

REPORT ON PROCEEDINGS BEFORE

JOINT STANDING COMMITTEE ON NET ZERO FUTURE

INQUIRY INTO EMISSIONS FROM THE FOSSIL FUEL SECTOR

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At Macquarie Room, Parliament House, Sydney, on Monday 25 May 2026

The Committee met at 10:15.

PRESENT

The Hon. Jeremy Buckingham (Chair)

Legislative Council

Ms Sue Higginson
The Hon. Sarah Mitchell
The Hon. Jacqui Munro

Legislative Assembly

Ms Liza Butler (Deputy Chair)
Mr James Griffin

PRESENT VIA VIDEOCONFERENCE

The Hon. Mark Buttigieg
The Hon. Emily Suvaal

Ms Trish Doyle
Ms Liesl Tesch

The CHAIR: Welcome to the Committee's inquiry into emissions from the fossil fuel sector. Firstly, I would like to acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. My name is Jeremy Buckingham. I am the Chair of the Committee.

I ask everyone in the room, including myself, to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures.

Ms GEORGINA BEATTIE, Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development, affirmed and examined

The CHAIR: Thank you for making the time to give evidence. Would you like to start by making a short statement?

GEORGINA BEATTIE: Thank you for the opportunity to appear today to speak about the New South Wales coal industry. *NSW Coal Industry 2026-50* was released by the New South Wales Government on 19 March. It sets a clear direction for the future of the coal industry in New South Wales, recognising the central role coal plays in regional economies, energy security and international trade, as well as the commitment to deliver on the State's legislated net zero targets. The Government's policy position establishes a balanced approach to managing economic and emissions priorities.

Importantly, the policy is a whole-of-government position. It was developed following consideration of the current sector, including forecast international demand, resource availability, emissions modelling and economic analysis, and was informed by consultation with industry, community stakeholders and our key trading partners. Under the new policy, there will be no approvals of new standalone greenfield coalmines in New South Wales, there will be no new greenfield coal exploration areas and the New South Wales Government will relinquish the coal exploration licence it currently holds.

Extensions of existing mines will continue to be considered, subject to rigorous controls to reduce emissions. These extensions will provide continued employment to support coal-producing regions for decades over the long term as the industry evolves in response to global net zero commitments. Existing mines will continue producing coal, subject to emissions requirements in the Commonwealth's Safeguard Mechanism and new State-based requirements implemented by the Environment Protection Authority. It is a market-led approach, with the New South Wales Government supporting the continued supply of both thermal and metallurgical coal for as long as our trading partners need it as they traverse their own paths to net zero.

The New South Wales Government is committed to achieving its legislated emissions reduction targets, and the policy confirms that the coal sector must play its part. The coal sector must reduce emissions consistent with the targets, and coalmines must apply the emissions reduction hierarchy, with onsite abatement to be prioritised and, where offsets are to be used, a preference for these to be located in New South Wales. The Commonwealth Safeguard Mechanism is expected to drive a significant share of emissions reduction across New South Wales coalmines, but coal operators will also be required to meet new requirements set by the EPA, reflecting New South Wales' more ambitious net zero targets.

The Government also recognises the longstanding economic and social importance of coal to regional communities, while acknowledging the need to prepare for a gradual decline in demand over coming decades. To address this, the New South Wales Government is establishing the Future Jobs and Investment Authority to lead long-term, evidence-based approaches that support investment and new job creation in coal regions. The Government's position to 2050 reflects a long-term, managed approach that monitors market trends, supports domestic and international demand and enables opportunities for economic diversification in coal-producing regions. Thank you again for the opportunity to be here today. I welcome the Committee's questions.

The CHAIR: We will now turn to questions from the Opposition.

The Hon. JACQUI MUNRO: I wanted to start by asking why you chose not to make a submission to the inquiry.

GEORGINA BEATTIE: Because it's focused on emissions and NSW Resources isn't responsible for emissions. That's led by the Department of Climate Change, Energy, the Environment and Water, and the EPA. That work is led by those departments. We work closely. In the development of the coal industry document, a whole-of-government approach was taken and we worked very closely with colleagues in a number of different departments across government. In the specific context of this inquiry on emissions, it's not our lead focus.

The Hon. JACQUI MUNRO: Did the EPA or DCCEEW consult with you before making their submission, given that whole-of-government approach that you spoke of?

GEORGINA BEATTIE: I believe so, yes. I don't know the specific details of that, but I think they did, yes.

The Hon. JACQUI MUNRO: So you would say that you've endorsed, in some way, or overseen those submissions as well?

GEORGINA BEATTIE: I would need to check the details of that engagement specifically.

The Hon. JACQUI MUNRO: Basically, you're saying that because you're not responsible for regulating or overseeing the commitment to emissions reduction, you decided not to put in a submission. I'm just trying to understand the thought process.

GEORGINA BEATTIE: For NSW Resources?

The Hon. JACQUI MUNRO: Yes.

GEORGINA BEATTIE: Yes.

The Hon. JACQUI MUNRO: I wanted to also speak about the processing of minerals and the mining of critical minerals and understand if that is something that has come into your considerations in terms of fossil fuel emissions. Are there considerations relating to that part of your responsibility that feed into this fossil fuel emissions calculation?

GEORGINA BEATTIE: The Critical Minerals and High-Tech Metals Strategy has a focus on how New South Wales can really develop its critical minerals and high-tech metals industries. That includes the extraction of those minerals, as well as the processing of those minerals. As you know, we see that as a significant opportunity for New South Wales. We have a number of critical minerals. We have an established gold and copper sector. We have significant resources available for silver, as well as other critical minerals. The Government has committed, through that document, to invest in and support the future of that industry. Our focus through that is certainly on—initially, it's exploration. We support exploration. We support the production. There are a number of barriers to the production and extraction of critical minerals projects, which is why there are a number of initiatives supporting that, including the royalty deferral scheme. But there are also commitments to support processing as well. Critical minerals are necessary for the global transition to net zero.

The Hon. JACQUI MUNRO: I'm more trying to understand, basically, if extracting resources that are different to the resources that we've relied on so far to bolster our economy is going to mean that we've got fewer fossil fuel emissions from a sector that has been, traditionally, fossil fuel intensive.

GEORGINA BEATTIE: Over time?

The Hon. JACQUI MUNRO: Yes.

GEORGINA BEATTIE: I think with the gradual decline of coal then, yes, the mining sector in the future will have fewer fossil fuel emissions. Emissions from the non-coal part of mining make up only about 1 per cent of total mining emissions.

Mr JAMES GRIFFIN: To follow on from that path of questioning, could you give an update or an insight into any work that's been done regarding the planning approvals pathway for critical mineral exploration?

GEORGINA BEATTIE: The document supports a streamlined approach for approvals. The New South Wales Government has announced the Development Coordination Authority, and there's a fair bit of work happening across government at the moment to establish that entity—I shouldn't really say entity—that part of government that really is designed to accelerate approvals of projects. We are involved in that, from NSW Resources. We are involved in the planning process, through providing information on geological assessments as well as information on the economic assessment of proposals. So we are working, as are all parts of government involved in the planning system, through the DCA process and looking at how we can support the establishment of that. It's committed to be running from 1 July this year, and so, through that process, that will support all major project assessment, which will include critical minerals.

Mr JAMES GRIFFIN: Would you be able to give an update on the Future Jobs and Investment Authority as to where that is at the moment?

GEORGINA BEATTIE: Yes, absolutely. To establish the Future Jobs and Investment Authority requires legislative change, and that bill is currently before the Parliament—so, expecting debate on that in the near future. Following, hopefully, the passing of that legislation, we will move to establish the entity, including appointing a chief executive officer, which is a statutory role. Then the subsequent regulations under that legislation will need to be developed, which will then allow us to form the board and the local divisions in those four coal-producing regions.

Ms SUE HIGGINSON: Can I ask you about demand? If we have a strategy that is based on looking at demand, what do you anticipate in terms of the decline? I've seen some figures that suggest we'll see a decline in New South Wales coal of around 55 per cent by 2035, if we're looking at the 1.5 degree ambition. Is that something that is in your mind's eye within the department, in terms of our demand?

GEORGINA BEATTIE: In terms of demand, there's domestic demand, obviously, for coal, which is for our coal-fired power stations that we expect to be closed by 2040. But, as you would know, most coal produced in New South Wales is export—by far, the large majority. In development of the coal industry document, we spent significant time engaging with our trading partners, who were very, very keen to understand and to make sure that New South Wales coal would continue to be available for them because they're heavily reliant on New South Wales coal in particular—so, Japan and South Korea. They have their own net zero targets, but they are requiring New South Wales coal in the interim as they have their own progression to net zero. The demand that they basically view is that coal from New South Wales will be required well into the 2040s, so it was very important for New South Wales to remain a reliable and secure trading partner.

Ms SUE HIGGINSON: Is it possible to get an understanding of when they say they would like our coal to be available until the 2040s, what we are talking in terms of quantum and volumes? Is there a figure around where we will see the decline for demand and where we will see that most prominent?

GEORGINA BEATTIE: At the moment, 89 per cent of our coal is exported. If we just focus on Japan, they receive 43 per cent of New South Wales coal exports. Their estimate—and this is outlined in their strategic energy plan—has indicated that they will be relying on New South Wales coal into the 2040s.

The CHAIR: They have a plan to reduce their demand by 20 per cent by 2030, have they not? Essentially, in the next five years demand from Japan is going to decline by 10 per cent. If 50 per cent of our coal is going to Japan, then we're going to lose 10 per cent of that market in just the next five years. Previously, you said that the decline in demand is gradual. That's a precipitous drop, really, isn't it?

GEORGINA BEATTIE: It is, but the feedback from Japan is that they will be requiring our coal until 2040. The position that the New South Wales Government has taken is that it is a market-led approach. These are commercial decisions that the coal operators make through contracts to export coal, but the New South Wales Government's position was that we will continue to allow proposals to extend coalmining operations. Ultimately, those decisions about whether to invest in that will be up to the sector.

