steelmaking

Domestic iron and steelmaking is core to a vibrant Australian manufacturing sector. Steel is a key input to the construction, engineering, mining and manufacturing sectors. Sovereign iron and steelmaking capacity also supports Australia's strategic interests including critical infrastructure and defence.

Retaining sovereign iron and steelmaking capacity now is essential if Australia is to play its part in emerging and future low emissions iron and steelmaking. Sovereign production helps guard against loss of supply in potential periods of geopolitical instability and dislocation of global supply chains, as seen in recent years. Loss of this capability will hinder the renewable energy transition; on the other hand, achieving this transition while supporting sovereign capacity in iron and steel making can unlock strategic, economic and environmental benefits for Australia, including the development of a global scale low emissions Hot Briquetted Iron (**HBI**)⁹ export industry in Australia.

2 BlueScope's comments on the Proposed Climate Change Licensee Requirements

BlueScope acknowledges that NSW has ambitious emission reduction targets, with the NSW Climate Change (Net Zero Future) Act 2023 (**the Act**) requiring the Government to take early action on climate change. The EPA has developed the proposed Climate Change Licensee Requirements (**Licensee Requirements**) to support progress toward these targets.

However, the proposed Licensee Requirements are not consistent with the Guiding Principles of the Act, particularly the requirement to act on Climate Change in a fiscally responsible manner that promotes sustainable economic growth. While BlueScope supports credible and ambitious emissions reduction, the proposed Licensee Requirements contains several critical flaws that may jeopardise the financial viability of industry and hinder the State's ability to attract new industrial investment. These shortcomings could, in turn, impede BlueScope's capacity to decarbonise its operations in New South Wales.

2.1 Greenhouse Gas Emission Licence Limits

The EPA is proposing the introduction of licence limits for greenhouse gas emissions as a long-term regulatory measure. Emissions reduction targets, such as those potentially arising from the

⁸ Australian Energy Market Operator, 2022 Integrated System Plan for the National Electricity Market (June 2022)

⁹ Hot Briquetted Iron is a compacted form of Direct Reduced Iron designed for shipping

proposed Licensee Requirements, that do not consider the practical realities of globally exposed, hard-to-abate industries such as steelmaking may jeopardise the viability of existing operations and discourage future investment in the State.

As outlined in the previous section, achieving step-change decarbonisation in steelmaking depends on several critical enablers: technological evolution, reliable and affordable renewable energy, competitively priced natural gas and then green hydrogen, and access to sufficient quality raw materials. Without these enablers, the only viable option for significantly reducing emissions may be to scale back or cease production, stifling the growth of existing operations and interfering in the market. If Licensees are compelled to reduce production in order to comply with the EPA's requirements, locally manufactured products such as steel would likely be replaced by imports from jurisdictions without similar constraints. Additionally, any obligation to purchase and surrender offsets could impose a substantial cost burden on trade-exposed industry.

Imposing emissions reduction obligations on trade-exposed local manufacturing facilities without robust competitive safeguards against imports not subject to carbon constraints risks undermining sovereign manufacturing capability and causing carbon leakage. This concern is heightened by the EPA's and NSW Government's lack of constitutional authority to implement a border carbon adjustment mechanism. The Commonwealth Government's proposed mechanism will likely only address cost impacts introduced by national emissions reduction requirements (such as the Safeguard Mechanism) and not further reductions required at a State level. It is also unlikely to support the competitiveness of Australian exports.

While BlueScope is strongly committed to decarbonisation, it opposes the introduction of rigid greenhouse gas emissions limits that do not appropriately consider the practical realities of globally exposed, hard-to-abate industries. Such limits may jeopardise the viability of existing operations and discourage future investment in NSW, potentially leading to unintended economic and environmental consequences as well as increased carbon leakage.

2.2 Legal Implications of Setting Goals

The EPA's proposed Licensee Requirements would compel licensees to set scope 1 and scope 2 emissions reduction goals for their NSW operations for 2030, 2035 and 2050. If these goals do not align with the overall NSW net-zero emissions trajectory, the goals must still represent a meaningful contribution to the State's greenhouse emission reduction targets. Licensees will also be required to explain how their goals will be achieved.

These changes would impose significant obligations on licensees such as BlueScope whose decarbonisation pathways depend on technological advances and other external enablers.

