

**Submission  
No 18**

## **INQUIRY INTO EMISSIONS FROM THE FOSSIL FUEL SECTOR**

**Organisation:** Lock the Gate Alliance

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Reply to: Nic Clyde  
NSW Coordinator

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## **Joint Standing Committee on Net Zero: inquiry into fossil fuel emissions**

### **Submission**

Thank you for the opportunity to make a submission to this important inquiry. Lock the Gate Alliance is a network of over 120,000 farmers, Traditional Owners, conservationists and community members from across Australia, affected by and concerned about the impacts of coal and unconventional gas mining. We live and work in the communities affected by these industries and undertake research, advocacy and support to protect the environment, cultural heritage and society from damage. Many of our members are regionally-based, and are also experiencing first-hand the consequences of global warming.

We are very concerned about the consequences of more than 1.5 or even two degrees of global warming for the communities, waterways and landscapes of New South Wales and do not believe sufficient action is being taken to prevent or adapt to these changes. The greenhouse gas emissions from the coal mining sector in particular are of huge consequence in this matter so we are grateful to the Committee for its attention. In short, we submit that there are three urgent priorities for the Committee's attention. The gap between NSW's 2030 emissions reduction commitment and its current trajectory can be closed by:

1. Preventing the expansion of coal mining operations currently seeking approval from the NSW Government; and,
2. Ensuring that the highest emitting underground coal mines install commercially available abatement technology before 2030.
3. Requiring reductions in coal production where cumulative implementation of Scope 1 abatement measures fail to align with emissions reductions required to - at a minimum - meet the legislated 2030 abatement target.

Currently, confused and contradictory policy is enabling the expansion of emissions from the coal mining sector and this is coming at the cost of a secure future and orderly decarbonisation of other sectors of the economy.

These issues cannot be resolved by the Minister for Climate Change, Energy, Environment and Heritage alone. Lock the Gate encourages the Committee to seek the participation of the Minister for Planning, the Minister for Natural Resources and the Premier in these proceedings to ensure that the Government's programs are coherent with regard to achieving the targets and adhering to the principles of the *Net Zero Future Act*.

The terms of reference for the Committee's inquiry are addressed below.

## **Relevance and consequence of fossil fuel emissions for targets and principles**

### *Relevance and consequence of emissions from coal production*

The NSW Government has acknowledged that deep and urgent reductions in such emissions are required to meet temperature goals under the Paris Agreement.<sup>1</sup> The Climate Change Authority's Sector Pathway Review confirmed the need for urgent and deep reductions stating that **"waiting for new, better, cheaper technologies is tantamount to choosing to continue to emit ... The most sensible thing to do is to stop emitting greenhouse gases as much and as quickly as possible. It would be a mistake to wait."**<sup>2</sup> This is consistent with principle 8 (3) of the *Net Zero Future Act* - "Action to address climate change should be taken as early as possible to minimise the cost and adverse impacts of climate change."

As has already been established, there is a gap between the emissions reductions expected to be achieved by current government policy and the targets established in the *Net Zero Future Act*. Lock the Gate is strongly of the view that inaction from the NSW Government regarding greenhouse gas emissions from the coal mining sector is coming at the expense of other sectors of the economy and the wellbeing of the population at large. The Net Zero Commission has expressed concern that emissions associated with extended coal projects would "require all other sectors to make greater emissions reductions." The NSW Productivity and Equality Commission has advised the Government to "take a more active role in guiding the transition" and warned about the costs of delay.<sup>3</sup> It has specifically advised the Government to act to reduce fugitive emissions from coal mining. Minister Sharpe has conceded that these emissions will affect NSW's ability to meet its targets. Indeed, unlike almost every other sector of the NSW economy, fugitive emissions from coal mining are projected to *increase* between now and 2030.

The consequences of failing to achieve the temperature goals to which NSW's targets must contribute are not widely understood and warrant attention from the Committee. We refer the Committee to recent reports produced by the Climate Council that indicate some of the extensive harm that can be expected if global average temperatures exceed 1.5 degrees for any length of time,

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<sup>1</sup> Section 3(2) *Net Zero Future Act*; NSW EPA, State of the Environment Report, '[Greenhouse Gas Emissions](#)'.

<sup>2</sup> Climate Change Authority Sector Pathway Review 2024 at 4. Retrieved from [Sector Pathways Review Part 1 Introduction \(climatechangeauthority.gov.au\)](#)

<sup>3</sup> Productivity and Equality Commission. November 2024. Achieving Net Zero Paper 1: Ensuring a cost effective transition. <https://www.productivity.nsw.gov.au/sites/default/files/2024-11/NSW-Productivity-and-Equality-Commission-Achieving-net-zero-paper-1-Ensuring-a-cost-effective-transition.pdf>

or rise above 2 degrees above pre-industrial temperatures. As the Climate Council illustrates, average temperature rise in Australia has been higher so far than the global average:

*This increase in temperature is fuelling more frequent and intense extreme weather events, including extreme heat, heavy rainfall, coastal inundation, bushfire weather and drought. Many communities have now experienced back-to-back disasters that would have previously been considered a 1-in-50 year, or 1-in-100 year, weather event.<sup>4</sup>*