Ms SUE HIGGINSON: In relation to that, where did the department sit in terms of navigating New South Wales's own legal obligations to reduce emissions by 50 per cent by 2030, the coal industry's role in that and our relationship with our trading friends? How is the weight placed in relation to those decisions? For example, does the department of resources go into bat somewhere for the trading partners, whereas somebody else goes somewhere to bat for further reductions in emissions? I'm just trying to navigate what that looks like and what it sounds like.

GEORGINA BEATTIE: The New South Wales Government is dealing with competing priorities and decisions around policy positions around a range of matters, always. I wouldn't say anyone is going in to bat for anyone else, but this is a whole-of-government position. It is the New South Wales Government that determined this position. Its view is that it's a balanced position considering all of the factors. That includes the economic contribution of the coal sector now, the reliance on that sector for close to 24,000 people, the commitment to net zero targets and the need to ensure that the coal sector plays its part in meeting those targets, noting it is a net zero target, but the coal sector, as well, as a sector, must be contributing to those targets. We have various regulatory frameworks that exist to support that.

You're hearing from my colleagues in the EPA later this morning, who will be able to talk to the work that they're doing. All of those considerations were part of the development of the policy position. Planning, of course, plays a big role as well in terms of the assessment of proposals. All of these things are factored in, and then, ultimately, the Government has determined a position, which rules out greenfield. It puts very clear constraints on new operations, new greenfield exploration—

Ms SUE HIGGINSON: Do you accept some people feel that's a bit cynical, given there really weren't any proposals in the pipeline for new greenfields?

GEORGINA BEATTIE: I do accept that. I also accept that there are some who are very disappointed with that decision as well.

Ms SUE HIGGINSON: In discussions with trading partners, is there an awareness that there is a body of work that is being prepared by pretty pre-eminent legal experts that suggest that our frameworks that we currently work under, the ones that you say are balanced in the coal industry statement that says "rigorous environmental framework"—are our trading partners aware that there is some genuine contention that any new approvals, including for extensions of existing projects, would actually be inconsistent with our current legal framework when you try to piece it all together and put the glue in between?

GEORGINA BEATTIE: How would you say it's inconsistent, sorry?

Ms SUE HIGGINSON: No, I'm asking if our trading partners, through you and your relationship, have been made aware that there is legal opinion out there, and quite forthright legal opinion, that it may be considered that any new approvals could be inconsistent with our frameworks as they work together to try to achieve the emissions reductions at the ambition that is set out in the legislation in New South Wales—50 per cent by 2030 and so forth.

GEORGINA BEATTIE: I wouldn't say it is inconsistent; I would say that we can have both. That's the position that the Government has taken. In terms of the trading partners, my experience is that they are extremely aware of what is happening in New South Wales policy discussions. They are watching closely what's happening with individual project—

Ms SUE HIGGINSON: And the High Court of Australia?

GEORGINA BEATTIE: I can't specifically comment on that, but their understanding and their awareness of what's happening in New South Wales and the decisions that the Government makes, and how that will impact their long-term energy security for their people, I think they are very acutely focused on. It's not just NSW Resources; it's Investment NSW and a whole—broadly DCCEEW, as well—engagement with our trading partners on other sectors. They are very focused on ensuring that they continue to have a reliable supply of coal into the future.

The CHAIR: In terms of "they"—our trading partners—when we talk to trading partners, are we talking to the Japanese Government and the Korean Government, or are we talking to corporations, or both? Are we talking to other people—the IEA or any other agencies that might have a different view to, say, a corporation that's got commercial considerations or the like, or a government that might have political sensitivities? They might say, "We expect economic growth on this trajectory," but other people might say it's different. Who is "they" when it comes to our trading partners?

GEORGINA BEATTIE: When I was talking trading partners then, I was predominantly referring to Japan and South Korea as our largest trading partners. We engage with the Japanese and the South Korean governments. We met with the consuls general. We met with JOGMEC, which is the Japan Organization for Metals and Energy Security, and we met with the Japanese Ministry of Economy, Trade and Industry. We also met with some companies. Largely, we were as broad as possible in terms of understanding future market demand, but I would say, largely, we're informed by their governments.

The CHAIR: You didn't talk to people outside of the Japanese Government or in those markets? You didn't talk to international organisations that might have a view about trends in coal or other emerging markets, like increasing supply, lowering demand?

GEORGINA BEATTIE: Not specifically. We're reviewing reports. The International Energy Agency reports were obviously another source of understanding for the team that was advising the Government as well.

The Hon. EMILY SUVAAL: Good morning, Ms Beattie. I just wanted to ask about the coal statement as it relates to metallurgical coal. Could you explain, for the Committee's benefit, the distinction between thermal and met coal and why that distinction matters in the context of our global decarbonisation efforts and industrial supply chains?

GEORGINA BEATTIE: Yes, sure. Thermal coal is coal that's used for energy production. It's the largest volume of coal produced in New South Wales, located largely in the Hunter, Central West and North West of the State. We export a large portion of our thermal coal, of course, whereas metallurgical coal is used for steelmaking, predominantly located in the Illawarra coalfields, but not only. Metallurgical coal is really essential to our sovereign steelmaking capability. BlueScope Steel is a large user of the metallurgical coal that is produced in New South Wales.

The Hon. EMILY SUVAAL: Could you also explain to us what role metallurgical coal will continue to play in our New South Wales economy in both the export market as well as domestically, making sure we have that sovereign steelmaking capacity?

GEORGINA BEATTIE: Metallurgical coal will continue to be an important part of the make-up of the coal sector. I don't have in front of me—I'm sorry—the specific consent end dates of those mines and the forecast demand over coming years, but there's no doubt that it is a very important part of the coal sector. The document separates thermal and metallurgical coal, noting that they are different markets and different needs, and the sovereign steelmaking capability in New South Wales, particularly in that Illawarra region, is something that the coal document calls out specifically as a continued focus for the Government.

The Hon. EMILY SUVAAL: In terms of the statement, can you explain a bit further how that recognises that the steelmaking coal is currently, obviously, an input to infrastructure—whether it's globally or domestically—and also renewable energy infrastructure itself? Does the statement talk to that specific point?

GEORGINA BEATTIE: Sorry, to which specific point?

The Hon. EMILY SUVAAL: That steelmaking coal will be required for us to achieve our net zero ambitions.

GEORGINA BEATTIE: Yes, I believe it does. I don't have the specific words from the document in front of me but, yes, the document is very clear that metallurgical coal for steelmaking is very important for New South Wales's future.

Ms TRISH DOYLE: I just wanted to jump in on the back of Ms Higginson's questions in terms of stringent environmental regulation to reduce emissions, and I wondered whether, Ms Beattie, you might speak to your understanding of environmental regulation in place, as understood by your department.

GEORGINA BEATTIE: Thank you for the question. As I mentioned earlier, the responsibility for emissions regulation in New South Wales is really handled by the Environment Protection Authority and also conditions through the planning framework. While I'm here to talk about the New South Wales coal industry policy document, which brings it all together as a whole-of-government document, you can see in that document it refers to the EPA's mitigation guide for coalmines. The EPA is appearing after me this morning and will be able to talk in detail around the specifics of that policy. But essentially, the Government's position is that the New South Wales coal sector must contribute to the net zero targets and its proposals to extensions of the New South Wales coal sector will continue to be considered, but they must meet robust regulatory requirements. New proposals are assessed through the planning framework and there are emissions considerations at that point in the framework, but existing mines through the EPA's licensing will also be subject to remissions requirements.

Ms TRISH DOYLE: Just further to that, what is that collaboration? What does that discussion between yourselves and the EPA and the environment department look like regarding that regulation?

GEORGINA BEATTIE: In terms of the development of the policy position, there was a high level of engagement working through the various regulatory requirements. In terms of specific proposals, there is a clear pathway from a proposal being nominated and assessed through the planning framework. My role in that—the NSW Resources role—is to provide information on production forecasts, the geology, those kinds of areas, but the regulatory frameworks that govern emissions are dealt with by other departments. The Development Coordination Authority will be bringing together those assessments for proposals in a different way with a view to streamlining the timeframes and the coordination across government of those, but the regulatory frameworks that are there, each has its own responsibilities and focus areas.

The CHAIR: When the coal policy is being formulated, it appears to be silent on the prioritising of particular projects or areas that may be in the pipeline. If you've got a diminishing demand and existing workforces, is there going to be weight given to particular projects essentially getting prioritised in terms of assessment and potentially approval and construction on the basis that they support more jobs or are more essential to the New South Wales economy than, say, others that may have a small workforce or are not as embedded in the community? How is that going to be managed?

GEORGINA BEATTIE: That's a very good question. Essentially, the life of a mine and any proposals to extend a mine, it's a decision by the operator of that. But, as you would appreciate, those decisions often are based on the commercial viability, which includes the geology. Where there's a significant coal resource remaining—either as part of an existing operation where the consent expiry date could potentially be extended a number of years, or whether there's coal reserves adjacent to where the existing approval is—those areas could be considered for extensions. But in terms of the prioritisation, it will really be up to the proponent to put forward the proposal and then each proposal will be assessed on its merit.

Having said that, we know within the department, through our Geological Survey of New South Wales, where resource is likely to exist—what we know about the quality of that coal, the accessibility of that coal. We know that some existing operations have consent expiries that it's unlikely that they would be looking to extend any further, and we know that other operations potentially are more likely to be able to extend. But ultimately, it's a market-led approach, so it will depend on the demand—and we've talked about that before, in terms of our trading partners and what they'll need into the future—but also commercial decisions by the operators.

The CHAIR: Essentially, it's a race to secure that approval. So the Government is not looking to intervene to say these areas or this mine employs more people, it's more integrated in the community and it's more valuable

to the New South Wales economy. It's just that if you can get your mine approved sooner then you get market share. Is it that *laissez faire*?

