

INQUIRY INTO EMISSIONS FROM THE FOSSIL FUEL SECTOR

Organisation: Beyond Zero Emissions

Date Received: 21 August 2025

NSW Inquiry

Emissions from the fossil fuel sector

Beyond Zero Emissions submission



Date: Aug 21, 2025

Attention: Joint Standing Committee on Net Zero Future

[Beyond Zero Emissions](#) (BZE) thanks the Joint Standing Committee on Net Zero Future for the opportunity to make a submission for their inquiry into emissions from the fossil fuel sector. Beyond Zero Emissions is an independent think-tank finding and building solutions for a prosperous zero emissions Australia.

This submission draws the following Beyond Zero Emissions research:

[Powering Up the Hunter \(2025\)](#)

[The Hunter Regional Readiness Report \(2025\)](#)

[The Hunter Renewable Energy Industrial Precinct \(2022\)](#)

[Export Powerhouse \(2021\)](#)

This research directly relates to the Committee's inquiry. Our responses to the inquiry are below.

Yours Sincerely,

Matt McKee

Chief Researcher

Beyond Zero Emissions

(1) That the Joint Standing Committee on Net Zero Future inquire into and report on the scale and nature of current and likely future direct greenhouse gas emissions from fossil fuel projects and related infrastructure in New South Wales, and in particular:

(a) the relevance and consequences of fossil fuel greenhouse gas emissions for achieving New South Wales emissions reductions targets and complying with the guiding principles and purposes of the Climate Change (Net Zero Future) Act 2023

The Climate Change (Net Zero Future) Act 2023 (the Act) was passed with multi-party support in November 2023.

Its guiding principles include addressing climate change as early as possible to minimise its costs and adverse impacts, including the economic risks of delaying action to address climate change and its impact on regional communities¹.

In line with these principles, the Act set legally binding greenhouse gas emissions reductions targets based on 2005 emissions levels. These targets include a 50% reduction by 2030, 70% by 2035, and net zero by 2050².

The Hunter region is critical to achieving these emissions reductions targets. In 2021, 37% of NSW emissions were in the Hunter, despite having only 8% of the population³. The Hunter's emissions are 48Mt CO₂e and 11% of this is fugitive emissions from coal mines⁴. Reducing emissions in the Hunter will go a long way towards meeting the emissions reductions targets for all of NSW.

But current government policy settings place these targets at risk, for two main reasons.

First, emissions keep increasing. The NSW government continues to support fossil fuel use and has approved at least six coal mine expansions since January 2024^{5 6 7 8 9 10}. Promoting fossil fuel expansion alongside emission reductions targets gives conflicting signals and undermines investor confidence in clean energy development¹¹. The International Energy Agency has clearly stated in its *Net Zero by 2050* Report that to meet the Paris Commitments of limiting average global temperature to 1.5 degrees of warming above pre-industrial levels, as of 2021 there can be no new oil or gas fields, no new coal mines, and that fossil fuel demand can be met from existing assets¹². The Intergovernmental Panel on Climate Change (IPCC) has also made this clear in its 2023 Synthesis report¹³ and 2022 Climate Change Mitigation reports¹⁴.

Second, renewable energy deployment has been too slow to fill the looming energy supply gap. The Hunter's major coal-fired power stations (Bayswater, Eraring, and Vales Point) are all due to close by 2033, leaving an estimated 34-terawatt hours per year shortfall in NSW's electricity supply¹⁵. Meanwhile, renewable energy transmission network projects are on track to meet only around 50% of the demand to electrify industry by 2035¹⁶. These projected shortfalls mean that key electricity infrastructure and transmission projects are not on track to meet emission reduction targets. It is acknowledged that the NSW government recently passed an amendment to fast-track infrastructure development ahead of the Eraring power station closure, and this is a step towards addressing these risks^{17 18}.

(e) economic costs associated with greenhouse gas emissions including indirect costs from climate change related impacts and opportunity costs for other sectors

Currently, 39% of Australia's total commodity exports are fossil fuels¹⁹. In NSW, DFAT reported that coal is by far the state's largest export valued at \$33 billion in 2023-24²⁰. Yet Australia's five largest export markets have adopted net zero targets, placing \$128 billion in annual export revenue at risk unless alternative industries are developed²¹. If Australia does not rapidly scale up investment in renewables, we will enter a period where fossil fuel exports drop off before clean industries scale up.

Australia has previously demonstrated its ability to rapidly expand export industries when supported by clear policy direction. For example, in 2000 iron ore accounted for \$5 billion of exports but by 2019 it had increased 20-fold to \$100 billion²². This can be done again.

BZE research shows that coordinated investment in renewable-powered manufacturing could unlock a new green export mix valued at \$333 billion annually by 2050, almost triple the value of current fossil fuels exports²³.