New South Wales has been particularly affected by the extreme weather of the last ten years in the form of repeated record breaking floods and fires, flash drought, coastal erosion and disruption to transport and infrastructure from flooding and storms. These experiences are not a “new normal” - extreme weather will continue to worsen as a result of greenhouse gases already accumulated in the atmosphere. Keeping global warming well below two degrees is necessary to contain how much more extreme these consequences become in the lead up to mid-century and beyond. It is also little understood that the opportunity to prevent harm spiralling beyond our ability to prevent or adapt will not always be available. Beyond 1.5 degrees of warming, certain feedback mechanisms will accelerate greenhouse gas emissions beyond the control of human societies. Delayed action will cost New South Wales dearly and there will not be an opportunity to make amends. The 2023 Intergenerational Report acknowledges this risk: “As temperature increases approach 2°C, the risk of crossing thresholds which cause nonlinear tipping points in the Earth system, with potentially abrupt and not yet well understood impacts, also increases.”

A large proportion of the greenhouse gas emissions from the coal mining sector in NSW are fugitive methane emissions. Methane is a potent short-lived greenhouse gas and for this reason near-term abatement of methane emissions are crucial to protecting New South Wales from the harms of climate change. NSW Minister for Climate Change Penny Sharpe told a Budget Estimates hearing on 29 August 2024, “Fugitive emissions are a big problem. They will impact on our ability to meet our targets. There is no doubt about that.” Deep reductions in methane pollution *before* 2030 will buy time to keep the Paris temperature goals in reach. The International Energy Agency has estimated that to stay on track to prevent global average warming above 1.5 degrees, methane emissions from coal and gas operations need to reduce 75% by 2030. In contrast to this advice, the NSW EPA is not proposing to mandate methane abatement at high-emitting underground coal mines in NSW until 2030.<sup>5</sup> Fugitive methane emissions are projected to increase in this period due to regulatory failure at existing coal mines and ongoing government support to open new coal projects.

Greenhouse emissions from the combustion of diesel fuel by trucks and stationary equipment are the other major source of Scope 1 emissions from the coal mining sector. The EPA’s current proposal for regulating greenhouse pollution from coal mines does not anticipate significant emissions reductions from this source until 2040.<sup>6</sup>

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<sup>4</sup> Climate Council, July 2025. *Stronger Target: Safer Future*.

<https://www.climatecouncil.org.au/why-australia-needs-to-set-a-strong-climate-target-this-year/>

<sup>5</sup> See draft guidance on best practice mitigation for coal mining.

<sup>6</sup> See EPA NSW. July 2025 “Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines” which proposes requiring 5% of fuel being “low carbon” by 2030 and 10% by 2035. This is proposed to rise to 25% by 2040 at which point 75% of mine vehicles will also be expected to be zero emissions.

The EPA has taken too long to regulate greenhouse emissions at existing coal mines. Cumulatively, direct greenhouse gas emissions at the 27 NSW coal mines in NSW (that emitted more than 100,000 tCO<sub>2-e</sub> each in FY23) **increased by 9.4%** or more than a million tonnes of carbon dioxide equivalent in that year. Over the same period, at the same mines, raw coal production *decreased* by ~5.5%. Mine expansions are still being granted by the NSW Department of Planning without meaningful restrictions being placed on greenhouse gas emissions.

Examples of greenhouse regulatory failure at the three largest emitting coal mines in NSW include:

- **Appin mine** is the highest emitting coal mine in NSW, reporting 1.8 million tonnes of greenhouse pollution in 2024. In its latest Annual Review (2024) Appin reported that Ventilation Air Methane (VAM) emissions increased 6.7% compared to the previous year.

A VAM abatement trial is planned at part of the mine site, but it's delayed and will only abate ~2% of VAM emissions when operational (currently likely in 2027). At present, NSW EPA has an aspirational plan for full implementation of VAM abatement by July 2030, but this intention - flagged in the 'Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines, Consultation Draft, July 2025' - is heavily qualified by the agency's uncertainty about safety issues. NSW EPA does not anticipate that it will be in a position to declare whether commercial VAM abatement systems are safe until 2028.

In regard to building VAM abatement systems to urgently reduce methane emissions at underground mines like Appin in NSW, we note that \$15M of public money was awarded in November 2021 for the pilot project described above. If a system is operational in 2027, five years will have elapsed between grant funding and delivery of a system capable of abating 2% of VAM emissions. This does not inspire confidence that the NSW EPA will be able to ensure build out of multiple VAM abatement systems across multiple underground mines in about half the time (or less) that it took to build one small pilot plant at Appin.

We note that a key recommendation of the NSW EPA's Independent Expert Review Panel Report (14 April 2025) is that "mitigating VAM is critical". We agree. If VAM abatement systems are unable to meet methane reductions required by the IEA and others, then cuts to coal production must occur to guarantee the reduction of these emissions.

- **Tahmoor is NSW's 2nd highest-emitting coal mine.** Tahmoor reported over a million tonnes of Scope 1 greenhouse gas pollution in 2023/24, an increase on the previous year. The Department of Planning recently granted the mine a short extension to 2033, but declined to require it to install VAM abatement technology for the remainder of its operations.