GEORGINA BEATTIE: I guess that's the way it's always been. A project is assessed on its merits, and that includes the full assessment of the environmental impacts beyond emissions—biodiversity, heritage, a whole range of environmental considerations—as well as the economic value of proposals. Those elements are always considered—the workforce, the contribution to the economy, those kinds of things. In that sense, it's the same as it has been before, in that projects that will be assessed on their merits.

Ms SUE HIGGINSON: Obviously, it's an area the EPA regulates, but do you advise proponents, when they are talking about their expansions, whether their propensity to want to do more to lessen their scope 1 and scope 2 emissions—do you ever have those up-front conversations with proponents? As far as I can see, whilst there's a regulatory regime that's been introduced, there seems like so much more that could be happening in terms of reducing scope 1 and 2 emissions here in New South Wales. I'm just wondering the extent to which NSW Resources deals with that, in terms of better practice proponents.

GEORGINA BEATTIE: We don't. We don't have a remit that covers emissions, so we don't give that advice. But really, the planning department, through that process, are the ones that are assessing proposals. I know that they would regularly talk about the scope of projects and engage directly with proponents about all sorts of likely impacts and what they would be looking for through the assessment process.

Ms SUE HIGGINSON: Similar to the conversation the Chair was alluding to—this idea that it's just a *laissez faire* race—is there some way of saying, "Actually, this is a proponent that, if the resources are equally valuable resources to the market, if we're taking a market-only approach"—when do we start to prioritise those proponents that do better in terms of reducing their scope 1 and scope 2 emissions for New South Wales' ambition, when we say it's a whole-of-government approach?

GEORGINA BEATTIE: I'm really verging outside my remit, so I'm conscious of that. But the planning department really, I think, would be well placed to answer that question, because they do work closely with proponents and they do give feedback—with input from the EPA, as well—about what they believe is appropriate, whether it's the design of a mine, but also appropriate abatement technologies.

Ms SUE HIGGINSON: Back on demand—in terms of the department, are you still taking a position that obviously has been taken for many years over the past couple of decades that "New South Wales' is great coal; come and get it"? Is that still a marketing approach that you take to our trading partners?

GEORGINA BEATTIE: I wouldn't say that we're marketing the coal in that sense, but it is a very strong export market for New South Wales. The relationship with our trading partners is critical for New South Wales economic future, both in coal and in many other areas where we have a strong relationship, and need to continue to have a strong relationship, with our trading partners. The position this document has taken is that it is a market-led approach. While there is demand, the New South Wales Government is not going to artificially constrain the coal sector by banning extensions. Trading partners want New South Wales coal because they have determined that it is suitable. In Japan, for example, their coal-fired power stations are looking for a certain quality of coal that New South Wales has.

Ms SUE HIGGINSON: Has there been any change? In a different life I was living, I saw GIPAA documents that revealed resource personnel taking trips around the world to—there are more sophisticated terms—spruik New South Wales for trading reasons and try to get part of the market. Would you say there's been any change in the nature of that relationship with departmental officials? Is there anything in terms of spruiking down New South Wales coal or a neutralising, given our emissions reduction ambition?

GEORGINA BEATTIE: I would not say there's been a position taken to talk down New South Wales coal, no.

The CHAIR: Can I just jump in on that one? India is a growing coal market and yet we only supply a small amount of coal to India; I think it's only about 1 per cent, or something like that, of our coal. Has the department done any modelling on supplying coal to India beyond 2050? What's the department's position on exporting coal beyond 2050, especially to growing markets like, potentially, India or—

GEORGINA BEATTIE: This document is from 2026 to 2050. We've not really thought about a position beyond 2050 at this point.

The CHAIR: So coalmining ends in 2050? Thermal coalmining in New South Wales will—

GEORGINA BEATTIE: That is not what I'm saying, but the policy position that has been released by the New South Wales Government is 2026 to 2050. We know we have net zero targets out to 2050. I expect that

a lot will change between now and then in terms of the technology that is available to abate emissions and also the global demand for our coal sector. If I could just go back to the discussions that we've been having with trading partners, our engagement with trading partners is really always about supporting the export from New South Wales supporting the New South Wales economy.

Largely our focus is on critical minerals. That is where we see the future of the mining sector. But the engagement with trading partners is, as you would expect, much broader than resources; resources is only one sector. For resources, we talk about critical minerals but, interestingly, our major trading partners always come back to "What is the future for coal; we need to make sure our energy is secured." New South Wales wants to be a secure and reliable trading partner. This document that's been released really provides that security and confidence to our trading partners, which will support both their economies as they move to net zero, but also our trading relationship with them for all parts of our economy.

The CHAIR: The extinguishment of coal titles—has the Government relinquished its own coal title or titles?

GEORGINA BEATTIE: Yes, we have.

The CHAIR: Where were they? Were they in the Hunter?

GEORGINA BEATTIE: In the past, Geological Survey of NSW used to undertake coal exploration and provide pre-competitive data to support investment in coal. The last remaining coal exploration held by the New South Wales Government was up, I think, north of the Hunter region. We haven't undertaken any active coal exploration as a government there for a while. But now, firmly, we have relinquished that title. The focus, of course, is now on critical minerals. We do a large amount of work exploring for critical minerals to provide data to the sector to encourage investment and encourage that industry.

The CHAIR: What about coal titles held by the private sector? Are they going to be annulled? Is compensation payable for those people who have coal titles in, say, greenfield sites?

GEORGINA BEATTIE: We're working with title holders that may be impacted by the policy, but it's important to note that exploration can continue. The policy has made it clear that new greenfield projects for production will not be supported and we will not be releasing.

The CHAIR: But they can still look.

GEORGINA BEATTIE: They can.

The CHAIR: You can look but you can't have an approval.

GEORGINA BEATTIE: If a company chose to do that, they could do that.

The CHAIR: That would be courageous. What about compensation? The Government hasn't cancelled any private sector coal exploration licences other than its own?

GEORGINA BEATTIE: Correct. We will not be cancelling any coal exploration licences.

The CHAIR: Is that because it would cost a lot of money to do so? Have you done any modelling on how much it would cost?

GEORGINA BEATTIE: It was not something that we've considered. By making it clear about the intention for production, that sends a strong signal about the Government's future focus areas.

The CHAIR: We've run over time. Ms Beattie, thank you for your evidence today. We greatly appreciate it. I don't think there were any questions taken on notice. Thank you.

(The witness withdrew.)

Mr TONY CHAPPEL, Chief Executive Officer, NSW Environment Protection Authority, affirmed and examined

Mr ASELA ATAPATTU, Executive Director, Policy Programs and Finance, NSW Environment Protection Authority, affirmed and examined

The CHAIR: I welcome our next witnesses. Do you have some introductory remarks you'd like to make on behalf of the EPA?

TONY CHAPPEL: Firstly, I acknowledge the traditional custodians of the land we are gathering on—the Gadigal people of the Eora nation—and extend my respect to Elders and their ancestors who have cared for country here since deep time. Since our last appearance before the Committee, the EPA has finalised and released a *Greenhouse Gas Mitigation Guide for NSW Coal Mines*, as well as new requirements for all large greenhouse gas emitting licensees. The new requirements create greater transparency and public accountability for greenhouse gas emitters. Coalmines and other large greenhouse gas emitting facilities will be required to publish their emission reduction plans in climate change mitigation and adaptation plans or, as we know them internally, CCMAPs. We're also requiring these facilities to annually report their emissions to the EPA and provide us with estimates on their future emissions. These actions will help us identify where additional support or regulatory intervention is needed to ensure efficient and effective greenhouse gas pollution reduction across the economy.

The requirements also set clear expectations for coalmines. They must reduce their onsite emissions, with a focus on reducing fossil methane. Our coal-specific requirements will require underground coalmines to flare or utilise any drainage gas that mines generate. Drainage means drilling holes into the coal seam and surrounding strata and draining and collecting the gas, reducing the amount of methane in the underground workings of the mine. Mines will also be required to detect and manage methane leaks from old mine workings at operational underground mines, and certain high-emitting mines will be required to progressively install ventilation air methane abatement technology. These requirements are one part of our policies and plans to reduce emissions as we work to address both the causes and consequences of climate change. The EPA has more work to do, but these recent actions are an important step forward, setting new standards for climate action in New South Wales and Australia. I welcome your questions.

Ms LIZA BUTLER: Thank you for your time today and for coming in. We've had a submission from the Minerals Council. They're saying that we're ignoring the abatement measures that are already being undertaken and that, with the lower demand, we will naturally see a decline in emissions around coalmines. What is the EPA's view on that statement?

TONY CHAPPEL: Our view, as the pollution regulator, is very much to focus on onsite abatement and reduction and avoidance of pollution. Historically, the sector has seen a decline in recent years, caused by the closure of various high-emission mines, and it projects future declines based on the purchasing of generally biogenic offsets. Fossil methane is a particularly potent greenhouse gas. It's actually over 100 times more potent than carbon dioxide over its lifetime in the atmosphere, which is only a dozen years. It presents a real opportunity to bring forward meaningful climate benefits but also offers proven technologies operating around the world that can cost-effectively address the source of pollution here in New South Wales. We are talking really about complementary measures to those broader purchases of offsets that the safeguard mechanism requires many mines in the sector to undertake. We see this as very much within the remit of reducing pollution here and avoiding it in the first place, where that's possible, as our major emitters guide seeks to do.

Ms LIZA BUTLER: Do we have any coalmines already doing that here in New South Wales?

TONY CHAPPEL: There have been various mines that have used various parts of this technology. Many mines currently do perform pre-drainage. Some mines do capture methane of various forms. But for the scale we are talking about for the major emissions from a couple of these very highly polluting mines, that technology operates in other jurisdictions. It doesn't currently operate here in New South Wales, but there is a well-progressed program to operationalise it in one initial shaft of one of these mines and then roll that out. We are working through them very carefully with relevant colleagues across government and the Resources Regulator, as well as, obviously, the industry and the mining unions.

Ms LIZA BUTLER: We can't just rely on the natural decline in emissions by the reduction in coalmining. We need these measures taken as well?