Licensees will also have to manage disclosures and set their goals carefully to mitigate the risk of inadvertent greenwashing. It is not clear from the consultation materials what will happen if the EPA does not accept that the reduction goals set in a Climate Change Mitigation and Adaption Plan (**CCMAP**) represent a meaningful contribution to NSW's emission reduction trajectory. BlueScope submits that Licensees need to be able to set realistic goals and not be pressured to set goals that may not be achievable. If Licensees are forced to set goals that are in line with the NSW emissions reduction trajectory or otherwise represent a meaningful contribution to the NSW targets, Licensees will be at risk of greenwashing if they do not have any credible pathway to achieve those goals.

This heightened exposure to greenwashing claims is precisely the reason the Commonwealth Government, when it implemented the mandatory climate-related financial disclosure regime,

introduced a three-year modified liability regime which provides immunity from civil claims by private litigants in respect of certain disclosures and statements made about future matters. While the EPA does not have the power to modify liability under the consumer law, to mitigate the risk of the proposed Licensee Requirements giving rise to a spate of greenwashing claims, the EPA needs to carefully consider how the legal requirement to prepare a CCMAP is framed and the level of aspiration that is required to be reflected in a licensee's reduction goals.

If aligning with NSW's emissions reduction trajectory and/or making a meaningful contribution to that trajectory is mandated under the Regulations or licence conditions and a licensee fails to set goals aligned with NSW's targets, or that are deemed not to make a meaningful contribution to achieving those targets, BlueScope may face enforcement action from the EPA or third parties. For example, an emissions trajectory such as BlueScope's, characterised by uneven progress rather than a linear decline, may be held by a court to not represent a meaningful contribution to the State's objectives. There is also a lack of clarity as to what constitutes a 'meaningful' contribution.

Care also needs to be taken in relation to how the obligation to implement a CCMAP is framed, to avoid inadvertently mandating achievement of the goals set out in a CCMAP. In effect, the proposed Licensee Requirements have the potential to transform aspirational goals into binding commitments. For example, if the Regulations or licence conditions require Licensees to 'implement' a CCMAP (rather than, for example, requiring them to take into consideration the CCMAP in making decisions), this could expose licensees to third party enforcement action if they do not achieve the goals set out in a CCMAP, given the open standing provision in section 219 of the Protection of the Environment Operations Act 1997 (**POEO Act**).

BlueScope recommends that the EPA address the potential legal risks associated with mandating a certain level of ambition for emissions reduction goals and mandating implementation of CCMAPs.

2.3 Decoupling Emissions from Production

The proposed Licensee Requirements prioritise absolute emissions reduction targets. Licensees are required to set absolute emission reduction targets, with the option to include additional targets based on emissions intensity. While both approaches align with NSW's legislated net-zero goals, mandating interim 2030 and 2035 emission reduction targets on an absolute basis may affect the ongoing viability of existing operations and deter future investment in the state.

Unlike emissions intensity targets, absolute emissions reduction targets do not reflect the operational realities of globally exposed, hard-to-abate industries such as steelmaking. These targets risk constraining the growth of existing operations. As previously noted, step-change decarbonisation in steelmaking relies on several key enablers: competitively priced and firm renewable energy, adequate supplies of competitively priced natural gas, access to suitable raw materials, and breakthrough low-carbon steelmaking technologies that are not yet commercially viable. In the absence of these enablers, the only viable pathway to significantly reduce emissions is to scale back or cease production.

Absolute targets may also hinder the introduction of new low-carbon processes that operate at a different economic scale or require a period of dual-running alongside existing operations while new technologies are being proven.

To support emissions reduction and economic resilience, industrial decarbonisation targets should be framed in terms of emissions intensity rather than absolute emissions. An intensity-based

approach enables emissions to be reduced per unit of output, allowing manufacturers to increase production where necessary – particularly in sectors such as steelmaking, where Australia will need more, not less steel in future. Transitional technologies may temporarily increase absolute emissions during pilot phases or parallel operations, and an intensity-based framework avoids penalising manufactures for this growth. Decoupling emissions from production volume provides the flexibility needed to accommodate fluctuations in demand and supports the long-term competitiveness of trade-exposed industries operating in a global market.

To effectively decouple emissions from production growth and economic activity, BlueScope recommends that the EPA allows licensees the flexibility to adopt either absolute or intensity-based emissions reduction targets. This approach supports meaningful emissions reduction as industry transitions to net zero while accommodating operational realities.

2.4 Optimising Outcomes with a Portfolio Approach

The EPA proposes that emission reduction goals and plans be developed for individual licensed facilities. Licensees may also choose to prepare a single plan covering multiple facilities within NSW, enabling companies to allocate resources where greater emissions reductions can be achieved.

