

04 November 2025

The Manager  
Public Consultation – NSW EPA Climate Change Licensee Requirements  
NSW EPA  
PO Box 622, Queanbeyan NSW 2620

Dear Sir/Madam,

Our group of companies operate a small rural manufacturing and mining business in Young, NSW, called Causmag Ore Company Pty Ltd holding EPL 942 and Young Mining Company Pty Ltd holding EPL 259. The present annual emissions from our facilities are much less than 25,000 t CO<sub>2</sub>-e. However, we have plans to expand our operations in the next 5 years to achieve economies of scale that could make our annual emissions exceed the threshold. Accordingly, we would like to provide feedback on the NSW EPA Climate Change Licensee Requirements which would then be applicable to our operations.

**About our products:**

Our products can be used to make Magnesium which is a critical mineral. We are one of just three such companies in Australia. We manufacture Magnesium compounds that are used in stock feed, animal health, and fertiliser applications. The very nature of our chemical process requires liberation of CO<sub>2</sub> from naturally occurring magnesite or Magnesium Carbonate to produce Magnesium Oxide or caustic calcined magnesia. Magnesium Oxide is essential to prevent loss of cattle and sheep from diseases such as grass tetany. Our products also have applications in defence and other strategic applications.

**Our concerns:**

- Lack of support for transition – there appears to be no meaningful technical or financial assistance to support smaller businesses in meeting the proposed obligations. For example, the NSW High Emitting Industries Grant is only available to businesses that are emitting more than 90,000 t CO<sub>2</sub>-e per year. Further, to the best of our knowledge, there is no electric furnace available at an affordable cost to replace our natural gas-fired furnaces and even if one was available, it is not clear as to how we can afford to run such an electric furnace when the largest user of electricity in NSW, Rio Tinto's aluminium smelter in Tomago is facing closure due to high costs for electricity.
- No exemptions for energy intensive trade exposed manufacturing industries – the proposal does not allow for exemptions for industries that are energy intensive and trade-exposed like ours. We face intense competition from products made in China. Our competitors in China take advantage of lower costs for energy, labour and capital in addition to having much lower compliance requirements for safety, environment and quality. For example, we have already been forced to

surrender most of our Magnesium Oxide customers to competitors selling Chinese-made products due to lack of supply of natural gas at an affordable cost. It is not clear as to how the environment will benefit by shifting what is left of manufacturing in Australia to China where there is likely to be higher emissions and higher pollution.

- Limited Recognition of Rural Constraints and Operating Conditions - The proposal assumes ready access to renewable energy and low-emission technologies, which is not feasible in rural areas of NSW. For example, there is simply no “renewable” source of either natural gas, electricity, or diesel available in our rural area for purchase (at any price) to substitute existing fossil-fuel based sources. This infrastructure and these facilities should be put in place first at an affordable cost before committing small rural industries to reduce carbon emissions.
- Disproportionate Burden - The proposed requirements apply equally to licence-holders above the threshold, regardless of size or operational capacity or financial power.
- Absence of a Tiered or Risk-Based Approach - The single threshold of 25,000 tons CO<sub>2</sub>-e may capture medium-sized operators without corporate-scale systems. There is no simplified reporting pathway for low-emitting or low-risk sites. Smaller rural businesses lack the resources and technical expertise to prepare detailed reports and long-term projections, resulting in excessive compliance costs relative to their emissions footprint.
- Duplication of Existing Reporting - Businesses like Causmag already report emissions under the National Greenhouse and Energy Reporting (NGER) scheme and existing EPA licence requirements. Additional reporting would duplicate data collection and increase administrative costs without clear environmental benefit.
- Broader issues such as transport costs, rural labour shortages and other constraints have not been adequately considered.

Our suggestions:

- Ensure access to renewable sources for energy to substitute existing fossil fuel-based sources for natural gas, electricity and diesel before requiring rural industries to reduce carbon emissions.
- Provide exemptions for energy intensive and trade exposed industries which are already operating under unequal conditions.
- Increase the threshold for small rural businesses from 25,000 t CO<sub>2</sub>-e to 100,000 t CO<sub>2</sub>-e.
- Introduce a tiered, risk-based compliance model with simplified requirements for smaller emitters.
- Align state requirements with existing federal frameworks to avoid duplication.

We respectfully submit that the requirements be updated to ensure they are practical, proportionate, and equitable, particularly for small rural industries that form the backbone of many communities.

We would be pleased to submit additional information for review as requested. Thank you for your time.

Yours faithfully,



(Aditya Jhunjhunwala)  
Managing Director

**Manufacturers of High Grade Magnesium Oxide and Magnesium Carbonate**