TONY CHAPPEL: The future is never certain. I know there is a lot of debate, at least in academic circles, about the seaborne coal market over the coming decades. Some quite credible figures argue it will decline much faster than many project, because some of our trading partners, like China and India, will inevitably prioritise their own—albeit less efficient—coalmines versus the import volume that they currently buy through our exports. But

other projections that I have seen show quite a substantial seaborne trade for many decades to come. I think the opportunity here in New South Wales, given the legislative targets that the Parliament has adopted that are the law here, requires us to act directly and to look at opportunities to reduce pollution in the State to complement other obligations that mines might have.

Ms LIZA BUTLER: If we didn't do that, would that put the net zero by 2050 in jeopardy?

TONY CHAPPEL: Potentially. There are many paths to net zero, and it's important to understand it's not absolute zero. But it's also important to consider the relevant opportunities for addressing some of the super pollutant greenhouse gases—of which there are a number, but fossil methane is clearly one—and some of the challenges biogenic offsets have in fully ameliorating those impacts. If we do have opportunities to address that directly, particularly given our legislative targets, I think it's appropriate that they be addressed.

Mr JAMES GRIFFIN: Mr Chappel, it's wonderful to see you; Mr Atapattu, likewise. Congratulations on publishing the guide. I know it was a labour of love and a good effort in working alongside industry. Both carrot and stick approach was the intent for a long time. Do you feel, though, that onsite abatement has gotten to a point where it's done as much as it can, or do you feel that there are still some technological advancements available that will deliver more—or have we basically stopped as much as possible at the moment?

TONY CHAPPEL: No, I think we're really at the beginning of that journey. The mining sector is justifiably proud of its world-leading safety performance. We are confident our mining sector can become world leaders in sustainability performance as well. Most of the emissions from our mines in terms of the onsite emissions are either from fossil methane, as I've laid out, or combustion of liquid fossil fuels. Both of those areas offer significant opportunities for abatement. We see in some other parts of the mining sector, even here in Australia, very significant progress being made in electrification and low-carbon haulage through road and rail electrification. The particular vehicles our coal sector uses are not quite as advanced in that space. But you can obviously foresee, either in renewable fuels or electrification, other opportunities there that aren't currently available. In terms of the pre-drainage and capture, that's more challenging for open-cut mines. Technology, though, does continue to improve, and we're confident over time there'll be more opportunities there that mines may be able to avail themselves of. Do you want to add anything?

ASELA ATAPATTU: No.

Mr JAMES GRIFFIN: On to the CCMAPs, we will start to see operators publishing them in their own documentation. Can you unpack that a little bit more? Is it an end of financial year reporting role, or where will these appear?

ASELA ATAPATTU: CCMAPs have three components. The first component is the yearly annual emissions reporting, and then a five-year publishing of a mitigation plan on how we are currently planning to meet the New South Wales targets. Then the final component is any offsite harm that may occur from climate change related events like a bushfire or a flood. How will you plan to mitigate offsite harm from activities like a waste facility or something like that? There are three components to that. The first part of it, which is the reporting requirement, kicks in on 31 March 2027. That's basically the reporting on emissions. Then for those facilities that are safeguard facilities—so you're well down the track of understanding what your climate change requirements are—and the coalmines that emit more than 25,000 tonnes of CO₂ per annum, they are required to have a five-year plan for how you are planning to mitigate emissions from your activity. For those that are not coalmines and not safeguard facilities, but emit more than 25,000 tonnes of CO₂ per annum, that kicks in on 31 August 2027. That's primarily the triggers.

The Hon. SARAH MITCHELL: What's the penalty for mines that don't meet those deadlines and targets that you set? I know you're talking about 2027, but what happens if, for whatever reason, a particular mine can't meet that?

TONY CHAPPEL: We have a variety of tools for regulation that we use in all kinds of contexts like this, including reporting requirements and more substantive requirements. We generally have a set of gradations in our response. We start with education and providing the right information to make sure people understand how they can comply simply and efficiently. We've done a lot of work with the sector to try and remove duplication, so some of the data that is captured under the safeguard or other obligations can essentially fulfil many of these requirements. We will work with any particular industry or sector or operation if it's proving challenging. Then we have a gradually escalating set of responses through to requiring penalties where that is appropriate.

The Hon. SARAH MITCHELL: Presumably that consultation will take place between now and when the deadlines have been set for 2027 to around—

TONY CHAPPEL: Yes, we will continue to engage deeply. If I can perhaps just quickly speak to the engagement we did on these measures, it's some of the most rigorous, deep engagement the EPA has done in history. We had a series of industry workshops—we had something like 40 external sessions. We had broad public consultation and lots of regular conversations with stakeholders. We've had these expert committees that we set up a couple of years ago that have been very involved as well. It's really been very deep engagement that's informed us in terms of landing on these settings. You can see that even in terms of the proposals that were consulted on, which was a product of much of that engagement. They have changed quite substantially to where they have ultimately been aligned.

The Hon. JACQUI MUNRO: Your submission states that you're not expecting to reach net zero by 2050. There is a graph on page 7.

TONY CHAPPEL: Of our submission? We certainly would expect to meet net zero by 2050. Sorry, Ms Munro, which document are you—

The Hon. JACQUI MUNRO: It says:

DCCEEW's latest GHG emissions projections update shows that under current policy settings, NSW is not on track to achieve its emissions reduction targets.

TONY CHAPPEL: I understand. Assuming no other change to any of the variables—economic policy, social or other—that would be accurate. Our expectation is that over the coming decades we will be able to achieve that ultimate goal for 2050.

The Hon. JACQUI MUNRO: On the next graph you've got BAU, business as usual, and you've got current policy. What's the difference between business as usual and current policy?

TONY CHAPPEL: Those charts are produced by our colleagues in the science area of DCCEEW. I don't think I have that actual document in front of me. Perhaps we'll take that on notice and get you the technical explanation with our colleagues.

The Hon. JACQUI MUNRO: That would be helpful. In terms of understanding what you mean by, "We would expect to meet them with future policy changes or different policy settings," how does that work?

TONY CHAPPEL: As you've seen this year from us as the regulator and more broadly across government, and as we've seen each year in the last Parliament and in this Parliament, there have been a series of measures, a series of technologies and a series of other innovations that have all contributed to positive progress. If you think about where we were five years ago on electric vehicles, I'm very optimistic that over the next two decades cost-effective abatement opportunities will be available for us to make the progress we need to make. I can't tell you exactly how that looks or in specifically which order it occurs. All the work I do—we engage quite extensively with colleagues in other jurisdictions grappling with similar questions. Despite some of—

The Hon. JACQUI MUNRO: Technology will save us.

TONY CHAPPEL: Not just technology. If you look at some of the drivers—for example for resilience and for re-manufacturing—that are occurring globally despite some of the political language that some leaders globally use around issues of climate pollution, actually the set of factors that can enable comprehensive change in a positive direction are expanding and not contracting. I, for one, am more optimistic.

The Hon. JACQUI MUNRO: We've obviously got this inquiry into emissions from the fossil fuel sector. Do you think that we should be looking at other areas—like agriculture, for example—in future committees, where those emissions are not expected to reduce as significantly? Are there regulatory pathways that would enable that that you can see at this point in time?

TONY CHAPPEL: I've been to some really extraordinary agricultural operations in my time in this role. I've been to a net zero piggery, for example, where the methane from the excrement is captured and used to fuel the heating systems, and discarded food from local supermarkets is the food source. There's some really great innovation in the agricultural sector. From our point of view, as the regulator, we see biogenic methane in a different category to fossil methane, simply because biogenic methane is part of the natural carbon cycle. I think there's a role, over time—perhaps well into the latter part of the century—for on-farm or off-farm natural sinks to be balancing that. In terms of fossil methane, the reason it's a specific focus is we're unlocking and releasing emissions that have been sequestered for hundreds of millions of years, so they're quite different. I think it's appropriate for the Committee to consider all sources of emissions right across the economy. Do you want to add anything on agriculture?

ASELA ATAPATTU: One of the really interesting tensions and dynamics that emerged through our consultation process is how we treat fossil CO₂ versus biogenic. From the expert consultation in the sessions, the

appropriateness of the safeguard and its primary mechanism, which is the offsets, kind of makes sense in the context of biogenic emissions. When you're managing biogenic emissions, trapping biogenic CO₂ in the biosphere makes sense. When you're putting new carbon or new methane into the atmosphere, does that still connect? Is that still a valid assumption? I think that's where the power is, in terms of looking more and seeing with our policy frameworks, nationally and State.

The CHAIR: Aren't we looking at it holistically? We're looking at net zero, so does it really matter in the end, in our political sphere—we might be emitting from the fossil sector, but it's still methane. It's still a greenhouse gas, but we're offsetting in another sector. We look at it collectively, don't we?

TONY CHAPPEL: We do. As the pollution regulator, we are specifically focusing on what you might call the super pollutants in the space as we look across each sector. We laid out in our climate change action plan for 2023 to 2026 that we will look at all the sectors, and we're looking for the cost-effective opportunities to deliver abatement but also support sustainable development.

The CHAIR: Why, then, in those sectors, do we have this silo for land use and land use change, and agriculture? Why are those two—

TONY CHAPPEL: There's a natural carbon cycle that we're all a part of. From our point of view, as the regulator, we see more climate benefit in addressing the avoidance and reduction of release of fossil methane because of the challenges that are evident when you consider the offsetting of that with natural carbon sinks. The biosphere is perhaps best suited to offsetting natural emissions sources as well—biogenic sources. But other pollutants, like refrigerants or fossil methane, are more challenging. There is more benefit and more certainty in addressing those at the source.

The CHAIR: I understand that, but why would you look at a sector like land use and land use change separately to agriculture? Aren't they the same thing?

TONY CHAPPEL: I think they are accounted for in the same sector. We have an emissions modelling team that sits in the department. We don't do the modelling ourselves and we don't choose the way the sector's defined. But my understanding is the land use sector includes agriculture.

The CHAIR: No, it doesn't.

TONY CHAPPEL: No? Okay, I'm mistaken about that.