SIMEC (owners of Tahmoor) do not currently project any reductions in emissions by 2030. Their Scope 1 emissions are projected to be about the same in FY30 as they reported in

FY24.<sup>7</sup> Despite this, NSW DPHI claimed - when they approved an extension at Tahmoor in May 2025 - that, "[w]ith the modification, the Tahmoor South Project would maintain a similar emissions trajectory as for NSW...". This claim is not supported by the evidence. The Current Policy scenario on the Net Zero Dashboard projects a 27% reduction of the state's emissions between 2024 and 2030; Tahmoor does not project any reduction at all in its own emissions. Without the installation of a VAM system, there won't be any significant additional onsite abatement by FY30. As this project was not referred to the NSW IPC, NSW DPHI's assertion that "the Tahmoor South Project would maintain a similar emissions trajectory as for NSW" has not been assessed by an independent authority.

SIMEC's stated plan for VAM abatement is to produce a "concept study" with "intent" to progress to a "pre feasibility level study" which they suggest may - or may not - set them up to implement VAM abatement "in the late 2020's, depending on whether the process is technically and commercially viable".<sup>8</sup>

- **Mount Thorley-Warkworth** is the highest-emitting open cut mine in NSW (and third largest emitting coal mine overall). The mine complex operates under an [Air Quality Management Plan](#) with no greenhouse gas abatement actions in it. The mine's reported Scope 1 and 2 greenhouse gas emissions increased by nearly 15% in the last financial year to over a million tonnes "largely attributable to an increase in total overburden removed and ROM coal mined".<sup>9</sup> Scope 1 emissions at this mine are now almost double the level they were back in FY17 when the Safeguard Mechanism was first introduced. It is approved to continue mining until 2038.

If reported levels of Scope 1 emissions are accurate and diesel emissions represent the bulk of emissions at Warkworth (the satellite platform Carbon Mapper appears to show [significant methane plumes at Warkworth](#)), then diesel emission abatement measures must be prioritised at this mine. Currently, NSW EPA proposes that by FY30, "5% of fuel used" should be a "low carbon alternative to fossil diesel".<sup>10</sup> By FY35, NSW EPA proposes that "10% of fuel used is a low carbon alternative to fossil diesel". According to the Clean Energy Regulator, Warkworth's Scope 1 emissions last year increased by 13% against a backdrop of Scope 1 emissions having almost doubled since FY17 and showing no sign of slowing down. In this context, a 5% cut on a significantly larger emissions profile in 2030 will still result in a significant overall increase. If low carbon fuels and / or mine vehicle electrification are unable to deliver significant cuts in diesel emissions, then cuts to production must be mandated to guarantee a result.

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<sup>7</sup> Tahmoor reported 1,084,992 t CO<sub>2</sub>-e to the Clean Energy Regulator in FY24. SIMEC / EMM project Scope 1 to be 1,082,492 t CO<sub>2</sub>-e in 2030 (SIMEC / EMM, [Table 1 Annual emissions and Safeguard Mechanism reductions – Tahmoor Coal](#), 19 December 2024).

<sup>8</sup> EMM, [Tahmoor Coal MOD3 - GHG Assessment - Response to NSW EPA submission](#), 19 December 2024

<sup>9</sup> Mount Thorley Warkworth [2024 Annual Review](#), pg 50

<sup>10</sup> Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines, Consultation Draft, July 2025', pg vi

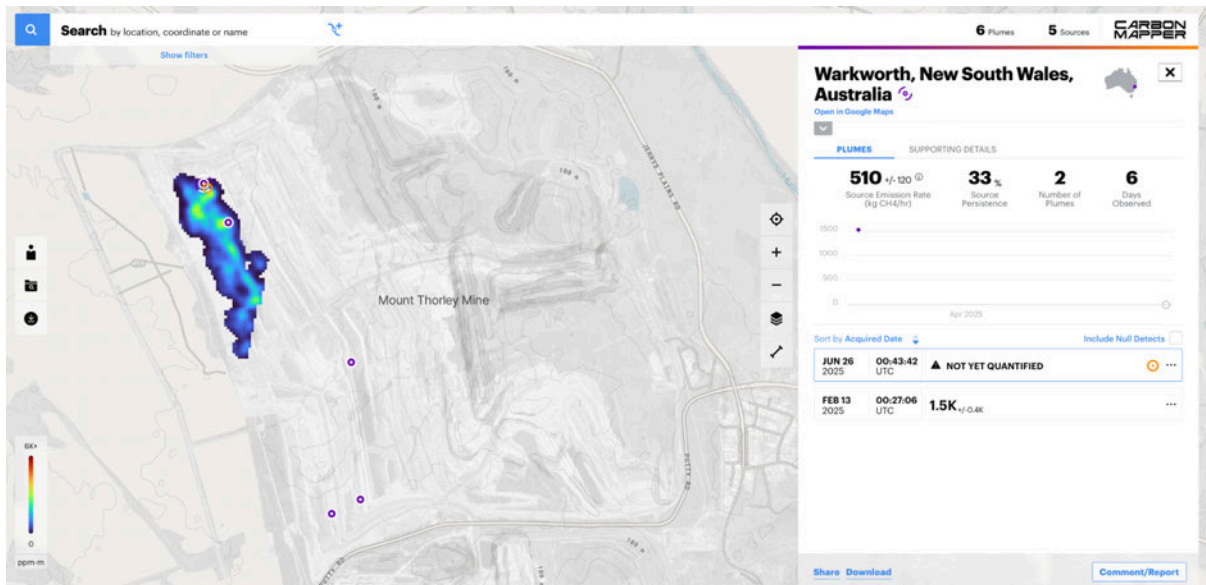


Image: screenshot of methane pollution at Warkworth mine from Carbon Mapper’s data portal, 22 August 2025

