Parliament of New South Wales

Joint Standing Committee on
Net Zero Future

Emissions from the fossil fuel sector

August 2026

Report 2

Joint Standing Committee on Net Zero Future

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Published on 3 August 2026 according to Standing Order 238

New South Wales. Parliament. Legislative Council. Joint Standing Committee on Net Zero Future. Report no. 2.

Emissions from the fossil fuel sector

"August 2026"

Chair: Hon Jeremy Buckingham MLC

A catalogue record for this book is available from the National Library of Australia

ISBN: 978-1-923392-22-9

Table of contents

	Terms of reference	**v**
	Committee details	**vi**
	Chair's foreword	**vii**
	Recommendations	**ix**
	Conduct of inquiry	**xi**
Chapter 1	**Background**	**1**
	Contribution of fossil fuel mining to greenhouse gas emissions	**1**
	Legislative, regulatory and policy framework	**5**
	New South Wales legislation, regulation and policy	5
	Commonwealth legislation and regulation	9
	International commitments	10
	Recent reports	**11**
	2024 Annual Report of the Net Zero Commission	11
	Joint Standing Committee on Net Zero Future inquiry	12
	Coal Mining Emissions Spotlight Report	12
	Legal obligations for environmental impact assessment in coal mining approvals in New South Wales	13
Chapter 2	**Key issues**	**15**
	The potential for on-site abatement	**15**
	Technology options to reduce methane emissions	15
	Arguments in favour of on-site emissions abatement	18
	Barriers to introducing on-site abatement technology	21
	Estimating and reporting on emissions	**28**
	The methodology used to determine emissions	28
	Concerns with under-estimating or under-reporting emissions	29
	Further opportunities for policy and regulatory reform	**32**
	The need to update the New South Wales coal policy	32
	Coal mine extensions and expansions	33
	Support for mining workers and communities affected by transition	36
	Concerns with the Australian Government Safeguard Mechanism	37
	Fossil fuel industry advertising and sponsorship	41
	Committee comment	**41**

Appendix 1 Submissions 47

Appendix 2 Witnesses at hearing 48

Appendix 3 Minutes 50

Appendix 4 Dissenting statement 77

Terms of reference

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

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

    (b) quantification and measurement of coal-mine and gas industry methane and related greenhouse gas emissions in New South Wales including fugitive emissions, in particular:

        (i) the accuracy of emissions reporting from coal mines and gas fields

        (ii) the relevance of using a twenty-year versus one-hundred-year global warming potential to assess short term climate impact

        (iii) current measurement, reporting and verification methods and whether they reflect best practice

    (c) the transparency, timeliness and integrity of New South Wales' emission modelling and how this modelling is used to inform New South Wales' planning decisions

    (d) the implementation and feasibility of greenhouse gas abatement, including ventilation air methane (VAM) abatement for coal mining

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

    (f) any other related matters.

The terms of reference for the inquiry were self-referred by the committee on 26 June 2025.[1]

[1] *Minutes*, NSW Legislative Council, 26 June 2025, item 29.

Committee details

Committee members

Hon Jeremy Buckingham MLC	Legalise Cannabis Party	*Chair*
Ms Liza Butler MP	Australian Labor Party	*Deputy Chair*
Hon Mark Buttigieg MLC	Australian Labor Party	
Ms Trish Doyle MP	Australian Labor Party	
Hon Wes Fang MLC	The Nationals	
Mr James Griffin MP	Liberal Party	
Ms Sue Higginson MLC	The Greens	
Hon Jacqui Munro MLC	Liberal Party	
Hon Cameron Murphy MLC	Australian Labor Party	
Mr Michael Regan MP	Independent	
Hon Emily Suvaal MLC	Australian Labor Party	
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Chair's foreword

I am pleased to present the second report of the Joint Standing Committee on Net Zero Future, which examines emissions from the fossil fuel sector in New South Wales.

The need for this inquiry was clear after the 2024 Annual Report of the Net Zero Commission illustrated the scale of greenhouse gas emissions being produced by the extraction of fossil fuels in New South Wales, of particular concern due to the pipeline of mine expansions and extensions proposed in the state.