The CHAIR: It doesn't, and the methods paper and the modelling suggest that the land use, land use change, even though it's offsetting, in terms of net zero, vast sectors of our economic output and greenhouse gas output, will not change over the next 25 years. That peer-reviewed methods paper shows that the land use, land use change sector will actually decline in the amount of greenhouse gas that it's essentially offsetting. How can that be?

TONY CHAPPEL: If that's what the scientific expert consensus is, I'm not going to quibble with it. I'm not able to give an opinion on whether that projection is ultimately going to come to fruition.

ASELA ATAPATTU: Yes, I think we are not able to—we don't have the coverage of that information, so happy to take that on notice and come back to you with input from our colleagues in the department.

The CHAIR: But that's the information that feeds into your dashboard.

TONY CHAPPEL: It's not our dashboard.

ASELA ATAPATTU: It's a departmental dashboard.

Ms SUE HIGGINSON: Have you not seen the current methods paper?

TONY CHAPPEL: I think we do see the papers. I just don't have it in front of me. The dashboard is not something the EPA publishes. It's a New South Wales government dashboard that the Department of Climate—

The CHAIR: That DCCEEW does. Okay.

Ms SUE HIGGINSON: In relation to the methods paper for 2025, can you confirm that is something you've seen and has it been able to assist you in understanding the current dashboard?

TONY CHAPPEL: Yes, our teams have seen those. I can't recall whether I've specifically read that paper myself. But let me take that on notice and we can just confirm.

Ms SUE HIGGINSON: If it is available to you, I think that the Committee would benefit from being able to have a copy, or some advice from you about the methods paper. I understand it's normally been available. I'm just not sure why we don't have the current methods paper.

TONY CHAPPEL: Sure. Let us take that on notice.

Ms SUE HIGGINSON: Can I ask about onsite scope 1, scope 2? I know there have been some broad questions, but in terms of fugitive, diesel and VAM offsets, if we are looking at, for example, HVO—and I think we've had discussions about HVO in various other inquiry forums, but I'm just concerned—do you think that what is being proposed at this point is the highest and best that we could be achieving at HVO, for example? I'm taking that one for an example because it's a current one. But do you think your coal mitigation guide, your final version as applied to HVO, is the highest and best regulatory practice that we have in New South Wales right now for a high emitter?

TONY CHAPPEL: No, it's something that we're continuing to refine. We will continue to refine both it and its application. I think I mentioned the 2023 Climate Change Action Plan, which was sort of the first attempt by the EPA to engage rigorously with climate pollution, and we're certainly continuing to build that capability. I think that the large emitters guide is not really—it's an input into the planning process. I wouldn't characterise it as regulatory practice. I think we're looking at some new regulatory tools and our existing regulatory architecture in terms of regulating those pollutants down to safe levels. But the large emitters guide is intended to support the rigorous assessment by the planning authorities of the greenhouse gas elements of some of the environmental impacts of these projects. It does that by requiring proponents to transparently step through onsite efforts to avoid and then reduce and then mitigate onsite pollution before they then turn to offsets of various kinds to demonstrate compliance with the State's targets.

Ms SUE HIGGINSON: Do you see that there's opportunity if a company is not reducing its diesel use, for example—and I think we talked about that a bit—that there is more that an operator can be made to do to reduce those emissions as part of their operation? If so, where does that happen?

TONY CHAPPEL: There's always a level of the possible, and then what our regulatory architecture requires us to look at is what is practical, feasible and consistent with the ecologically sustainable development activity and so on. We did a lot of engagement around renewable fuel opportunities and biofuel opportunities for the mining sector specifically. The mining sector is one of the top four or five users of liquid fuels in the State, but it is not the largest user. Our engagement, I think, led us to conclude that there are potentially more efficient ways, more cost-effective ways, less inflationary opportunities and opportunities that are perhaps more congruent with sustainable development for New South Wales to look at if we take a holistic, systemic view of the sector as a whole. We'll be looking across the liquid fuels sector as part of that work.

Ms SUE HIGGINSON: When we're looking at it as a whole, though, is there not just an insane inequity when you look at the biggest emission output? If you look at the top five or the top six, those mines right now are producing a lot more than, say, the smallest mines. Where do we go in terms of really understanding that data on a mine-by-mine breakdown? I know that we said in the CCMAPs that we'll start to see—

TONY CHAPPEL: Yes, it will be published, and we'll also be monitoring.

Ms SUE HIGGINSON: In terms of that true, clean data—the scope 1 data for coalmines—where will we get to see that and when? I think Mr Griffin was trying to get at that. How do we see that and why do we not see it now, I think, is the question.

ASELA ATAPATTU: The other thing I would like to add is there's overlapping regulatory schemes. The Federal Safeguard Mechanism does a certain amount of heavy lifting, and then the State-based stuff comes in underneath that.

Ms SUE HIGGINSON: The safeguard dataset is above the 100,000 tonnes per annum?

ASELA ATAPATTU: That's right.

TONY CHAPPEL: Yes, and there are the four methods for measurement.

Ms SUE HIGGINSON: That's right. How do we see the clean data of each mine at this point in time?

ASELA ATAPATTU: There are some limitations to what the Clean Energy Regulator publishes. That's part of the reason why we have taken this approach of the CCMAPs. The moment the CCMAP obligations kick in on a licensed facility, they would have to publish that data. The annual emissions data will be published on a publicly available website. Obviously we will be collating that, aggregating that and looking for trends. The other element is the long-term mitigation, so five-year emission projections or the mitigations that you're proposing to do in those five years would also be published at that time.

Ms SUE HIGGINSON: What would stop a large emitter, a coalmine, from working the 100,000 tonnes safeguard dataset and sitting at 98,500 tonnes? The transparency around that—obviously any reduction in

production is a good outcome if you're looking at emissions reductions. But where does that arbitrary cut-off for that data requirement set in?

ASELA ATAPATTU: I think our requirements cut in at 25,000.

TONY CHAPPEL: Yes

Ms SUE HIGGINSON: I think what I'm trying to ask is how we avoid any perverse use and manipulation of the reporting to get real emissions reduction outcomes.

TONY CHAPPEL: I think the first point to understand is our requirements cut in at a much lower level. Would you like to talk about that?

ASELA ATAPATTU: The CCMAPs kick in at 25,000 tonnes of CO₂ per annum, which is much, much below the safeguard limit. I think because the CCMAPs—so our licences apply across almost 50 per cent of the emissions in the State. Our licensed premises, when you add up all the emissions from them, it is about 50 per cent of the emissions in the State. That gives us a very good and public picture on what those emissions are going to be and what the intentions of those facilities are to meet the State targets. That will also include not only the onsite emission reduction but their offset strategies as well.

Ms SUE HIGGINSON: Have you seen the legal reports around the current regime—and obviously the EPA's role in that—per Justice Basten, who has provided an analysis of the regulatory framework and the approval system? I'm interested in whether you've seen that and whether you've done any kind of synthesis on what it means in terms of the EPA's role in that legal framework at the moment.

TONY CHAPPEL: I haven't personally read that paper. I'd be very happy to read it. Have you read it?

ASELA ATAPATTU: No, but I'm aware of it. I think the teams are working towards reaching a position on what it implies. I think the main thing I'd like to add is that the EPA's regulatory oversight comes down to two things. It's how you come in through the door—through the approval process, through the planning system—and that's where the large emitters guide applies. Then the CCMAPs form an ongoing oversight mechanism of the facility once it's coming through. Then that gives government and us the ability to look at whether it's through licence conditions or other regulatory interventions as we go forward and see any adjustments we need to make to that framework.

Ms SUE HIGGINSON: From the EPA's perspective right now, do you think that all coal modifications and approvals should be going through that Independent Planning Commission process so that there is more ability to really assess and have input to get to the best decisions possible?

TONY CHAPPEL: Are you asking specifically about the pathway of a modification versus a new application?

Ms SUE HIGGINSON: Yes. All the evidence today is that the requirements that we have to—there's a bunch of things we're balancing and assessing, and the new statement on coal has the rigorous environmental framework. Do you think now that that means, for the integrity of that, all coal decisions really should be going to the IPC for the most rigorous? Is that your interpretation of this strategy for understanding the rigorous environmental framework?

TONY CHAPPEL: I think that's more of a policy question. Our role is to provide input whenever it's requested, including on the major emitters guideline and how a proponent has sought to apply that. We'll do that regardless of which planning pathway is being considered.

ASELA ATAPATTU: Irrespective of the approval mechanism, the CCMAPs will apply to that facility. There will be a transparency of what the new emissions are.

Ms SUE HIGGINSON: But isn't there only so much you can do? Once an approval has been granted for the mining of a certain quantum of coal, there's really only so much you can do once that's happened, right?

ASELA ATAPATTU: Yes. There are limited abilities to intervene. But if you look at the EPA's coal guide and what the interventions that it's proposing are, they are retrospective for some of the underground mines, so it's a more elaborate and long-drawn-out process. However, there are mechanisms to intervene retrospective that approval.

TONY CHAPPEL: You mean to consider the impact of something that's been approved previously?

ASELA ATAPATTU: That's right.

TONY CHAPPEL: Our licensing and regulatory role is inherently dynamic. Licences are regularly reviewed, new regulations can put new obligations in as well, so there are a variety of tools for government and for the EPA to grapple with getting the pollution of any kind of project down to safe levels over time.

Ms SUE HIGGINSON: Is there still no discussion about a carbon budget for fossil methane or carbon in relation to coal projects?

TONY CHAPPEL: I think, again, that's probably a policy question.

The CHAIR: In terms of VAM abatement, there's no requirement for it to be implemented soon because the technology hasn't been proved up here. What does that mean for some of our biggest emitting coalmines? They may well have a condition on their consent that they implement VAM, but that may never actually come to fruition because of safety concerns or cost concerns. Is that the case?