This rational underpins why many organisations set their emissions reduction goals and plans on a portfolio basis at the corporation level. Climate change is a global problem, and by establishing goals and plans at the corporation level, organisations can consider their full operational scope to develop more effective and sustainable decarbonisation strategies. This approach facilitates optimised decarbonisation across the organisation's portfolio, allowing the most cost-effective and impactful actions to be prioritised and implemented to deliver greater emissions reductions across operations.

This approach is recognised in the recently released mandatory AASB S2 Climate-Related Financial Disclosures, which permits climate-related targets to be set at the corporation level, provided they are supported by information on approach, scope and progress.

BlueScope recommends that the EPA allows licensees the flexibility to set decarbonisation goals and plans at the level that delivers the greatest emissions reduction. Restricting plans to a facility or state level risks sub-optimal outcomes by imposing obligations at a level of granularity that is ill-suited to addressing a global challenge. Planning at a portfolio level enables a more strategic allocation of resources and prioritisation of actions that maximise emissions reduction across an organisation's operations.

2.5 Complementary and Coordinated Interjurisdictional Activities

The EPA has justified regulation beyond the Safeguard Mechanism (**SGM**) to address three apparent gaps:

1. The SGM does not require facilities to outline their plans to reduce emissions in the future or to adapt to climate change

BlueScope notes that, instead of mandating specific decarbonisation plans, the SGM sets transparent emissions intensity reduction rates that facilities are required to meet. It acknowledges that facilities are not obligated to detail how these reductions will be achieved, only that they are achieved.

From 2026, corporations will be required under the recently introduced AASB S2 Climate-Related Disclosures to report their GHG emission targets, progress against those targets, and strategic plans for emissions reductions. Accordingly, requiring licensees to provide this information at the state level is largely duplicative of federal requirements and is not necessary to address any 'gap' in federal regulation.

As noted previously, managing emission reduction at the portfolio level is common practice, enabling organisations to pursue least-cost abatement and achieve optimal outcomes in addressing a global challenge. Corporations must also disclose information about climate-related risks and opportunities.

2. The SGM does not require onsite emission reductions as it does not limit the number of carbon credits that can be used to meet a baseline

The SGM is designed to facilitate cost-effective abatement and includes a range of flexible compliance options that moderate cost impacts and reduce the risk of carbon leakage, without compromising the overall environmental outcome or the scheme's emissions budget.

The use of carbon credits, including ACCUs and SMCs, is one of these options, and BlueScope notes that the use of such carbon credits is also permissible under the EPA's proposed requirements. The SGM recognises that carbon credits reduce costs, stimulates demand for cost-effective emissions reduction across the broader economy, and provide a viable pathway for facilities to contribute to national abatement while onsite abatement options are developed.

Consistent with the SGM, the EPA's proposed requirements do not limit the total number of carbon credits that can be used (except for SMCs, which cannot be used beyond what is required to meet an organisation's Safeguard obligations). Additionally, under the SGM, if a facility surrenders ACCUs equal to or more than 30% of its baseline, it must provide the CER with a statement setting out why more onsite abatement has not been undertaken.

Both the SGM and EPA adopt similar and balanced approaches, providing facilities with the flexibility to utilise carbon credits where appropriate. There is therefore no 'gap' in terms of how the use of offsets operates under the SGM that needs to be addressed through action at the state level.

3. The SGM alone will not be enough to help NSW meet its more ambitious emission reduction targets

No single policy or program, when considered in isolation, can deliver emission reduction targets without significant economic consequences at either the organisational or jurisdictional level. The SGM is part of a broader suite of policies and programs designed to deliver emission reductions across Australia. A whole-of economy approach to decarbonisation is essential, with policies and programs working in concert.

BlueScope also notes that the recently announced 2035 Federal emissions reduction target of 62-70% is aligned with the existing NSW 2035 target of 70%.

Rather than viewing the SGM in isolation and imposing additional emissions reduction regulation on industrial manufacturing facilities, the EPA should consider complimentary measures that accelerate the availability of the key enablers necessary for industry to transition sustainably to net zero.

BlueScope does not support the EPA's rationale for extending regulation beyond the SGM. However, it acknowledges the critical role of the NSW Government in enabling industry to

decarbonise in a manner that strengthens, rather than undermines, industrial competitiveness and economic resilience.

A coordinated, whole-of-economy approach to climate policy is essential to achieving this outcome. Duplicating or expanding regulatory obligations at the state level risks misalignment with Commonwealth policy, increased resource intensity, and reduced cost efficiency.