It was clear from the evidence that approvals for new mining projects and modifications should be contingent on compliance with the latest guidance from the NSW Environment Protection Authority. It was also clear that the Net Zero Commission is clear-eyed about the risks created by the cumulative number of approvals across the state. We recommended that the Department of Planning, Planning, Housing and Infrastructure consult attentively with the NSW Environment Protection Authority and Net Zero Commission regarding the pipeline of coal mine extensions and expansions.

This report examined on-site emissions reductions technologies, which present an opportunity for the mining industry in New South Wales to directly reduce scope 1 emissions at the source. The committee heard compelling evidence about the likely cost-effectiveness of these technologies, as well as the significant quantity of emissions reductions that could be achieved versus the status quo.

The committee was pleased to hear that local trials for methane abatement on site at coal mines have been proceeding at pace, and that the Environment Protection Authority will be requiring staged adoption of these technologies to mitigate this greenhouse gas pollution at the source. We have recommended that the government work with the appropriate technical experts, safety regulators and industry to resolve stakeholders' safety concerns as soon as possible. The committee also recommended that where abatement methods fail to reduce cumulative scope 1 emissions, that the government should consider ways to reduce coal production so that legislated targets can be met.

The inquiry has also heard widespread concerns about the accuracy and transparency of the reporting of greenhouse gas emissions from mining activity, and welcomes the work that the Government and Environment Protection Authority is doing to improve reporting, so that that the community can better understand how the industry in New South Wales is performing in relation to agreed Net Zero targets. The committee has recommended that the NSW Government expeditiously roll out its proposed monitoring network for greenhouse gases and ensures that there is public reporting of the data collected.

The committee shares the view put forward by stakeholders that coal mining workers and communities should be supported and prepared for an orderly transition to a low emissions economy. We thank all stakeholders for their contribution to the inquiry, and present this report in the cooperative spirit of achieving that net zero future together.

Finally, I wish to thank members of the committee for their considered contributions throughout this inquiry, and the secretariat and Hansard teams for their diligent work behind the scenes.

I commend this report to the House.

Mr Jeremy Buckingham MLC
Committee Chair

Recommendations

Recommendation 1 **42**

That the NSW Government:

- make any approvals for new coal mining projects and modifications contingent on compliance with the NSW Environment Protection Authority's *Greenhouse Gas Mitigation Guide for NSW Coal Mines* and consider the recommendations of the independent Net Zero Commission
- require existing coal mine licensees to implement on-site abatement in accordance with the guide
- require the Department of Planning, Housing and Infrastructure to consult attentively with the NSW EPA and Net Zero Commission regarding the pipeline of proposed coal mine extensions and expansions.

Recommendation 2 **43**

That the NSW Government examine why existing grants, such as the High Emitting Industries grant, may not have effectively incentivised coal mine operators to adopt on-site abatement technologies, and consider adjusting grant settings accordingly and consider ways to reduce coal production where cumulative implementation of scope 1 emissions abatement methods fail to align with legislated emissions reductions targets.

Recommendation 3 **43**

That the NSW Government seek to resolve safety concerns associated with on-site abatement technologies at coal mining operations, in collaboration with appropriate technical experts, technology providers, relevant safety regulators and industry as soon as possible.

Recommendation 4 **44**

That the NSW Government consider the policy and regulatory settings required to encourage implementation of waste gas to electricity projects, looking to successful projects in Queensland as examples.

Recommendation 5 **44**

That the NSW Government:

- expeditiously roll out the regional monitoring network for greenhouse gases, seeking input from appropriate independent experts to ensure a robustly designed and implemented system
- ensure that the network collaborates with the Australian Government's Expert Panel on Atmospheric Measurement of Fugitive Methane Emissions in Australia
- requires that the network reports publicly.

Recommendation 6 **45**

That the NSW Government consider assessing limitations that can be placed on fossil fuel advertising or sponsorship agreements, with particular attention to public buildings, transport assets and educational institutions.

Conduct of inquiry

The terms of reference for the inquiry were self-referred by the committee on 26 June 2025.

The committee received 29 submissions and one supplementary submission.

The committee held two public hearings at Parliament House in Sydney.