TONY CHAPPEL: No, I can't really concur with a lot of that. I think that soon, in our minds, is 2032. We consulted on other timelines, and we became, I think, convinced that rigorous implementation and satisfactorily complying with those different challenges to operationalise it here would be achievable in that timeline. It is operating in many other contexts. There's a trial over in the UK—in fact, a very similar level of methane to what we see here in some of the mines that we're working too—that, from my current understanding, is actually outperforming expectations. So we are confident. Obviously, first and foremost, safety will always be a paramount consideration. We're working closely with the industry, unions and our fellow regulators on that, but we're giving ourselves enough time to do that with rigour and implement these proven measures. That's how we see it—the timeline. Do you want to add to that?

ASELA ATAPATTU: Yes. For specific time frames, if the condition applies—that means you have more than 0.2 per cent methane in your ventilated air—then, for any mine that emits more than one million tonnes per year, the timelines are one shaft by 1 July 2030 and then 75 per cent abatement by 1 July 2032. We've done extensive consultation with the whole value chain in terms of the providers, including the mines. We think that's meetable, as long as we can satisfy the safety element with the VAM.

The CHAIR: Thank you very much, Mr Chappel and Mr Atapattu. We appreciate the evidence you have given us today informing our inquiry. Thank you for appearing today and for the work you are doing for the people of New South Wales.

(The witnesses withdrew.)

Dr WILL RAYWARD-SMITH, Executive Director, Net Zero Commission, affirmed and examined

Ms PHOEBE COLMAN, Principal Advisor, Net Zero Commission, affirmed and examined

Ms KATERINA KIMMORLEY, Net Zero Commissioner, affirmed and examined

The CHAIR: Good morning to the Net Zero Commission. Do you have any introductory remarks that any would like to make, or all of you, potentially?

KATERINA KIMMORLEY: We do. I will make some remarks and so will our CEO. I will start by thanking you, Chair, Deputy Chair and all of the members. All of these processes, but particularly today, the questions you've been asking and the fact that you keep calling us to appear, have given me a lot of faith in our system, and I really appreciate it. Also, I want to thank probably at least tens of thousands of hours of bureaucratic time of those who have gone into all of the reports, ours included, and the two extras that have come up since December. There has been a lot of work and thinking put into this, so it's great to have time to deconstruct it and to question it with you today. I'm going to be providing some of the commission's commentary on the *NSW Coal Industry 2025-26* report. Then we'll be talking to our commentary around the EPA's guide. Before I do, though, I want to provide a little bit of background to what's happened since we provided our coal sector spotlight in December last year.

Maybe the high level on the resources report is that there is significant inconsistency with what we have provided—our independent commentary in the coal sector report. I'm going to talk to the key areas of those in a moment. But to provide a bit of background to what's happened since our *Coal Mining Emissions Spotlight Report* in December, three key things have happened. The first was late April this year the first conference on transitioning away from fossil fuels happened internationally. This is an intervening between the UNFCCC conferences. Australia did attend that conference. We think it's a significant change and indication of the change in global mood on fossil emissions.

The second key thing happened just last Wednesday—and I'm sure many of you are aware of it—that the UN General Assembly voted to affirm the ICJ—the International Court of Justice—advisory opinion on the state's duty under international law to protect the global climate system. I just want to repeat—because we consider this very significant—that:

Failure of a State to take appropriate action to protect the climate system from GHG emissions—including through fossil fuel production, ... 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.

When we questioned Resources on their most recent report as to whether or not they considered this, their answer was that they have not. We consider that significant and, again, inconsistent with some of our advice. The third thing that happened, which is a bit closer to home, is that since December two coalmines have been granted expansions in the State. I just call your attention to—I do love a graph, and we've given you six just to pull out from our report. Do you have those in front of you?

The CHAIR: Yes. The commissioner has just provided this to me, if we could circulate that to everyone, please.

KATERINA KIMMORLEY: Thank you. Apologies for those online. We can provide them. They are mainly reports from our report.

The CHAIR: Out of the spotlight report?

KATERINA KIMMORLEY: The spotlight report, yes. If you turn to figure 4 on page 4, you can see there a whole lot of mine extensions. I just wanted to call out that the two mines that have been approved since December—the small one is the pink one, Dartbrook Modification 8. But the significant dark blue one, which goes above the line there, is the number one Chain Valley Colliery Consolidation Project. Those are the two that have been approved since our report. There are a further 19 coalmine extensions and expansions in the planning system awaiting determination, including the significant HVO project, which was already raised. You can see that there in the lighter blue colour.

I'll now turn to the commission's view on the coal sector report. There's three areas where we find significant inconsistencies with our spotlight report. The first area is that the New South Wales Government's position on coalmining extensions and expansions is inconsistent with our report, with the legislated net zero emissions targets and with the Paris Agreement, to which they give effect. We are in support, obviously, of the new position prohibiting greenfield coalmining in New South Wales. However, the finding that the New South Wales Government's expectation that emissions from the coal sector will decline, consistent with New South

Wales targets—we are also in support that that will happen. However, it's unclear how this will occur when the new position permits ongoing brownfield coal projects in the State.

For coal sector emissions to decline consistent with our targets, as stated in the new position, it means that, at minimum, coal sector emissions in 2030 need to be lower than recently reported, not higher, and that's not what we see in the projections. I'll turn you in a moment to a few more of the graphs. In 2024 State projections—and again, just to clarify, these projections that are in this report, and also the ones that the EPA were discussing before, were produced by the government department and not by us. We're just taking these as their projections, as given. We can see that the projections show coalmine extensions and expansions will increase the industry's overall emissions, adding to the projected gap between New South Wales emissions and legislated targets.

Again, this is high level, but if I take you through the graph—figure 1 shows our overall trajectory for net zero. The red dots are where we would like to be by 2030 and 2035, and obviously the projections show that we are above those. In 2030, it's about 6.6 megatonnes that we're above. If you turn to figure 2, this is just the trajectory for the resource sector. It's one of only two sectors where we see emissions actually are projected to increase. You can see there's that lump that happens from 2025 through to about 2035, and that increase is about 3.5 megatonnes, so you could say it's about half of the miss for 2030 that could be causally related to this increase in emissions from the coalmining sector, and then we see that projected decline. If you want to see the details of what's under that curve, that's what I was calling your attention to in figure 4. That is all of the mine extensions and expansions, which cause that increase or the lump that you see there in the curve. I'll leave it at that on the graphs. I do love a graph, but happy to take any further questions on those.

The second area that we find inconsistency with this report relates to our finding 3 of the coal spotlight:

... consent authorities need to meaningfully consider greenhouse gas emissions and their impacts in all planning decisions, including those for additional coal mining.

From the new report, we see that there are no changes proposed to the planning system to require consent authorities to give significant weight to, firstly, the impacts of scope 1 and 2 emissions on achieving the target; secondly, the local impacts of scope 3 emissions when assessing coalmine extension projects; and, thirdly, that this is required because consideration of the full climate impacts of proposed coalmines, extensions and expansion projects have, for the most part, failed to be reflected in determinations of projects to date. We also see that no policy guidance has been proposed to fill the current gap in the planning assessment framework in relation to scope 3 emissions. The commission has identified international examples of how best practice can be incorporated in this area, particularly from the UK. In our most recent letter to the secretary of the department of planning, we have highlighted this example and offered to work with the department to help develop these guidelines so that they are sufficient. The third and last area that we find inconsistency—

The CHAIR: Commissioner, can you repeat that last bit? You just said that you have made representations to the department saying that you wish to?

KATERINA KIMMORLEY: To work with them on that.

The CHAIR: To work with them?

KATERINA KIMMORLEY: We have, yes.

The CHAIR: Resources and the EPA or just—

KATERINA KIMMORLEY: Planning.

Ms SUE HIGGINSON: Does that include reminding the planning department that you have powers under the climate change Act to provide advice on specific coal projects to the Independent Planning Commission?

KATERINA KIMMORLEY: That's a good question. I don't know if our letter specifically referred to that, but we can take that on notice.

Ms SUE HIGGINSON: Yes, that's something I want to raise with you, and I can go into it a bit more. I know you're still doing your opening. Do you want me to hold and wait?

The CHAIR: Yes, let's hold that. Apologies, Commissioner, that was my fault.

KATERINA KIMMORLEY: That's fine. I'm almost wrapping up. Our third area of inconsistency—and we did call this out in our report—is that there is a growing body of evidence suggesting that fugitive methane emissions from coalmining, particularly open-cut coalmining, may be significantly under-reported and that the new government position fails to recognise this issue beyond committing generally to continuous improvement of emissions reporting. We also have concerns around many other areas, including the near-term viability of a lot of the methane reduction technologies being implemented at mines and many other smaller items. At a high level,

those three areas of inconsistency are our main concern. We're happy to take any further questions but, before we do, I was going to turn to my learned colleague Will.

WILL RAYWARD-SMITH: Thank you for the opportunity to appear today. I'm going to provide a quick overview of the commission's views on the EPA's mitigation guide for New South Wales coalmines. As the joint standing committee is aware, the Minister for Climate Change requested that the commission review the *Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines*, and we published that advice in February. I'd like to give a quick overview of that and also comment on the final guide that was released by the EPA. The final guide does respond to the commission's first finding in the coal spotlight report that additional regulation would be required to drive onsite abatement at existing coalmines. That was our first finding.

The EPA's final guide seeks to introduce, for the very first time, specific, measurable and time-bound regulatory requirements for coalmines to abate ventilation air methane; as we know, that's the primary source of fugitive methane from coalmines. It adopts an outcomes-based approach to fugitive emissions abatement requirements that also prioritises action at the highest emitting groups of mines, and that's consistent with the commission's advice on the draft guide. The commission is pleased to see that the guide does not allow exemptions or offsets for covered mines to meet their abatement obligations and, again, that's in line with our advice to the Minister on the draft guide.