BlueScope recommends that licensees already subject to regulated emission reduction targets under the SGM should not be burdened with additional state-level emission reduction obligations. The SGM drives substantial emissions abatement. However, as noted previously, decarbonisation for certain industrial sectors remains challenging, costly and complex. As facility baselines progressively decline, many facilities will be unable to meet their compliance requirements without relying on carbon credit units. The NSW Government should regard the SGM as an ambitious and robust decarbonisation mechanism, not a minimum expectation.

2.6 Climate Change Mitigation and Adaptation Plan (CCMAP) Development Timelines

Section 3 outlines BlueScope's comments and suggestions regarding the proposed CCMAP Requirements. However, it is important to separately emphasise that the proposed content for inclusion in CCMAPs is extensive and will require significant time to prepare.

Meeting the requirement to publish CCMAPs for the larger facilities by October 2026 will be challenging. If the EPA follows similar timeframes to those used for the previously released Large Emitters Guide, the final version of the requirements will likely be released in early 2026. This would leave limited time for development, preparation, review and approval processes. While funding support for external resources is noted, it may not be effective, as the necessary knowledge to prepare CCMAPs resides solely with the licensee. Additionally, external resource availability is expected to be constrained, given that all larger facilities will be working to the same tight timelines.

BlueScope acknowledges the proposed flexibility to leverage existing mandatory or voluntary climate-change disclosures to meet the CCMAP requirements. However, as clearly stated in the proposed CCMAP Requirements, none of the existing disclosures fully satisfy even a single core element of the CCMAP framework. In effect, a complete CCMAP would need to be required as an addendum to any existing disclosure. This effectively introduces a new mandatory disclosure obligation for licensees.

Typically, the introduction of new mandatory disclosures involves multiple rounds of extensive consultation to ensure the requirements are appropriate and practicable. This is followed by a preparation period of at least 12 months to allow organisations sufficient time to develop their disclosures. For example, the AASB conducted a comprehensive public consultation process from December 2022 to September 2024 to develop AASB S2 (climate-related financial disclosures). Entities were then provided with a minimum of 15 months to prepare for their first reports, with requirements phased in over the initial years of reporting. These entities are now preparing for their first mandatory disclosures in 2026.

In contrast, aside from the adaptation elements, the EPA is conducting only one round of consultation and is accelerating the deployment of the full set of requirements. In BlueScope's view, this approach does not align with the Act's guiding principle of appropriate consultation with stakeholders.

To ensure the credibility and practicality of any new mandatory disclosures, BlueScope recommends that the EPA undertake multiple rounds of consultation and provides licensees with sufficient time to prepare their disclosures.

2.7 Streamlining Annual Climate Change Emissions Reporting Activities

The EPA has proposed an annual reporting requirement commencing in 2026, intended to align with data submitted to the Clean Energy Regulator under the NGER Scheme to reduce regulatory burden.

However, the EPA is requesting more extensive information than the CER, which increases the regulatory burden:

- Under the NGER scheme, the CER does not require emissions and energy intensity data (only absolute data), nor does it require production data.
- Unlike the NGER scheme, the annual climate change emissions report to be submitted to the EPA will need to include a brief commentary explaining any significant changes to emissions.

Additionally, the annual report submitted to the EPA will contain commercially sensitive information that must be securely stored and treated as confidential. The EPA has indicated its intention to analyse and publish this data to improve transparency and accountability. While publishing high-level trends may be appropriate, BlueScope is concerned that publishing detailed data verbatim, such as energy consumed by fuel or energy commodity, could expose confidential information, including trade secrets, and compromise BlueScope's competitive position.

To streamline reporting, reduce regulatory burden, and protect the confidentiality of annual report data, BlueScope recommends the EPA limit its reporting requirements to data already submitted to the CER and ensure that all submitted data is treated as confidential.

2.8 Sector-Specific Mitigation Guides

BlueScope has concerns regarding the EPA's proposal to develop sector specific mitigation guides intended to provide an evidence base for action to assist licensees in identifying appropriate measures. While this approach may benefit certain industries, it poses significant risks for sectors such as primary steelmaking, where decarbonisation pathways are complex and highly context dependent.

BlueScope operates the only primary steelmaking facility in NSW. Developing decarbonisation pathways for such facilities involves considerable complexity, requiring consideration of dynamic factors specific to the steelmaking industry and the unique circumstances of individual facilities. To support its emission reduction targets, BlueScope engages a range of internal and external industry experts to continuously identify and evaluate potential decarbonisation pathways.