Inquiry related documents are available on the committee's website, including submissions, hearing transcripts, tabled documents and answers to questions on notice and supplementary questions.

Chapter 1 Background

This chapter provides background information to the inquiry. The chapter begins with an outline of the contribution of fossil fuel mining to greenhouse gas emissions. It then moves on to summarise the legislative, regulatory and policy framework governing the transition to net zero. The chapter concludes by discussing recent reports relevant to this inquiry.

Contribution of fossil fuel mining to greenhouse gas emissions

1.1 New South Wales has 37 operating coal mines, including:

- 19 open-cut mines
- 16 underground mines
- two mines with both underground and open-cut operations.[2]

1.2 According to the NSW Net Zero Commission, coal mining generates 96 per cent of the state's resource sector's emissions, with the sector generating 12 per cent of the state's emissions in 2022-23.[3]

1.3 The Net Zero Commission noted that generally, underground coal mines produce more greenhouse gas emissions per tonne of coal mined compared to open-cut mines, as higher concentrations of gas are typical of the deeper seams accessed during underground mining.[4]

1.4 When assessing greenhouse gas emissions from industrial activities, emissions figures are typically divided into direct emissions and indirect emissions, including:

- Scope 1: Emissions from sources a company owns or directly controls. For example, coal mine fugitive emissions.
- Scope 2: Upstream emissions that result from a company's energy usage. For example, emission from electricity supplied to power mine operations.
- Scope 3: Indirect upstream or downstream emission that a company does not control. For example, emissions from coal combustion at a power station.[5]

[2] NSW Net Zero Commission, *Coal Mining Emissions Spotlight Report* (Report, December 2025), (hereafter referred to as *Spotlight Report 2025*), p 14.

[3] NSW Net Zero Commission, *Spotlight Report 2025*, p 15.

[4] NSW Net Zero Commission, *Spotlight Report 2025*, p 15.

[5] NSW Net Zero Commission, *Spotlight Report 2025*, p 8.

1.5 New South Wales' legislated 2030 and 2035 net zero targets relate to emissions generated within the state's geographical boundaries.[6]

1.6 The mining of fossil fuels produces a notable portion of the state's direct greenhouse gas emissions, comprising 11 per cent (13.8 Mt CO_2-e) of New South Wales' emissions.[7]

1.7 In the context of coal mining, fugitive emissions are the main source of direct (scope 1) emissions. Fugitive emissions are gases or vapours released from mines or industrial equipment due to unintended or irregular occurrences (e.g. leaks).[8]

1.8 The Net Zero Commission observed that the majority of emissions from the resources sector in New South Wales are fugitive emissions from underground and open cut coal mining (72.7 per cent), followed by emissions from fuels combusted in coal mining (26.7 per cent) and with a very minor amount resulting from oil and gas extraction (0.6 per cent).[9]

1.9 The Commission further explained that fugitive emissions are predominantly methane,[10] which is 'widely recognised' as the most challenging emission source in coal mining.[11]

1.10 Noting that the 'majority' of New South Wales' resource sector emissions are from coal mining, and approximately three quarters of those are from fugitive emissions, the Commission argued that reductions of fugitive methane emissions would be a 'powerful lever' for achieving the state's emission reduction targets.[12]

1.11 Looking forward to 2035, projections show that in the medium-term fugitive emissions will remain substantially higher than non-fugitive emissions, and that coal mining will also remain the predominant source of emissions in New South Wales compared to oil and gas production (Table 1).

6 NSW Net Zero Commission, *Spotlight Report 2025*, p 8.

7 NSW Net Zero Commission, *2024 Annual Report* (Report, November 2024), (hereafter referred to as *Annual Report 2024*), p 47.