But the commission notes and agrees with the EPA's view that the requirements in the guide "will not be enough to reduce the fossil methane emissions in line with New South Wales legislated emissions reduction targets". Of the new requirements, the VAM abatement requirements have the largest abatement potential. However, requirements will not make a significant contribution to the 2030 legislated targets. The commission expects the coal guide's 2030 VAM abatement requirements to apply to Appin mine and possibly also Tahmoor if it is operational and has more than one million tonnes of CO₂ emissions that year. Using Appin as an example of how much abatement the coal guide requirements could support—the Appin VAM abatement demonstration project, which will meet its 2030 VAM abatement requirements, is expected to abate 36,000 tonnes of CO₂ equivalent annually, or 0.3 per cent of 2023 reported fugitive emissions from New South Wales coalmines.

If we assume Appin's scope 1 emissions remain similar to its 2025 reported emissions, the commission estimates that implementation of the EPA's full VAM abatement requirements from 2032 at Appin may result in annual abatement of more than one million tonnes of CO₂ equivalent. That's equivalent to roughly 10 per cent of 2023 total reported fugitive emissions from New South Wales coalmines. The phasing in of VAM requirements for smaller mines two years later will likely only capture a handful of additional mines. Other fugitive emissions requirements for flaring, utilising drainage gas and managing leaks from old mine workings are common practice already at many New South Wales coalmines, and it is unclear whether they will result in significant additional onsite abatement.

As our spotlight report highlighted, coordination between the EPA and the Resources Regulator will be essential to support the effective and safe implementation of the coal guide's VAM abatement requirements. Whilst the EPA requirements are an important step forward, the relatively low levels of expected abatement and their delayed timing reinforce the need for consent authorities to meaningfully consider scope 1, 2 and 3 emissions when assessing applications, as Kat has outlined already. We also note that the EPA coal guide does not include any abatement requirements for open-cut coalmines or diesel emissions. Diesel emissions comprise a quarter of total coalmining scope 1 emissions. This is a significant gap, given New South Wales coalmining fuel combustion emissions rose 162 per cent between 2005 and 2023. That is shown in figure 5 of the figures that you have in front of you. The final comment is really that the commission's review of the EPA's draft coal guide had suggested that outcomes-based requirements also apply to reducing diesel combustion emissions. We would encourage the EPA's ongoing consideration of outcomes-based measures to address those emissions.

Mr JAMES GRIFFIN: I appreciate your fearless and forthright advice. Thank you for the charts. They're very helpful. My understanding of how you've explained them is essentially that there is—you've called them contradictions, but there is almost a divergence in the policy settings that we're seeing for the abatement and coal, and where we need to go with legislated targets to meet them. Is that essentially the case?

KATERINA KIMMORLEY: Yes.

Mr JAMES GRIFFIN: The other contradiction that you raised was—we heard the EPA are confident of meeting the targets in the event that there are some other policy changes. I'm not sure what they exactly are. If there are no policy changes, then we will not meet the legislated targets. What are any available levers left to pull in the event that the current policy settings continue as they are? It's a big question.

WILL RAYWARD-SMITH: Just to clarify, are you talking about the whole of economy or specifically this sector?

Mr JAMES GRIFFIN: Drill down into this sector specifically, if you can.

WILL RAYWARD-SMITH: Through the opening statements, we've tried to highlight where we see the key areas are for further policy and government action. Through our letter that we have provided to the Secretary of the Department for Planning, Housing and Infrastructure, we've indicated that we see the planning system as a very key place given the number of extensions and expansions that are coming through. We have offered the support of the commission in terms of best practice to consider those applications in light of the legislated emissions reduction targets that we have in New South Wales.

The Hon. JACQUI MUNRO: Have you received a response to that letter?

WILL RAYWARD-SMITH: Not as of yet.

The Hon. JACQUI MUNRO: How long ago did you send the letter?

WILL RAYWARD-SMITH: We submitted it in May. I believe it was earlier this month.

KATERINA KIMMORLEY: I think it was 6 May.

WILL RAYWARD-SMITH: We did provide a letter previously in September, I believe, to both the department of planning and also the IPC. This was ahead of the *Coal Mining Emissions Spotlight Report* from the commission. But we highlighted in those two letters—and I can talk very briefly to those. It was on 26 September 2025 that the commission wrote to the Secretary of the Department of Planning, Housing and Infrastructure with recommendations to consider during planning approvals and assessment reports, but we also wrote to the Chair of the New South Wales Independent Planning Commission with recommendations to consider during planning approvals.

In those letters, the commission encouraged the consideration of the findings in our previous annual progress report as an independent reference, but also the scope 1 emissions of any proposal compared to New South Wales' legislated targets and measures to reduce scope 2 emissions of any proposal. We also talked to the cumulative impact of multiple projects in one sector on New South Wales' legislated targets and any proposed scope 3 emissions, given the capacity for such emissions to contribute to climate change and so to have an impact locally in New South Wales. We did receive a response to our letter from the secretary of the department of planning but, with the recent developments that we've had as a result of the EPA guide but also *NSW Coal Industry 2026-50*, the commission decided to write a follow-up letter to the secretary.

The Hon. JACQUI MUNRO: Was there a response from the IPC?

WILL RAYWARD-SMITH: There was an acknowledgement of the letter and an understanding, I believe, that that letter is now shared with the groups that perform their assessments—the panels and so on.

The Hon. JACQUI MUNRO: Are you also engaging with the IDA, the Investment Delivery Authority?

WILL RAYWARD-SMITH: We have not engaged with the IDA directly.

The Hon. JACQUI MUNRO: And they have not engaged with you, presumably?

WILL RAYWARD-SMITH: Correct.

The Hon. JACQUI MUNRO: The response you received from Planning to your September letter last year, what did that suggest?

WILL RAYWARD-SMITH: That suggested that there were elements in play within the planning system that was considering the emissions. We then invited the secretary to meet with the commissioners at one of our commission meetings so that that could be expanded on. As part of the deliberations by commissioners, a decision was made to provide a subsequent letter.

The Hon. JACQUI MUNRO: Did that meeting occur?

WILL RAYWARD-SMITH: Yes.

Mr JAMES GRIFFIN: I think you've given a really comprehensive insight and revealed some considerable contradictions, as you put it. In very simple terms, would it be fair to say that with the approach, particularly with respect to no changes in planning, if it was to continue down that pathway as per the charts, there is little to no hope of reaching the legislated targets?

KATERINA KIMMORLEY: I think, as the projections suggest and with the current policy, that's what we perceive happening. Perhaps also in response to Ms Munro's and Ms Higginson's questions, we did meet with the planning secretary. She did confirm for us that, prior to the new coal industry report coming out, they were using the current planning framework to make assessments and they were waiting for the new coal report to come

out, which has now come out, and they would use that for their assessments going forward—which is why we felt that they needed support on the other areas.

The Hon. JACQUI MUNRO: Just on that engagement, as well, with Ministers, have you—

KATERINA KIMMORLEY: Sorry, that was not with Ministers; that was with the secretary.

The Hon. JACQUI MUNRO: Sorry, understood. Have you engaged with DCCEEW with similar offers?

WILL RAYWARD-SMITH: The Minister for Climate Change has been copied in to our letters.

The Hon. JACQUI MUNRO: Just going back to the IDA, will you seek to engage with them, given they seem to be a new pathway for something? I'm still not quite sure what they do or how, but they seem to exist as another layer of entry point for developments. Is that something that you're considering or that you will do?

WILL RAYWARD-SMITH: That is certainly something that we will consider.

The Hon. JACQUI MUNRO: Can I ask about the graph that DCCEEW provided with the difference between the business-as-usual projection and the policy projection. Are you able to explain that at all? I understand you're not the department, but is there any ability to shed light on what that means?

KATERINA KIMMORLEY: I think that really is a question best directed to the department. The methods paper does explain the different scenarios, so I would refer you to that in the first instance.

The Hon. JACQUI MUNRO: Following up on one of James's questions around the broader levers that we could pull that are not just related to the fossil fuels electricity generation sector, do you have any comment to make? For example, the land use sector is supposed to be a negative or a sink. Is that accurate? Are those projections accurate? Should we be buoyed by this idea that we've got a balancing mechanism?

WILL RAYWARD-SMITH: Thank you for that excellent question. We have provided our advice on whole-of-economy emissions opportunities as part of our advice into the net zero plans 2035, and that is publicly released on our website as well. We see the primary opportunities being the acceleration of the electricity transition and a big focus on electrification of the economy, primarily built environment, transport and then also industry, particularly low-to-medium temperature industrial heat. Finally, we do see methane being a big target for us all to go after, being responsible for 29 per cent of the State's emissions from a CO2 equivalent perspective.

We see a key role of independent climate bodies such as ourselves to produce an evidence base to inform an understanding of where the abatement opportunities lie. That is why we have undertaken a decarbonisation pathways project for the State. You may be aware that, at a national level, we have the Climate Change Authority's decarbonisation pathways. When you extract from that the New South Wales specific data, that does not achieve our New South Wales legislated targets. We've played a role in starting the project to develop the State-based pathways.

Importantly, as we develop those pathways, we'll be undertaking consultation to ensure that there is broad comfort and input on the assumptions relating to any of the different sectors, be that land or be that agriculture. We have a public consultation process that will occur in the second half of this calendar year to support the development of decarbonisation pathways. We're doing that project with CSIRO, who are best placed and have resulted from a competitive procurement exercise to support us on that.

The Hon. EMILY SUVAAL: Thank you to you all for appearing, and apologies I can't be there in the room. I've got a sick child who has occasionally decided to pop up behind me, so I'm hoping he doesn't do that for the next two minutes. I wanted to ask you about your latest report around heat stress, which is your latest spotlight report and, in particular, around the action areas around workplaces—strengthening SafeWork NSW regulations to prevent heat stress in the workplace. I wondered if you could expand on that area and finding seven for me.

WILL RAYWARD-SMITH: Thank you very much for the question. I'm afraid I don't have the materials for the heat stress spotlight immediately in front of me. We also have a fantastic team that has been leading that work in terms of our commissioners. We have an adaptation working group of commissioners led by Professor Andrew Pitman, together with one of our colleagues in the staffing unit, principal adviser for adaptation, Luisa De Liseo. I would like to take that question on notice, please, and provide you with a good response from those individuals.