Emissions reductions to close the gap in 2030 and halve it in 2035 can be achieved through simple actions:

1. Clear new government policy ruling out any expansion of coal production, whether through new State Significant Development consent or modification of an existing consent, except if highly limited exceptional circumstances;
2. Immediate direction to the small number of underground coal mines that produce the majority of greenhouse gas emissions from the coal mining sector to install equipment that will eliminate emissions from ventilation air methane.
3. Requiring reductions in coal production where cumulative implementation of Scope 1 abatement measures fail to align with emissions reductions required to - at a minimum - meet legislated 2030 and 2035 abatement targets.

The bulk of the coal mined in and exported from New South Wales is thermal coal. If global average temperature rise is to be kept well below two degrees, global consumption of thermal coal must rapidly reduce. The Australian government is projecting a modest decline in thermal coal exports over the next three years.<sup>11</sup> It is entirely contrary to the principles of the *Net Zero Future Act* to enable an increase in greenhouse gas emissions from an industry that is going into decline at the expense of sectors that need time and investment to decarbonise. If New South Wales allows coal mine expansions to proceed it will be coming at the cost of every other person and business in the state.

In the absence of further expansion approvals being granted, there will be a staged closure of coal mines in NSW and consequent reduction in greenhouse gas emissions. This is captured in Scenario 1

<sup>11</sup> See Office of the Chief Economist. *Resources and Energy Quarterly June 2025*. “Thermal coal” <https://www.industry.gov.au/publications/resources-and-energy-quarterly-june-2025>

in the NSW Greenhouse Emissions Projections for 2024. In 2030, under that scenario, emissions are 2.8 million tonnes lower than in the scenario where all proposed expansions proceed. This is almost half of the emissions gap in that year. Should New South Wales adopt a policy preventing the extension of coal mining operations, considerable support via the Future Jobs Investment Authorities, which are yet to be established, will be needed in coal mining communities to prepare for mine closures and invest in new economic and social opportunities. Again, the uncertainty of policy in this regard is actively doing harm.

### *Consequences of emissions from gas production*

The Narrabri gas project was approved by the Independent Planning Commission in 2020, but a decision to proceed with the development has not been made by its owner, Santos, nor is there a gas pipeline for delivery of any gas produced there. Prominent in the assessment of the project was the idea that it would “provide essential gas supplies to NSW over the next few decades to address forecast shortfalls from 2024.”<sup>12</sup> And yet, it is now not expected that gas would begin to be delivered prior to 2030.<sup>13</sup> It was estimated when the gasfield was approved that it would produce 96,000 tonnes of carbon dioxide equivalent greenhouse gas pollution annually if it generated its own power on site, as many of the Queensland coal seam gasfields do. However, questions were raised about the reliability of that estimate given publicly available data that indicated a high concentration of carbon dioxide in the methane being extracted from the area. The Water Expert Panel that examined the project on behalf of the Department of Planning “sought information about gas composition, especially carbon dioxide, from Santos but the company has declined to provide such information on the grounds that ‘detailed spatial information of gas is commercial in confidence.’”<sup>14</sup> A high concentration of carbon dioxide would increase the expected annual emissions from the gasfield.

### **Quantification and measurement of coal-mine and gas industry methane and related greenhouse gas emissions in New South Wales including fugitive emissions**

The purpose of using a twenty year global warming potential to describe methane emissions is that this accurately reflects its contribution to global warming. Methane is not a long-lived gas in the atmosphere. When exposed to sunlight, it breaks down and becomes carbon dioxide and water vapour. Prior to breaking down, its warming effect is far higher than carbon dioxide. While it persists, however, its global warming effect is many times greater than carbon dioxide. For this reason, methane is thought to be responsible for around a third of the warming experienced so far and reducing it will play an important role in delaying further heating while broader decarbonisation efforts are underway. For the generations to come, the carbon dioxide in the atmosphere will continue to warm the earth and change the climate. The rapid onset of this warming can be reduced

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<sup>12</sup> NSW Department of Planning, Infrastructure and Environment. March 2020. “Final Assessment Report: Narrabri Gas Project.”

<https://www.ipcn.nsw.gov.au/sites/default/files/pac/projects/2020/03/narrabri-gas-project/referral-from-the-department-of-planning-industry-and-environment/dpie-final-assessment-report.pdf>

<sup>13</sup> See information provided by Santos in the latest NNTT Gomeroi v Santos and State of NSW future act determination of 19 May 2025

<sup>14</sup> See “Final Assessment Report: Narrabri Gas Project.” Appendix G: Water Expert Panel Report. p25.

