

INQUIRY INTO EMISSIONS FROM THE FOSSIL FUEL SECTOR

Organisation: Central West Environment Council
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Chair
Joint Standing Committee on Net Zero Future
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Submission
Inquiry into emissions from fossil fuel sector

Introduction

Central West Environment Council (CWEC) is an umbrella organization representing conservation groups and individuals in central west NSW working to protect the local environment for future generations.

CWEC's area of interest includes the Western Coalfields, Mt Piper Power Station, the Central West Orana Renewable Energy Zone and numerous additional renewable energy projects and proposals across the region.

Fossil Fuel Sector in Central West NSW

The Western Coalfields consist of seven operating coal mines including both underground and opencut operations. These consist of:

- Lithgow area – Airly, Angus Place, Clarence and Springvale
- Mudgee area – Moolarben, Ulan and Wilpinjong

We note that the Moolarben Coal Complex was the largest producer of coal in NSW in 2024 exporting 19.33 million tonnes. Current approvals for these western mining operations are due to close over various dates up until 2038.

However, all the Mudgee coal mines and several of the Lithgow coal mines have lodged proposals for expansion. Some of these proposals include a significant extension of time.

CWEC is concerned that the monitoring and reporting of fugitive emissions from these mines is inadequate and probably understated. The Greenhouse Gas emissions from these mines, including Scope 1, 2 and 3 emissions are significant and contribute to increases in NSW and global climate change impacts.

It is imperative for NSW to meet the Net Zero reduction targets that these coal mining operations are not extended but are closed down as current approvals cease.

Mt Piper Power Station

While Energy Australia has indicated that the Mt Piper Power Station will close in 2040, the Australian Energy Market Operator¹ forecasts 90 per cent of coal-fired power stations will close by 2035, with the last shutting in 2038.

CWEC notes that Mt Piper has significant shortage of water supply during a major drought eg 2018-19 and cannot operate to full capacity during heatwaves. The early closure of this coal-fired power station will contribute to an important reduction in NSW emissions.

Climate Impacts in the Central West

The Central West has a highly variable natural climate that is being fueled by the increase in carbon energising the atmosphere. The people and environment of our region have suffered many extreme weather events over the past few years causing major damage and enormous costs.

These include the deadly flash flood at Eugowra in 2022, bushfires threatening Lithgow and other communities in 2019-20, severe drought in 2018-19, and many other examples. The 2022 floods alone caused \$3 billion damage to regional roads across NSW with many in our region rendered impassable with washed out bridges and causeways. The cost to the economy and community well-being of increasingly regular and more intense extreme weather events cannot justify the continuation of the fossil fuel industry in NSW.

These events have exacerbated the housing shortage in the region, caused insurance to become unaffordable for many and increased the cost of living. The threat of climate change to agriculture and food security is very evident in the Central West.

Central West Orana Renewable Energy Zone (CWOREZ)

Our region is hosting the state's first REZ with construction work well under way. We note that the coal mines are competing for labour at a time when there is a construction boom both in the renewable energy sector and plans for increased housing. While we fully support the roll out of the REZ, we agree that the speed of

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¹ March 2025

the approval and the level of local disruption is disturbing to the impacted rural communities in our region. More effort is required to explain the importance of renewable energy sources.

Future Jobs and Investment Authorities (FJIA)

CWEC notes that the Western Coalfields have been targeted for the establishment of one of the first FJIA in NSW. The closure of the Mt Piper Power Station and winding up of the regions coal projects at the same time as the NSW needs to meet emissions reduction targets is a perfect opportunity to move the region forward into new industries. This also frees up labour to fill the shortages in existing industries like construction and housing.

It is notable that a severe shortage of electrical engineers and electricians opens the pathway for retraining to fill these important skills needed for the renewable energy revolution.

The construction of the CWOREZ is highlighting the significance of labour shortages in our region.

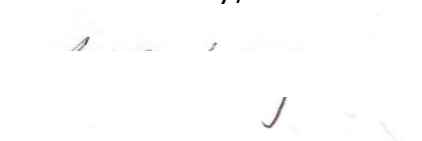
Lithgow City Council has been working on a Lithgow Emerging Economy Plan (LEEP) in preparation for the power station and coal mine closures. The establishment of the western FJIA will also assist Mid-Western Regional Council to move in a similar direction.

Conclusion

There is no justification for the NSW Government to continue approving coal mine expansion in the Western Coalfields. There is significant economic stimulus occurring through the CWOREZ and additional renewable energy projects. The development of new, sustainable industries should be top of mind.

Our economy, community and environment depends on the immediate reduction of greenhouse gas emissions. NSW must play its part in meeting Net Zero by 2025.

Yours sincerely,



Nick King
President