For example, modelling undertaken by ACIL Allen, commissioned by Beyond Zero Emissions and WWF-Australia, demonstrates that a dedicated Renewable Energy Industrial Precinct in the Hunter has the potential to:

- Unlock new capital investment of \$28 billion
- Create 34,000 new ongoing local jobs in new manufacturing and service industries
- Generate \$11 billion in revenue per annum by 2032
- Protect existing manufacturing activities and the jobs they provide by repowering them with renewable energy²⁴.

Yet the dual policy direction in NSW of fossil fuel and zero-emission economies sends conflicting signals to investors and the energy sector. This delays renewables investment, undermines investor confidence, and diverts skill and capital away from future industries²⁵. These costs compound the direct financial risks of climate change and represent missed opportunities for regional resilience and growth. Beyond these risks, delays and uncertainty in the energy transition can trigger indirect costs such as stranded assets, rising energy prices, storage gaps, and regional economic disruption^{26 27}.

(f) any other related matters.

In 2021, 37% of NSW emissions were in the Hunter, despite having only 8% of the population²⁸. BZE's Hunter Regional Readiness Report excluded coal mines from its Industrial Decarbonization analysis, however acknowledged that if the coal mining industry was included, the region's score would have been significantly downgraded. If the fossil fuel sector fails to curb its emissions, legislated reduction targets get harder to meet, forcing other sectors, such as agriculture, manufacturing and transport, to cut emissions more deeply and quickly to compensate. In addition, the continued expansion of the fossil fuel industry will create additional fugitive emissions.

Simultaneously, government policies both support fossil fuel expansion while requiring other sectors to decarbonise. This dual messaging creates perverse incentives. The result is a slower, more uneven transition to a net zero economy, with risks concentrated in sectors already under pressure to decarbonise²⁹.

BZE therefore recommends that the NSW Government adopts a consistent approach and rules out further fossil fuel project expansions and continues to accelerate renewable energy infrastructure deployment at the scale needed to meet the legislated targets. BZE commends recent legislation introduced by the NSW Government to fast-track renewable energy development as a good step towards achieving the emissions reduction targets³⁰.

References

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- ⁵ New South Wales Department of Planning and Environment (NSW DPIE), (2024) *Boggabri Coal Mine Modification 8 – Increase in Depth of Mining*, NSW DPIE.
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- ⁷ NSW DPIE, (2025) *Mt Arthur Coal MOD 2 (Pathway to 2030)*, NSW DPIE.
- ⁸ NSW DPIE, (2025) *Mod 8 – Extension of time*, NSW DPIE.
- ⁹ NSW DPIE, (2025) *Ulan Coal Modification 6 – Underground Mining Extension*, NSW DPIE.
- ¹⁰ NSW DPIE, (2025) *MOD 3 - Longwall S7A*, NSW DPIE.
- ¹¹ Beyond Zero Emissions, (2025) *Hunter Regional Readiness Report*, Beyond Zero Emissions.
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- ¹³ IPCC, (2023) *AR6 Synthesis Report: Climate Change 2023*, IPCC.
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- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ New South Wales Government, (2025) *Electricity Infrastructure Investment Amendment (Priority Networks Projects) Bill 2025*, New South Wales Government.
- ¹⁸ Parliament of New South Wales, (2025, 7 August) Legislative Council Hansard, Parliament of New South Wales.
- ¹⁹ Beyond Zero Emissions, (2021) *Export Powerhouse*, Beyond Zero Emissions.
- ²⁰ Department of Foreign Affairs and Trade (2024) *NSW Recent Economic Indicators*, Department of Foreign Affairs and Trade (<https://www.dfat.gov.au/sites/default/files/nsw-cef.pdf>)
- ²¹ Ibid.
- ²² Beyond Zero Emissions, (2021) *Export Powerhouse*, Beyond Zero Emissions.
- ²³ Beyond Zero Emissions, (2021) *Export Powerhouse*, Beyond Zero Emissions.
- ²⁴ Beyond Zero Emissions, (2022) *Hunter Renewable Energy Industrial Precinct*, Beyond Zero Emissions.
- ²⁵ Beyond Zero Emissions, (2025) *Powering Up the Hunter*, Beyond Zero Emissions.
- ²⁶ Ibid.
- ²⁷ Parliament of New South Wales, (2025, 7 August) Legislative Council Hansard, Parliament of New South Wales.
- ²⁸ Institute of Regional Futures (2025), *Hunter Insight Dashboard*, The University of Newcastle. Accessed on 18 August 2025
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- ³⁰ New South Wales Government, (2025) *Electricity Infrastructure Investment Amendment (Priority Networks Projects) Bill 2025*, New South Wales Government.