<https://www.ipcn.nsw.gov.au/sites/default/files/pac/projects/2020/03/narrabri-gas-project/referral-from-the-department-of-planning-industry-and-environment/dpie-final-assessment-report.pdf>

by reducing methane, particularly from coal mining, a task which is relatively straightforward compared to decarbonising other sources of greenhouse pollution.

**Lock the Gate is concerned that genuine and wide uncertainties in the scale of fugitive methane emissions from open cut coal mining are posing a significant twofold risk to NSW.** Firstly, that there may be significantly higher methane emissions than is reported has implications for calculation of targets, atmospheric concentrations and trajectories towards various temperature goals. Secondly, that focus on the issue of inaccurate reporting could distract from and delay very urgent abatement activity.

There is no question that the accuracy of fugitive emissions reporting from open cut coal mines is seriously questionable. In recent years, open cut coal mines have switched to using “Method 2” under the Federal NGERs scheme which is supposed to be based on local data of gas concentrations in formations blown up by open cut mines and in many cases this has led to a dramatic fall in reported fugitive emissions. For example, total emissions *reported* by the Mount Pleasant mine “fell” by 76%, or more than 600,000 tonnes when it switched to Method 2. The data upon which revised estimates have been made by mining companies is largely unavailable and processes are underway at the Federal level to improve the use of the method. Meanwhile, methane continues to be released by open cut mines, in uncertain quantities.

We are concerned that taking a quantitative approach to regulating coal mine methane will mean entirely missing the window of opportunity to prevent catastrophic global warming. The IEA’s advice was that methane emissions from fossil fuel production needed to fall by 75% by 2030 for the world to get on track to prevent catastrophic warming. This means that abatement must occur prior to the establishment and verification of methane monitoring and company reporting data.

In any case, underground mines already undertake direct measurement of fugitive emissions, are responsible for the majority of methane emissions from the sector and are still not implementing all available emissions abatement measures.

### **The transparency, timeliness and integrity of New South Wales’ emission modelling and how this modelling is used to inform New South Wales’ planning decisions**

NSW emissions projections require an estimation of likely future emissions from coal mining. NSW DCCEEW’s most recent methods paper (2024) outlines in detail how the modelling treats applications for mine expansions. It produced three scenarios of emissions from coal mining:

- Scenario 1 assumed all existing coal mines kept operating until the end of their development consents.
- Scenario 2 assumed approval of mine expansion proposals at the “assessment” stage in the planning system.
- Scenario 3 included additional expansion plans seeking approval from the NSW Government.

The inclusion of expansion plans in the emissions projections creates something of a feedback loop in the planning system: coal mines apply for expansions, the emissions modellers seek information

about the emissions likely from those expansions so they can account for it in the projections, mining companies then produce environmental impact statements claiming that their expansion plans are “already considered” in the projections, giving them an air of pre-approval.<sup>15</sup> This characterisation is reinforced by the Department of Planning. In its Assessment Report for Modification 8 of the Boggabri coal mine, for example, the Department wrote, “The Department notes the advice from NZEM that the predicted GHG emissions from the modification are already included in the forecast modelling against these targets.”

No applications for coal mine expansions have been determined by the Independent Planning Commission (IPC) since 2022. Several large expansion projects are anticipated to be sent to the IPC in the second half of this year, but for the last three years, the mine expansions that have been approved in NSW have been modifications of existing planning consents, determined by the Department of Planning. The IPC previously had responsibility for determining applications for modifications of consents where there were a large number of objections but this role was taken from them in 2020. As a result, the actions of the Department of Planning in approving expansions by modifying development consents have a considerable material impact on NSW’s ability to meet its emissions reduction targets.

Since the *Net Zero Future Act* was created by the parliament, the Department of Planning has approved six coal mine modifications that expand the volume of coal to be mined and the volume of emissions to be created from coal mines in NSW. We estimate this added nearly six million tonnes of greenhouse gas emissions cumulatively to NSW’s likely emissions between 2023 and 2035, and made an additional 159 million tonnes of coal available to mine in that time, and perhaps 286 million tonnes of downstream greenhouse gas emissions.<sup>16</sup>

In regard to how modelling is used to inform planning decisions, we draw this Inquiry’s attention to greenhouse gas abatement claims made by NSW DPHI in recent determinations that Lock the Gate disputes. Given that none of these Projects were referred to the NSW Independent Planning Commission, there was no opportunity to scrutinise NSW DPHI’s claims prior to determination. In regard to this matter, we would also like to draw the Inquiry’s attention to clear policy promises made by the Minister for Planning and the Minister for Natural Resources that all new coal mine expansions would be assessed independently (see Box 1 below). This has not occurred. We also describe briefly below, some of the key issues that we would have raised with the NSW IPC, had these projects been referred to the state’s independent umpire:

- **Tahmoor Mod 3:** as outlined above, NSW DPHI claimed - when they approved an extension at Tahmoor in May 2025 - that, “[w]ith the modification, the Tahmoor South Project would maintain a similar emissions trajectory as for NSW...”. This claim is not supported by the evidence.