8 NSW Environment Protection Agency, *NSW State of the Environment 2024*, (Report, 2025), p 659.

9 NSW Net Zero Commission, *Annual Report 2024*, p 47.

10 Submission 14, Net Zero Commission, p 5.

11 Submission 14, Net Zero Commission, p 7.

12 Submission 14, Net Zero Commission, p 1.

Table 1 Actual and projected emissions from the NSW resources sector by main emissions sources

	Emissions ($MtCO_2$-e)		
Emissions source	2021-22	2030 projections	2035 projections
Coal mining fugitive emissions – underground mines	8.1	10.6	5.2
Coal mining fugitive emissions – surface mines	1.9	1.8	1.7
Coal mining fuel combustion emissions	3.4	3.9	2.4
Estimated total coal mining-related emissions	13.4	16.3	9.3
Oil and gas industry fugitive emissions	0.5	0.8	0.8
Oil and gas industry fuel combustion emissions	Not publicly available	Not publicly available	Not publicly available
Estimated total emissions from fossil fuel sector (excl. oil and gas industry fuel combustion emissions)	13.9	17.1	10.1

Submission 14, Net Zero Commission, p 4.

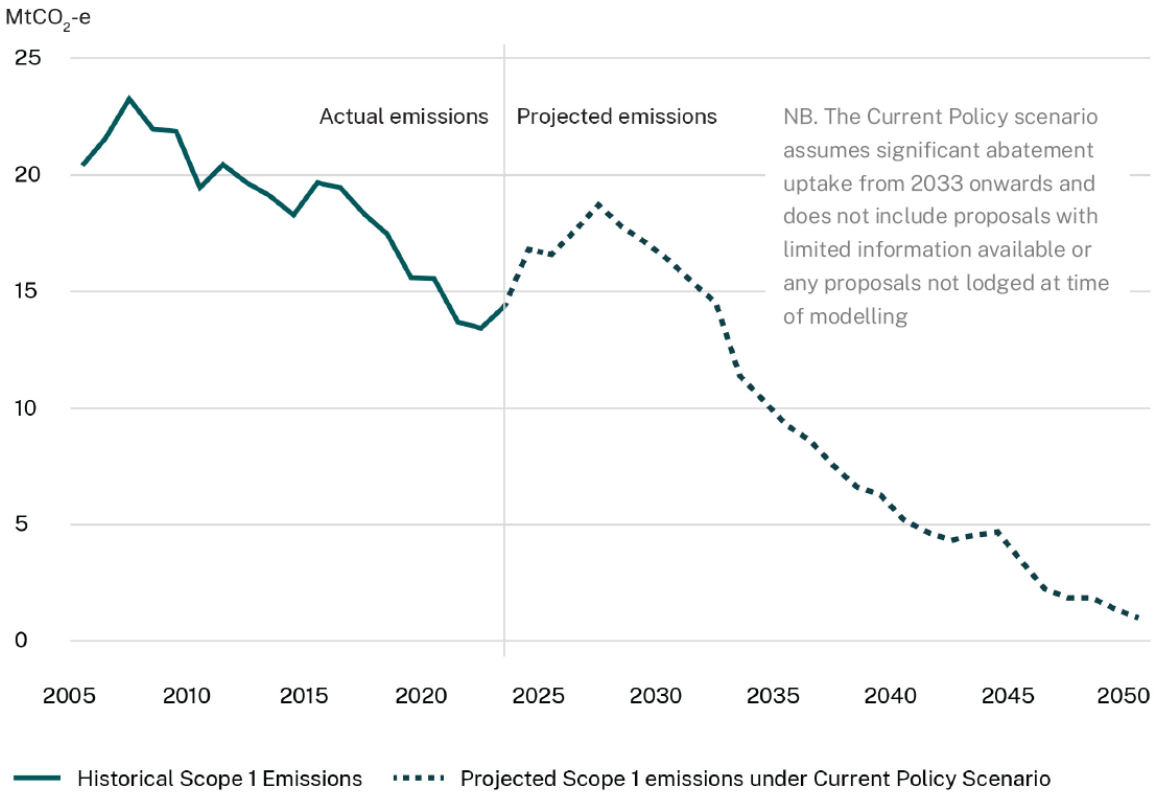
1.12 The Net Zero Commission found that fugitive emissions from coal mining will 'continue to be significant in the medium term' due to several recent approvals for coal mine extensions, and the number of planning applications being considered by the NSW Department of Planning, Housing and Infrastructure.[13] The Commission's ongoing concerns about coal mine expansions and extensions are discussed further in sections 2.81 to 2.82.