The EPA lacks the specialised expertise necessary to assess and prescribe suitable mitigation requirements for the steelmaking industry. BlueScope is concerned that the EPA may impose specific "best available technology" requirements that are not commercially viable or technically appropriate given the context of the operations, or mandate minor actions that introduce costs and resource burdens without delivering material benefits.

Additionally, the Commonwealth government has already invested in the development of Industry Sector Plans, which provide a detailed perspective on how Australian industrial sectors, including iron and steel manufacturing, may transition to a net zero economy. Rather than duplicating efforts

by creating a separate mitigation guide for steelmaking, an approach that would consume further government and industry resources with limited value, the EPA should consider regulatory measures that support the development of key enablers for the industrial sector's net zero transition.

If, contrary to BlueScope's submission above, the EPA decides to proceed with developing sector-specific guidance for the steelmaking industry, to ensure that guidance is appropriate and feasible, BlueScope recommends that it be co-developed with BlueScope and remain advisory, rather than mandating specific technologies or actions.

2.9 Incentives and Funding for Industrial Decarbonisation

The EPA has acknowledged the need for a complementary approach that integrates regulatory action with government incentives and support for emerging technologies.

Ambitious emissions reduction targets must be accompanied by targeted support for hard-to-abate emissions-intensive, trade-exposed (EITE) sectors. These industries are critical to the economy and must remain viable contributors while progressing toward net zero.

Without targeted support, enforcement of mitigation requirements risks imposing disproportionate costs and undermining commercial viability. BlueScope supports efforts to simplify access to funding programs that better accommodate medium to large-scale, complex industrial initiatives. Existing funding programs are often designed for small and medium-sized enterprises and do not adequately address the scale or complexity of large industrial operations.

For example, the NSW Energy Savings Scheme provides valuable incentives for businesses to install energy-efficient equipment but has limited and challenging applicability to bespoke, site-specific projects. In complex industrial environments such as steelmaking, significant effort is required to educate scheme certifiers and develop appropriate methodologies for assessing energy savings. Combined with burdensome regulatory requirements, this creates uncertainty around funding eligibility and extends project timelines, ultimately deterring investment in otherwise viable emissions reduction initiatives.

To support a complementary approach that integrates regulatory action with government incentives, BlueScope recommends that the EPA collaborate with government partners to simplify access and align funding programs with the needs of complex industrial operations.

2.10 Applicability Thresholds and Exit Criteria

The EPA proposes that the requirements apply to premises emitting more than 25,000 tonnes CO₂-e (scope 1 and 2 emissions) in any of the previous three financial years. As a result, facilities that no longer meet the emissions threshold would remain subject to the significant administrative burden associated with the proposed requirements for an additional three years.

To reduce unnecessary burden and encourage sustained emissions reductions, BlueScope recommends that the EPA introduce an accelerated exit criterion for licensees who can demonstrate that their reduced emissions will remain below the applicability threshold in future years.

2.11 Emissions Measurement and Monitoring Networks

The EPA intends to establish regional greenhouse gas monitoring networks and explore inverse modelling methodologies to improve fugitive emissions estimates. Although this initiative may

enhance scientific understanding over time, it remains exploratory and subject to considerable uncertainty.

The proposal to recover costs from industry before the methodology is proven raises concerns regarding fairness and effectiveness. Additionally, it is unclear whether the monitoring will apply universally or be targeted to specific sectors.

Given the explorative nature of this proposed activity and proposal to recover costs from industry, BlueScope suggests that the EPA conduct a pilot program within a limited regional area to demonstrate the effectiveness and value of regional monitoring networks before implementing a broader rollout. Costs should not be passed on to Licensees until the monitoring methodology has been developed and validated in practice.

3 BlueScope's comments on the proposed Climate Change Mitigation and Adaptation Plan Requirements

The proposed CCMAP Requirements are expected to be resource-intensive for Licensees to meet, expose Licensees to new enforcement risk for non-compliance, and offer limited corresponding benefit to the EPA.

BlueScope has observed a material disconnect between the EPA's apparent intent for CCMAPs versus the proposed content within the CCMAP Requirements draft. The apparent primary purpose of the CCMAPs is for Licensees to make their decarbonisation plans available to the public and report on progress. The EPA appears to consider the proposed CCMAP requirements to be highly flexible, allowing Licensees to decide what information is appropriate to disclose. However, as outlined below, the proposed CCMAP Requirements are highly prescriptive and compel Licensees to prepare detailed disclosures of fixed content with minimal flexibility.

