

2<sup>nd</sup> February 2024

**Office of Energy and Climate Change**

**NSW Treasury**

Via Email: [renewablefuelscheme@environment.nsw.gov.au](mailto:renewablefuelscheme@environment.nsw.gov.au)

**Re: NSW Renewable Fuel Scheme Rule 1 Consultation**

Brickworks Building Products Pty Ltd ("Brickworks") welcomes the opportunity to comment on the NSW Renewable Fuel Scheme ("RFS") Rule 1 consultation paper.

Brickworks is Australia's leading domestic manufacturer of building products. Our building products are essential to constructing new homes and help address the current housing crisis. In NSW, we manufacture more than 200 million bricks yearly at our Austral Bricks plants in Western Sydney and Bowral. Brickworks annually consumes up to 1.5 million GJ (1.5 PJ) of natural gas in NSW which is used to fire the brick kilns. Brickworks purchases gas on a wholesale basis and would be directly liable under the current RFS legislation.

As part of our decarbonisation pathway for natural gas usage, we are working towards developing a biomethane facility that would be co-located with our new brick plant in Horsley Park. The facility would be capable of annually supplying 210,000 GJ of biomethane directly to our Austral Bricks plant, reducing the plant's scope 1 (direct) emissions by 9,516 tCO<sub>2e</sub> per year. Biomethane is a commercially viable decarbonisation pathway for hard-to-abate high-heat industrial processes, such as brick kilns, utilising mature technology readily available internationally, and it can be produced in the near term at a significantly lower cost than green hydrogen.

Brickworks is disappointed that the NSW government has not considered adjusting the RFS to ensure that the cost of the scheme is equitably borne by those entities that benefit from the scheme. We are concerned that this consultation has not considered expanding the liability of the RFS to include the transport sector, or expanding the scope of the RFS to include other renewable gases, such as biomethane, which would help NSW

decarbonise at a lower cost. We have also not seen any information published on the cost impact on NSW gas consumers, and there has been no further consideration of exemptions for large gas users consuming above 0.5 PJ per annum. These areas should be a priority for future work to be conducted in early 2024 so that it provides clarity and certainty to the market on the RFS well before the commencement of liabilities under the scheme.

As a member of the Energy Users Association of Australia and Bioenergy Australia, we support their submissions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Melissa Perrow', written in a cursive style.

Melissa Perrow  
General Manager Energy