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<sup>15</sup> “The continued production of ROM coal at the [Maules Creek Coal Mine] until 2044 has already been considered in NSW’s sectoral greenhouse gas projections.” Maules Creek Continuation Project Environmental Impact Statement. Appendix J.

<sup>16</sup> Based on the assumption of three quarters of ROM coal being sold as product coal and a greenhouse gas emissions factor of 2.4 for burning that coal.

- **Mt Arthur Mod 2:** Mt Arthur Mod 2 was approved by NSW DPHI on 16 April 2025. The decision approved an additional 2,490,354 t CO<sub>2</sub>-e in Scope 1 emissions between FY26 and FY30. This decision was made just one week after the Net Zero Commission reiterated “concern at the risks to the state’s targets from increased emissions from the resources sector through proposals to extend and expand existing NSW coal mines.”

Mt Arthur’s Scope 1 emissions are currently at their highest level since the Safeguard Mechanism was introduced. BHP is projecting further increases in Scope 1 emissions out to FY29, tapering off only in FY30 as the mine approaches its scheduled closure. Even in FY30, Mt Arthur’s Scope 1 emissions will still contribute 451,577 to CO<sub>2</sub>-e to an 6.6 Mt CO<sub>2</sub>-e emissions overshoot in FY30. Fugitive emissions are projected to more than double. Despite projected increases, NSW DPHI determined that the project is “consistent with current NSW and Commonwealth policy settings”.

- **Ulan Mod 6:** Ulan Mod 6 was approved by NSW DPHI on 22 May 2025. The approval allows a two-year extension to mine an additional 18.8 Mt ROM coal by 30 August, 2035. NSW DPHI estimated that an additional 97,984 t CO<sub>2</sub>-e of Scope 1 and 36,954 t CO<sub>2</sub>-e of Scope 2 emissions will result from this approval between 2025 and 2032. The Project will also result in an additional 41.6 Mt CO<sub>2</sub>-e in Scope 3 emissions. Ulan has a GHG mitigation plan but it’s not reducing Scope 1 emissions, which in FY24 were at a 5-yr high. (see Table 1 below).

**Table 1: Scope 1 emissions at Ulan Coal Mine from FY20 to FY24**

	FY20	FY21	FY22	FY23	FY24
Scope 1 (t CO <sub>2</sub> -e)	40,416	41,154	51,039	44,723	53,550

Data: Glencore, [Ulan Coal Mine Annual Review 2024](#), Table 6-10 - Summary Scope 1 and 2 emissions Statistics for FY23/24.

As Scope 1 emissions are under the 100,000 t CO<sub>2</sub>-e annually, the mine is not subject to Safeguard Mechanism GHG controls. Glencore are somewhat blunt about this in version 9 (July 2024) of their Air Quality and Greenhouse Gas Management Plan:

*“As UCMPL is not predicted to emit over 100kt CO<sub>2</sub>-e from Scope 1 emissions (the threshold required to be registered as a Safeguard Facility) UCMPL has no baseline threshold and UCMPL are not required to commit to specific greenhouse gas performance targets under legislation, industry codes of practice or GCAA Standards.”<sup>17</sup>*

The NSW EPA reviewed GHG mitigation measures proposed for Ulan Mod 6 in June 2024, including actions related to “reducing fuel use for non-road vehicles, onsite stationary plant and electricity consumed by the ventilation system and the coal handling and preparation plant”. The NSW EPA’s [assessment](#) was that it was “unlikely these measures will substantially reduce the greenhouse gas footprint of the UCC”.

<sup>17</sup> Glencore, July 2024, Ulan Coal Air Quality and Greenhouse Gas Management Plan, Pg 41

In their Assessment Report, NSW DPHI noted that *“In April 2024, the NSW Department of Climate Change, Energy, the Environment and Water released projections of NSW’s progress against the emissions reduction targets. Emissions associated with the originally proposed modification were accounted for in these projections. Commentary from the Net Zero Commission advised that NSW has made significant progress in reducing emissions since 2005, however an acceleration in effort will be required to keep targets in reach.”*

Whilst NSW DPHI acknowledged that *“an acceleration in effort will be required to keep targets in reach”*, they failed to join the dots between their decision to permit additional Scope 1 emissions in FY35 and a growing abatement gap to meet the legislated target in that same year. The latest (2025) DCCEEW modelling projects NSW’s emissions will be 6.6 Mt CO<sub>2</sub>-e above the abatement target in 2030 with a much larger 11.6 Mt CO<sub>2</sub>-e overshoot projected in 2035.

In regard to Scope 3 emissions attributable to this Project, NSW DPHI’s assessment is even more troubling. NSW DPHI made no reference to UNEP’s emissions gap and pretended that as long as coal is sold to countries that have signed the Paris Agreement, additional Scope 3 emissions from new coal expansion approvals will be acceptable. In their Assessment Report, the department acknowledged that the consideration of downstream (Scope 3) emissions is a requirement of State Environmental Planning Policy (Resources and Energy) 2021. They then summarised emissions reductions initiatives in key countries the coal would likely be exported to, being China, Japan, South Korea and Taiwan. Having done that, they found that the *“degree to which these countries are on track to meet these targets is variable and somewhat uncertain ....”*, but then approved the expansion Project anyway.