The obligation for Licensees to prepare and implement such ambitious and extensive CCMAPs creates a substantial risk of litigation by third parties who may pursue enforcement action for any perceived failure to comply with the draft requirements, noting the open standing provisions that currently exist in the POEO Act. Additionally, Licensees must also manage disclosures carefully to mitigate the risk of inadvertent greenwashing. These factors present considerable risks for Licensees.

BlueScope acknowledges that a 2023 EPA survey revealed that 75% of the estimated 2,000 Licensees regulated by the EPA did not have emissions reduction plans. The proposed CCMAP Requirements may serve as a useful reference for these licensees to develop and publish their plans. However, many of the approximately 200 Licensees targeted by these Requirements have already developed decarbonisation plans that publicly disclose appropriate levels of information relevant to their industry and organisation. These plans essentially fulfil what the EPA has reported to be the primary purpose of CCMAPs and are being aligned with the recently released AASB S2 Climate-Related Financial Disclosures.

The EPA must recognise that a standardised, highly prescriptive approach to decarbonisation plans is not appropriate. Licensees should be afforded meaningful flexibility to disclose their plans in a manner that effectively balances stakeholder needs with legal risk. For Licensees with existing decarbonisation plans, the proposed CCMAP Requirements would divert resources away from

implementing emissions reduction initiatives and towards preparing new, extensively qualified disclosures that offer minimal additional value to stakeholders.

Rather than requiring that all licensees prepare standardised decarbonisation plans conforming to rigid requirements, the EPA could achieve its objective of standardising licence conditions while applying less prescriptive requirements for decarbonisation plans such that Licensees have the flexibility to disclose plans at the level of detail appropriate for the context of their operations. This approach would allow Licensees to set the level and content of their plans to optimise emissions reduction outcomes.

3.1 Ten-Year Emissions Forecasts

In addition to the previously noted requirement for licensees to set greenhouse gas emissions reduction goals, the EPA proposes that Licensees also submit projections of future scope 1 and scope 2 greenhouse gas emissions for the licensed premises, covering each of the next ten financial years. These forecasts are to be provided both as part of the CCMAP and through a direct submission to the EPA.

BlueScope acknowledges the EPA's interest in this forecast information is to support State level emissions forecasting activities. However, providing such information, particularly if subject to public disclosure, introduces unintended risks for Licensees.

Developing robust and granular medium and long-term emissions forecasts for complex manufacturing facilities and steelmaking operations is inherently challenging. These forecasts are highly sensitive to a diverse range of dynamic operational, market and other conditions (many which are beyond BlueScope's control), resulting in considerable uncertainty that increases over time. This challenge is further compounded by the need to align projections with emissions reduction goals, and to factor in the impact of proposed mitigation measures, despite significant uncertainty surrounding the availability of enabling technologies, implementation timelines, and evolving commercial contexts. BlueScope is concerned that stakeholders may interpret these forecasts as binding commitments, even when accompanied by clear disclaimers regarding their inherent uncertainty. BlueScope further queries the value of these forecasts in circumstances where they are inherently uncertain and will need to be extremely heavily qualified.

If the EPA is seeking a high level of certainty for emissions forecasts, then these forecasts will need to be based on shorter timeframes. A timeframe that is more aligned with the typical one-to-three-year capital investment horizon for large equipment could be more workable.

BlueScope also holds concern that forecasts disaggregated by activity and emissions source are likely to contain commercially sensitive information. For instance, public disclosure of the types and quantities of raw materials used in burdening and fuelling BlueScope's blast furnace, information considered trade secrets, could materially compromise the company's competitive position.

BlueScope recommends that if they are to be required, facility-level emissions forecasts be submitted directly to the EPA under strict confidentiality protocols and not subject to public disclosure. These could be incorporated into the confidential annual climate change emissions report on a tri-annual basis. Furthermore, in recognition of the significant uncertainty inherent in longer-term forecasts, which limit their usefulness for decision making, BlueScope suggests the EPA instead reduce the required forecasting timeframe to no more than three years.

The proposed CCMAP Requirements will also require Licensees to include a description of how future emissions have been estimated, including the assumptions, data and methods applied. As noted above, forecasting emissions for complex manufacturing facilities comprising multiple, interdependent production processes is inherently challenging and involves multiple layers of complexity.

Preparing such a description would be a significant undertaking and is likely to be of limited utility to anybody outside the business, given the complexity of the calculations and assumptions involved. Even a simplified approach using a basic production-emissions intensity relationship would require numerous input assumptions to estimate future production levels. Such assumptions will involve commercially sensitive information that manufacturers should not be required to disclose publicly due to competitive concerns.

