



3 October 2025

Manager, Climate Change Policy
NSW Environment Protection Authority
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Subject: Submission on Proposed Climate Change Licence Requirements – Consultation Draft

Dear Sir/Madam

Thank you for the opportunity to provide feedback on the NSW EPA's Proposed Climate Change Licence Requirements – Consultation Draft (July 2025). Think Brick Australia welcomes the EPA's commitment to climate action and supports the overarching goals of emissions reduction and improved climate resilience.

The Clay Brick and Paver Institute Limited (**Think Brick Australia**) is the peak industry body representing Australia's clay brick and paver manufacturers. The Australian brick industry is worth approximately \$2.8 billion to the national economy and creates employment for 30,000 people nationwide in the manufacturing and installation of its product. Think Brick Australia undertakes extensive research on behalf of the industry and provides technical resources and training.

However, we wish to raise several concerns regarding the proposed requirements and their potential unintended consequences for the brick manufacturing sector, particularly in relation to the following.

1. Threshold Design and Sector Equity

The proposed application of requirements to facilities emitting over 25,000 tonnes CO₂-e per annum risks disproportionately impacting the most efficient and modern brick manufacturing plants. These facilities, such as Brickworks' Horsley Park Plant 2, have already achieved significant emissions reductions through substantial investment in energy efficiency and process innovation.

By contrast, smaller, less efficient facilities may fall outside the scope of regulation, creating a perverse incentive structure that penalises early movers and undermines the EPA's stated principles of fairness and evidence-based regulation.

We recommend:

- A sector-based approach that recognises carbon intensity improvements rather than absolute emissions.
- Consideration of facility efficiency and historical abatement efforts in determining regulatory thresholds.
- The mitigation measures should be outcome focused, such as carbon intensity per unit of production, and not involve specific or even industry sector specific processes.

2. Duplication and Regulatory Burden

While we acknowledge the EPA's intent to avoid duplication, the proposed requirements (e.g., annual emissions reporting, Climate Change Mitigation and Adaptation Plans, and emissions measurement) risk overlapping with existing obligations under the Safeguard Mechanism and NGERs.

We urge the EPA to:

- Ensure full alignment with federal reporting frameworks.
- Accept existing documentation where equivalent, with minimal additional administrative burden.
- Provide clear guidance on acceptable formats and data sources to streamline compliance.

3. Impact on Housing Affordability and Domestic Manufacturing

Clay bricks are a fundamental building material in Australian housing. Additional compliance costs, particularly for large-scale producers, will inevitably flow through the supply chain, increasing the cost of home construction at a time when affordability is already under pressure.

Moreover, the risk of carbon leakage and offshoring is real. Penalising Australia's most efficient producers may incentivise imports from jurisdictions with weaker environmental standards, undermining both domestic jobs and global emissions reduction efforts.

We recommend:

- A phased implementation that reflects industry readiness and avoids sudden cost shocks.
- Support for local manufacturing through targeted incentives and recognition of low-carbon product innovation.

4. Recognition of Industry Leadership and Innovation

The brick industry has made demonstrable progress in reducing emissions:

- Brickworks has reduced Scope 1 and 2 emissions by 61% since 2006.
- Over 1,000 products now carry verified Environmental Product Declarations (EPDs).
- The industry is actively investing in low-carbon technologies and product innovation.

We ask that the EPA:

- Recognise and reward early action and verified product-level improvements.
- Ensure that emissions limits and mitigation actions reflect sector-specific realities and technological maturity.

5. Recommendations for Implementation

To ensure the proposed requirements support genuine emissions reduction without undermining industry competitiveness, we recommend:

- Developing sector-specific guidance that reflects the unique characteristics of brick manufacturing.
- Supporting industry-led innovation through grants and technical assistance.
- Ensuring that emissions limits and mitigation actions are proportionate, evidence-based, and feasible.

Conclusion

Think Brick Australia supports the EPA's climate objectives and is committed to working collaboratively to achieve them. However, we urge the EPA to reconsider aspects of the

proposed licence requirements to ensure they are fair, effective, and supportive of Australia's manufacturing and housing sectors.

We welcome further engagement and would be pleased to contribute to the development of sector-specific guidance and implementation pathways.

Kind regards,

A handwritten signature in black ink, appearing to read 'Cathy', with a stylized flourish at the end.

Cathy Inglis AM
CEO
Think Brick Australia