Additional Scope 3 emissions were justified by stating that *“[m]ost countries receiving coal from the complex are party to the Paris Agreement and all have commitments in place to reduce emissions by 2050”*. Approval also appears to have been granted without consideration of any conditioning of Scope 3 emissions nor any certainty that Scope 3 emissions would be minimised to the greatest extent practicable, as required by cl 2.20(1)(c) of the Resources SEPP.

**Box 1: NSW Labor has committed to the independent assessment of coal mine expansions, but to date has failed to honour that commitment**

Six coal mine expansions have been approved since NSW Labor won office in March 2023; none were assessed and determined by the NSW Independent Planning Commission. In May 2025, Minister Scully wrote in correspondence that *“resource proposals are all assessed by the Independent Planning Commission (IPC)”*. Minister Houssos is on the record ([Budget Estimates, 2 Nov 2023](#)) stating that *“From a whole-of-government approach, we would say that we support an independent assessment of planning of all resources projects. In relation to any expansion of existing coalmines or new coalmines, they would have to go through that independent process ...”*.

Lock the Gate notes that of 20 coal-mine expansion proposals currently in the NSW Planning system, 12 are classed as ‘modifications’. Under the current arrangement, none of these will be referred to the NSW IPC.

### **Economic costs associated with greenhouse gas emissions including indirect costs from climate change related impacts and opportunity costs for other sectors**

New South Wales has experienced 62 natural disasters in just the last three years across 61 local government areas. These disasters were estimated to have caused over \$4 billion in damage, killed 13 people and left 12,000 homes uninhabitable. Modelling only a subset of the likely costs of climate change, and without considering how these damages compound, a climate risk assessment undertaken for the Intergenerational Report in 2021 found:

- The expected total economic costs of natural disasters are projected to increase to between \$15.8 billion and \$17.2 billion per year by 2061, up from \$5.1 billion in 2020-21.
- If recent variability in the actual instance of natural disasters was repeated, total economic costs **in any single year** could range from \$30 million to \$75 billion.
- By 2061, between 39,000 and 46,000 properties are estimated to be exposed to coastal erosion or inundation, and annual costs from property damage and loss of land are estimated at between \$850 million and \$1.3 billion, depending on the climate scenario that unfolds.
- By 2061, lost production in agriculture based on pastoral and growing conditions is estimated at between \$750 million and \$1.5 billion.<sup>18</sup>

In terms of opportunity costs, the NSW Productivity and Equality Commission describes the constraints on construction, capital labour and materials that mean choices must be made about what should be built, when and where, in the public interest.<sup>19</sup> Furthermore, the Net Zero Commission clearly identified in its 2024 Annual Report that “Any emissions increases associated with extended or expanded [coal] projects would require all other sectors to make greater emissions reductions if the state is to meet its emissions reduction target.” This includes sectors that have much higher abatement costs than coal mining and which have a longer-term future in a decarbonised economy than thermal coal mining. To disadvantage these industries now for the sake of extending coal mining will greatly harm New South Wales.

### **Any other related matters**

*NSW Court of Appeal decision in DAMSHEG Group Inc v MACH Energy Australia*

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<sup>18</sup> Wood, Beauman and Adams. April 2021. An indicative assessment of four key areas of climate risk for the 2021 NSW Intergenerational Report. 2021 Intergenerational Report Treasury Technical Research Paper Series. <https://www.nsw.gov.au/sites/default/files/noindex/2024-11/ttrp21-05-indicative-assessment-of-four-key-areas-of-climate-risk-for-2021-nsw-intergenerational-report.pdf>

<sup>19</sup> See Net Zero Paper series Paper 1 “Ensuring a Cost Effective Transition” <https://www.productivity.nsw.gov.au/sites/default/files/2024-11/NSW-Productivity-and-Equality-Commission-Achieving-net-zero-paper-1-Ensuring-a-cost-effective-transition.pdf>

Lock the Gate Alliance acknowledges Johnson Legal for providing the following analysis of the ramifications of the *DAMSHEG Group Inc v MACH Energy Australia case*.

The recent NSW Court of Appeal decision in *Denman Aberdeen Muswellbrook Scone Healthy Environment Group Inc v MACH Energy Australia Pty Ltd* [2025] NSWCA 163 (Denman) made significant findings in relation to mandatory relevant considerations under s4.15 of the Environmental Planning and Assessment Act 1979 (NSW) (EPA Act).

In particular, the Denman decision confirms that decision-makers are required to consider the impacts of climate change on the locality when determining applications for projects that generate greenhouse gas emissions, including community views on those impacts.

What that means for all current and new applications for coal mines (whether in the form of development applications or modifications) is that each application must be amended to include a tailored and up to date assessment of the impacts of climate change on the locality (from an environmental, social and economic perspective), and community views must be sought on those impacts, before a decision can be made on whether to approve the application and if so, under what conditions.