BlueScope is further concerned that publicly releasing the details of forecasting methodologies could invite frivolous challenges regarding the validity of assumptions and methods used. This would increase the resource burden associated with disclosure, requiring additional stakeholder engagement and management, without a clear or proportional benefit.

BlueScope understands that the EPA has proposed this requirement to ensure that forecasting methodologies are robust. However, the requirement introduces a significant administrative burden – not only for Licensees, who must prepare detailed documentation, but also for the EPA, which would need to allocate resources to review and assess the forecast methodologies outlined in each CCMAP.

To balance transparency with practicality, BlueScope recommends that the EPA instead require submitted forecasts to be accompanied by a concise description of the level of uncertainty associated with the forecast. This approach would provide valuable context for interpreting forecast data, while reducing the resource demands for all parties.

3.2 Existing and Committed Mitigation Measures

The proposed CCMAP Requirements stipulate that a description of existing and committed future mitigation measures for the next ten years must be provided. This requirement is onerous, particularly due to the need to address the seven listed elements in section 3.2 of the CCMAP Requirements for each mitigation measure, and introduces significant additional complexity and legal risk for Licensees.

Committed mitigation measures

The CCMAP Requirements will require Licensees to identify and 'commit' to mitigation measures over the next ten years and specify implementation timeframes. Large industrial manufacturers such as BlueScope typically operate within one-to-three-year capital investment cycles, within which mitigation measures can feasibly be committed to following final investment decisions. Over longer timeframes, future activities become less certain, making it problematic to require Licensees to 'commit' to specific longer-term measures and timelines in their CCMAPs.

If the EPA mandates that Licensees 'commit' to specific mitigation measures over longer timeframes, this will expose Licensees to a significant risk of enforcement action and/or claims of greenwashing, if those mitigation measures are not ultimately viable. This approach will also constrain the level of transparency and aspiration that Licensees can provide in their CCMAPs. Licensees are unlikely to be comfortable disclosing mitigation measures that are under serious consideration and proposed for implementation if there remains uncertainty about their viability. In such cases, Licensees will not be able to commit to those measures.

It is foreseeable that some Licensees may choose not to propose any mitigation measures beyond a one to three year timeframe in their CCMAPs due to the uncertainties surrounding longer-term measures and the associated risks. This would significantly diminish the value of the CCMAPs.

If the EPA seeks disclosure of the full range of mitigation measures under consideration and proposed for long-term implementation, subject to future viability, the CCMAP Requirements should not compel Licensees to 'commit' to long-term mitigation measures. Instead, Licensees should be permitted to outline specific mitigation measures under investigation and consideration in their CCMAPs without being required to commit to them prior to confirming their viability.

Ensuring performance and contingency plans

For each measure, Licensees are required to describe how they will ensure the claimed performance level of each mitigation measure, and how contingency actions can be adopted or retrofitted to maintain that. This requirement presents several practical challenges for Licensees such as BlueScope.

In some cases, viable contingency alternatives do not exist. For example, if BlueScope identifies biochar as a low-carbon replacement for pulverised coal injection (PCI), and biochar becomes unavailable, either due to the failure to establish an Australian supply chain or a disruption in production, there are currently no alternative low-carbon materials that could serve as substitutes. In such circumstances, the only feasible option to maintain the claimed performance level may be the purchase of costly offsets, which introduces significant commercial risk.

This requirement may also deter Licensees from disclosing potential longer-term pathways that depend on multiple key enablers beyond their control, such as those previously discussed for steel manufacturing. These pathways are inherently complex and subject to material uncertainty. Requiring Licensees to develop and disclose contingency plans – likely to be even more uncertain – is onerous and potentially introduces legal risks.

The obligation to ensure a particular performance level in terms of emissions reduction may discourage Licensees from proposing innovative or emerging technologies. Further, Licensees must be able to isolate and monitor the effectiveness of mitigation measures to ensure claimed performance. While this may be straightforward for simple operations, it presents significant challenges for complex manufacturing facilities with integrated operating processes.

For example, the introduction of the new, more efficient furnace to heat slabs at the Port Kembla Steelworks would reduce the consumption of coke ovens gas (generated by a separate process). This gas could then be used to generate electricity via another process involving multiple fuel sources, thereby reducing scope 2 emissions. However, numerous factors, including other mitigation measures, affects both the gas savings and the electricity generated. It is extremely difficult to monitor the emissions reduction contribution of the new furnace in isolation. Licensees may therefore be unable to comply with the proposed CCMAP Requirements or may be induced to inadvertently provide misleading information in seeking to comply.