The Hon. EMILY SUVAAL: Sure, not a problem at all. My apologies—it's obviously an area of interest to me. In terms of the commission's work in terms of the spotlight reports that you are producing, that one was produced under on the commission's own initiative under section 20, as was the previous the coal spotlight report.

Has the commission undertaken any further work to identify what will be in the next spotlight report? Is there something in the pipeline that you can talk to?

WILL RAYWARD-SMITH: Significant work has been undertaken within the commission to identify packages of work, be that spotlight reports or be that shorter form advice similar in nature to the work that we provided on data centres, and also internal research projects to inform our understanding of specific issues to then provide a robust evidence base for future advice or future reports. We have a commission meeting on 1 June. We will be having further discussion in relation to our FY27 annual plan. We had a very clear plan for FY26, and I think we've delivered successfully upon that. We are now finalising the plan for the next year.

KATERINA KIMMORLEY: I might just add that we do recognise the importance and inconsistencies around land significantly. We will be discussing that at our next meeting. Also to just quickly reply to your query, Ms Higginson, in the opening around how we provide advice around specific coalmines—we haven't, is my understanding. We provided that advice to the IPC—that should go to all IPCs assessing all coalmines—but we haven't done it on a specific coalmine-by-coalmine basis.

Ms SUE HIGGINSON: I have a follow-up on that.

The Hon. EMILY SUVAAL: Sorry, just an additional one for Commissioner Kimmorley around the land use sector that I think you mentioned. That is very topical. The Chair has had some interest in this in the past as well. Will there be work to try and better understand how to quantify that carbon that is stored in the land sector and better measure that and quantify that? It seems like that is something we really must get right in order to better understand how we're tracking.

KATERINA KIMMORLEY: We see that as a significant area for clarification and work as well. I can't comment that it has been confirmed for our next plan until we have the meeting, but we definitely recognise it's important to be done.

Ms SUE HIGGINSON: Can I just follow up on the advice on particular projects? I came to this at the back end of where I was intending to start in relation to this question. Are you, as the commission, aware of the paper that has been presented and put together by Justice Basten about the legal framework that currently exists in relation to assessing coal projects in New South Wales?

PHOEBE COLMAN: No.

WILL RAYWARD-SMITH: I'm not aware of that paper.

KATERINA KIMMORLEY: No.

Ms SUE HIGGINSON: It's a really significant paper, says I, the former lawyer. It basically shows that the spotlight report; the current assessment framework; the net zero legislation; the letters that have gone between the Minister, IPC and planning Minister; and all these various things about what we should be doing as a State to meet our emissions reduction targets and our international obligations would perhaps suggest that we can't really approve new coalmine extensions because it just puts us in a conundrum of actually achieving our outcomes.

What it showed to me quite significantly is that there is this gap for the IPC in relation to their consideration. His advice tends to point to that gap. On that basis, I am putting to you that there is this call amongst civil society—people engaged, different organisations and institutions, and now pre-eminent lawyers—to say now is the time. The public interest would be served and the planning framework would be served by the Net Zero Commission exercising its functions under the climate change Act to provide some advice on a specific project. As you said, you've written another letter. That'll be provided to the IPC, but perhaps now on a specific project.

Perhaps that's something to take on notice and have a look at the Basten report. He has also prepared a supplementary report that addresses the Government's statement that they have released. It looks in detail at your spotlight report—the original report—but he has also now prepared a supplementary report. The way I read it is there is still this kind of public interest need. The timing would suggest that one of the big projects that is currently about to come into the framework is the HVO project. I'm just wondering if the commission would take notice of this submission to you, have a look at that advice and see whether this is an appropriate time to be using that particular power that you have.

KATERINA KIMMORLEY: We can absolutely consider that. Thank you so much for bringing it to our attention.

The CHAIR: Further to that, on the excellent graph that you have provided on scope 1 emissions from proposed coalmine extensions and expansions from 2026 to 2030, it's quite remarkable, because the total annual emissions, if I'm not incorrect, from the Chain Valley consolidation project SSD are about 2.7 million tonnes of CO2 equivalence per annum in 2028.

PHOEBE COLMAN: Sorry, that's not quite correct. The annual emissions are the dark green bar. It's about one million a year in 2028-29.

KATERINA KIMMORLEY: It's the left-hand side axis.

PHOEBE COLMAN: The line is showing for all the projects, the total annual emissions.

The CHAIR: So it's about one million tonnes for that one project.

PHOEBE COLMAN: Correct.

WILL RAYWARD-SMITH: Per year.

The CHAIR: To put that into scale, all emissions from waste in New South Wales is about four million tonnes—so all of our landfills, all of our waste, all of our efforts around composting and the green bin and all the rest of it. That coalmine is about 25 per cent of all of our waste.

KATERINA KIMMORLEY: Correct.

The CHAIR: I just wanted to put that on record. Does anyone else have a question?

Ms SUE HIGGINSON: I still have a further question. Have you or the commission had the opportunity to see the methodology paper for the dashboard—the most recent one?

PHOEBE COLMAN: No, I haven't seen the most recent one.

Ms SUE HIGGINSON: Is that something that you're aware exists and you haven't yet seen it?

PHOEBE COLMAN: Yes.

Ms SUE HIGGINSON: Have you been provided any reason why you have not yet seen it? Is there a commitment that you will see it soon?

PHOEBE COLMAN: There is a commitment.

The CHAIR: Just on that, as part of your work in land use and land use change, just to do a bit of foreshadowing, there is the FullCAM model that underpins the greenhouse gas inventory. Have you had a look at the FullCAM, Full Carbon Accounting Model, that DCCEEW uses nationally for its greenhouse gas emissions, its reporting and inventory? Have a look at that. Have a look at the land use and land use change methodology in FullCAM. It's only about 280 pages.

Ms SUE HIGGINSON: It's Jeremy's favourite right now.

The CHAIR: It is. It is very interesting reading. I just want to put that on record.

Ms SUE HIGGINSON: Is the commission aware of the Colvin Review? It's some of Minister Chris Bowen's work. There is an extrapolation of that that under a moderate- to high-risk emissions scenario, which is not far off where we are, there is an understanding that the cost per annum of climate by 2050, in terms of New South Wales response and cost, is \$51.4 billion per annum. Is that a figure that you're aware of?

WILL RAYWARD-SMITH: The Net Zero Commission, in this project under the leadership of Professor Frank Jotzo, has undertaken an economic impacts analysis of climate change to the State of New South Wales, and the plan that we are working to is to release that report in June.

KATERINA KIMMORLEY: Along similar lines.

WILL RAYWARD-SMITH: Very similar lines.

Ms SUE HIGGINSON: Similar lines to the Colvin review, okay. I think you alluded to this at the beginning. In terms of the EPA's final mitigation guide, are you still working with the EPA at all—any further comments—or have you drawn a line under that in terms of your impact or the inputs that you can have into it?

WILL RAYWARD-SMITH: Primarily through our next annual progress report, which is due 1 July—within that, we will be making recommendations that are relevant to the resources sector and highlighting within that document where we see there being current gaps to be addressed.

Ms SUE HIGGINSON: I am hearing from really good independent experts that say, "No, there's more that can happen. There's more that we should be doing." Can I take it that there are recommendations for more?

The CHAIR: And just on that, are you tracking the Mount Pleasant case in the High Court in the context of what's happening in international jurisdictions and matters going before international courts? Are you tracking that as well? Do you think that's of significance?

KATERINA KIMMORLEY: Yes, we are, and we refer to that in our report as well.

Ms SUE HIGGINSON: There's been comment about the offsets, using the Safeguard Mechanism, not being New South Wales based. We received correspondence from the Minerals Council. They've maintained a fairly hearty criticism that if the safeguard offsets that are being applied to the coalmine sector and that they're applying for are not New South Wales based, that's silly—for want of a better term. They say that shouldn't be a legitimate critique because this is a national scheme and New South Wales shouldn't be intervening at this level. Has the commission got any advice, any work, any views on offsets being required to be New South Wales based?

WILL RAYWARD-SMITH: Thank you for the fantastic question, Ms Higginson. The commission has advised the New South Wales Government to clarify the use of offsets in achieving the net zero emissions targets. The commission considers that State regulatory frameworks, like the EPA's *Greenhouse Gas Mitigation Guide for NSW Coal Mines*, plays a valid and important role in complementing Commonwealth initiatives. We really find that, in line with our spotlight report, additional regulatory requirements are needed to achieve onsite abatement at coalmines. We do recognise that there's a role for offsets in supporting decarbonisation pathways. However, the commission does not agree that access to offsets should be unlimited. We have, through our advice to the net zero plan 2035, highlighted that there needs to be work to develop a plan to address 2050's residual emissions, and that needs to consider engineered removals but clarify the use and role of offsets in achieving the emissions reduction targets.

The Hon. JACQUI MUNRO: Are you going to be affected by the CSIRO cuts, in terms of the information and work that you will be able to do? Do you use the data and tools that are at risk?

WILL RAYWARD-SMITH: To date, we've received reassurance from CSIRO that our project to develop decarbonisation pathways for the State is not affected.

The Hon. JACQUI MUNRO: Are you concerned about future projects?

WILL RAYWARD-SMITH: Yes.

The Hon. JACQUI MUNRO: In what sense?

WILL RAYWARD-SMITH: I suppose the ongoing capability and capacity of CSIRO to deliver such insightful and important rigorous analysis.

The Hon. JACQUI MUNRO: Do you think that this will affect our relationships with international climate modellers or any partners that rely on Australian research and science?

WILL RAYWARD-SMITH: Yes.

The CHAIR: That concludes our questions. Thank you very much for appearing at relatively short notice to give evidence today. We deeply appreciate that and the work you're doing for the people of New South Wales and the planet to decarbonise all the things that we do. We look forward to your next report. I think there were a couple of things taken on notice. The secretariat will be in contact with you in due course. Thank you very much for your attendance today.

(The witnesses withdrew.)

The Committee adjourned at 12:30.