#### Implications of the decision for coal applications

1. The decision confirms that consideration of community views on localised climate impacts is required in order for decision-makers to discharge their duties under s4.15 of the EPA Act when considering projects that generate greenhouse gas emissions (whether those emissions are generated in Australia, or exported overseas).
2. With coal exports being Australia's biggest contribution to climate change, and NSW being the second largest exporter of coal in Australia, informed public participation on all coal applications is a necessary precondition to a valid decision under Part 4 of the EPA Act.
3. In order to ensure that informed public participation takes place, and mandatory requirements are considered, all current and new coal applications must include an assessment of local climate impacts at a level of detail that is sufficient to ensure that the public is able to understand:
  - a. the scope of the 'locality' impacted by climate change (that is, the local economy, society and natural and built environments must be defined with reference to climate impacts);
  - b. what the local climate impacts are (from an environmental, social and economic perspective);
  - c. who is likely to be impacted and to what extent;
  - d. how those impacts will be mitigated by the proponent.

(together, the **local climate impact assessment requirements**).

4. The local climate impact assessment requirements, and the description of the locality, will vary depending on the location of the proposed project and its likely local climate impacts. For example, for the Mount Pleasant mine expansion, the Court found that the locality would stretch out to the NSW coast and would include areas that are impacted by bushfires, flooding and sea level rise.
5. In light of the above, our view is that the following steps must now be carried out:
  - a. NSW DPHI must review and update all guidance materials for the preparation of coal applications to ensure that local climate impact assessment requirements are addressed in all new applications;
  - b. NSW DPHI must review and update the Secretary's Environmental Assessment Requirements (SEARs) for all pending coal applications to ensure that local climate impact assessment requirements are addressed in all current applications;
  - c. existing environmental assessments must be reviewed and updated to meet the local climate impact assessment requirements;
  - d. the updated environmental assessments must be placed on public exhibition to ensure that all impacted communities are given an opportunity to comment as objectors.
6. Given that climate change affects all aspects of the surroundings of humans, updated assessments and consultations for coal applications must address all climate impacts on the natural and built environments, societies and economies in the locality. This would clearly include likely impacts on the natural and built environment, as well as climate impacts on local communities, economies, industries, businesses, services and infrastructure.
7. It is now well established, for example, that climate change impacts include impacts on the availability of home and contents insurance for climate-affected communities. In some parts of NSW, insurance premiums will rise dramatically and in certain areas, residents will be unable to obtain insurance, affecting property prices with flow-on effects to local economies and businesses.
8. Similarly, the cost of maintaining public infrastructure (roads, bridges and public amenities) are already rising and those costs are expected to dramatically increase with more frequent and severe weather events such as flooding, bushfires and sea level rise. Local councils and ratepayers will be required to bear many of the costs of climate change on local infrastructure, resulting in likely rises in council rates for residents. These costs will be higher in some areas than others.

9. This sort of detailed analysis on all climate impacts for local communities now needs to be provided in the environmental assessments and public consultations for all coal applications.

*International Court of Justice - Obligations of States with Respect to Climate Change*

The recent International Court of Justice (ICJ) advisory opinion on the Obligations of States with Respect to Climate Change is also highly relevant to this Inquiry. Australia and NSW have long insisted that the primary obligation with regard to decarbonisation is to achieve net zero domestic emissions under the Paris Agreement (and in NSW under the Climate Change (Net Zero Future) Act 2023).<sup>20</sup> However, the ICJ found that other parts of international law extend a state's obligations to minimise climate harm beyond its borders, stating that: "Failure of a State to take appropriate action to protect the climate system from [greenhouse gas] emissions – including through fossil fuel production, fossil fuel consumption, the granting of fossil fuel exploration licences or the provision of fossil fuel subsidies – may constitute an internationally wrongful act which is attributable to that State."<sup>21</sup>

Here in NSW, the endless expansion of coal production permitted by successive NSW Governments is incompatible with both the Paris Agreement and also with achieving the purpose of NSW's Climate Change (Net Zero Future) Act, namely to give effect to the international commitment established through the 2015 Paris Agreement to hold global warming to well below 2°C and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

**UNEP's Emissions Gap Report 2024 found that current NDCs "put the world on track for a global temperature rise of 2.6-2.8°C this century. Even worse, policies currently in place are insufficient to meet even these NDCs. If nothing changes, we are heading for a temperature rise of 3.1°C."**<sup>22</sup>

Against this backdrop, the failure to date by NSW DPHI and NSW EPA to decisively regulate emissions at existing coal mines, together with decisions made by NSW planning authorities to increase coal production at almost every mine that applies for an extension, constitutes a series of 'internationally wrongful' acts.

We appreciate the Committee's attention to these matters and look forward to its findings.

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<sup>20</sup> Wesley Morgan and Gillian Moon (2025) World's highest court issues groundbreaking ruling for climate action. Here's what it means for Australia, *The Conversation*, July 2025

<sup>21</sup> International Court of Justice (2025) *Obligations of States in Respect of Climate Change*, p122, <https://www.icj-cij.org/sites/default/files/case-related/187/187-20250723-adv-01-00-en.pdf>

<sup>22</sup> UNEP, 24 Oct 2024, *Climate Action Emissions Gap Report 2024* press statement