Optimising overall environmental outcomes

Licensees are required to explain how each mitigation measure will avoid compromising other pollution controls or the premises' overall environmental performance. This requirement may restrict opportunities for decarbonisation – if a proposed measure compromises other pollution controls, it will not be possible to explain how the Licensee has avoided compromising those controls, and the proposed measure may be prevented from proceeding. BlueScope recommends

that Licensees retain flexibility to optimise production processes within the bounds of their environment protection licences.

For example, a facility may consider implementing a waste heat recovery project that significantly reduces greenhouse gas emissions but slightly diminishes the effectiveness of an adjacent air emission pollution control. In this scenario, the Licensee would not be able to explain how the proposed project will avoid compromising other pollution controls. As a result, the Licensee would not be able to comply with the CCMAP Requirements, even if the elevated air emissions remain within licence limits, and the proposed project may not be able to proceed.

Application of the mitigation hierarchy and comparison to best practice measures

Licensees must describe how each mitigation measure aligns with the mitigation hierarchy and how they applied it when choosing mitigation measures, considering technical, logistical and financial factors. Additionally, measures must be compared to any relevant best practice measures identified by the EPA.

It is unclear whether these requirements apply holistically across all mitigation measures or individually. The practical value of this disclosure is also uncertain. For example, if BlueScope commits to substituting a portion of PCI with biochar, it is unclear whether the EPA expects this to be compared with a completely different measure, such as converting to electric forklift fleets, identified in EPA guidance. The requirement to justify specific mitigation choices imposes administrative burden without commensurate benefit.

Existing mitigation measures

Facilities such as BlueScope's Port Kembla Steelworks and Springhill Works have implemented numerous mitigation measures over decades. The proposed CCMAP Requirements do not address the relevance of such measures and imply that all existing measures, regardless of age or materiality, must be included. As currently drafted, Licensees must provide extensive detail aligned with the seven listed elements for existing measures. This introduces significant additional work with minimal benefit. For example, describing how an existing mitigation measure aligns with the mitigation hierarchy or compares to best practice does not provide helpful or actionable information.

The proposed seven elements that have to be addressed in relation to each existing mitigation measure are overly prescriptive and have limited utility in relation to existing measures. BlueScope recommends that Licensees be given the flexibility to disclose decarbonisation plans in a clear and transparent manner appropriate to their operations.

3.3 Additional Reporting Obligations for Safeguard Facilities

Safeguard Facilities are required to disclose additional information in the CCMAP, such as how CCMAP goals align with expected facility SGM decline rates and how SGM production variable intensities compare with default emissions intensities. However, the EPA has not explained the value of this information or the decisions it will inform.

BlueScope does not understand the necessity or usefulness of this information for stakeholders. The general lack of utility is highlighted by the fact that even the Clean Energy Regulator (which oversees the SGM) does not require such disclosures. Furthermore, the EPA is proposing emissions regulation beyond the SGM, essentially disregarding the program and questioning its effectiveness, based on its view that the SGM alone will not enable NSW to meet its emission reduction targets.

These additional reporting obligations go beyond duplication and represent regulatory overreach, increasing the resource burden on both industry and government without delivering material benefit.

Certain disclosure requirements are also unclear. For example, BlueScope does not understand what the EPA means by requesting disclosure of the level of onsite abatement. Other requirements introduce forecast risk and market implications, such as the obligation to disclose expected use of Safeguard Mechanism Credits (SMCs). This is particularly concerning, as SMCs are tradeable credits. Requiring disclosure of forecast compliance liabilities, subject to uncertainty, could distort market supply and demand dynamics.

BlueScope recommends removing the requirement for additional reporting obligations for Safeguard facilities.

3.4 Streamlining Disclosures of Emission Sources

Licensees will be required to describe and quantify the emissions sources for the most recently concluded financial year within the CCMAP. As previously noted, the public disclosure of granular emissions information is problematic due to its commercial sensitivity.

In any event, given this information is already submitted annually to the CER under the NGER scheme, the EPA has an opportunity to streamline reporting. It could do so by incorporating emissions source data into the annual report submission rather than requiring it in the CCMAP. As previously suggested, the annual report should be limited to data already submitted to the CER, provided directly to the EPA and treated as confidential.

To streamline reporting and protect commercially sensitive information, BlueScope recommends that emissions source disclosures be included in the confidential annual climate change emissions report, as part of the data set already submitted to the CER.