1.13 The Net Zero Commission noted that the majority of emissions reductions from the resource sector have been due to closures of several 'gassy' underground coal mines (Figure 1).[14]

[13] NSW Net Zero Commission, *Annual Report 2024*, p 45.

[14] NSW Net Zero Commission, *Annual Report 2024*, p 43.

Figure 1 Historical and projected scope 1 coal mining emissions in NSW



Source: Net Zero Commission, Coal Mining Emissions Spotlight Report December (Report, 2025), p 18.

1.14 Coal mining makes a significant contribution to the state's economy. The NSW Government stated that about 25,000 people are employed across all coal mines in New South Wales, and that coal mining represents 23 per cent of the state's export value, comprises 4 per cent of the state's Gross State Product and pays $2.9 billion in royalties.[15]

[15] Figures stated for 2023-24, from submission 28, NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW), p 1.

1.15 NSW Government royalty data suggests that certain regions of New South Wales are particularly reliant on coal mining to generate economic activity and employment (Table 2).

Table 2 Overview of mining in key coal producing regions in 2025

Region	Number of mines	Coal mining economic output[5]		Direct employment[2]
Hunter	19	$15.2 billion	58%	14,437
North West	5	$3.9 billion	15%	3,080
Central West	7	$4.9 billion	19%	3,518
Illawarra	4	$2.1 billion	8%	2,799
Total	**35**			**23,834**

Note: Tahmoor and Dartbrook suspended operations during the 2025 calendar year. Estimated direct employment as of December 2025.

1 DCCEEW (2026).
2 Coal Services Production Employment by Region (2025).
3 NSW Treasury (2026) Employment Calculator, accessed March 2026.
4 NSW Coal Industry: Production & Stock Report (2025).
5 NSW Government Royalty Data (2025).

Source: NSW Government, NSW Coal Industry 2026-50 (Statement, March 2026), p 9.

Legislative, regulatory and policy framework

1.16 This section outlines the legislative, regulatory and policy framework governing the transition to net zero targets in New South Wales, including state-based and Commonwealth legislation and key international agreements.

New South Wales legislation, regulation and policy

1.17 Key legislation governing coal mining in New South Wales includes the *Climate Change (Net Zero Future) Act 2023* and the *Environmental Planning and Assessment Act 1979.*

1.18 The *Climate Change (Net Zero Future) Act 2023* legislates the New South Wales' approach to addressing climate change by establishing:

- guiding principles
- targets for emissions reduction
- an objective for New South Wales to be more resilient to a changing climate
- the independent Net Zero Commission.[16]

1.19 Section 9 of the *Climate Change (Net Zero Future) Act 2023* sets out New South Wales' targets for net zero:

16 Submission 28, NSW DCCEEW, p 3.

a. by 30 June 2030 – to reduce net greenhouse gas emissions in New South Wales by at least 50% from the net greenhouse gas emissions in 2005, and

b. by 30 June 2035 – to reduce net greenhouse gas emissions in New South Wales by at least 70% from the net greenhouse gas emissions in 2005, and

c. by 30 June 2050 – to reduce net greenhouse gas emissions in New South Wales to zero.[17]

1.20 Section 11 of the *Climate Change (Net Zero Future) Act 2023* requires the Premier and the Minister for Climate Change to ensure New South Wales achieves the targets set out in section 9(1)(c).

1.21 During the bill's second reading speech, the Hon Penny Sharpe MLC, Minister for Climate Change Minister for Energy, Minister for the Environment, and Minister for Heritage, advised that these targets were designed to 'align with the international commitments established through the 2015 Paris Agreement'.[18]

1.22 The NSW Government submitted that the *Environmental Planning and Assessment Act 1979* requires 'decision makers to consider economic, environmental and social impacts in all environmental planning and assessment matters'[19], and that the NSW Department of Planning, Housing and Infrastructure undertakes 'comprehensive', 'all-of-government' assessment of coal mining and petroleum production projects in New South Wales.[20]

1.23 At the commencement of the inquiry, the NSW Government outlined key policies which sought to give effect to the *Climate Change (Net Zero Future) Act 2023* (Table 3).

17 *Climate Change (Net Zero Future) Act 2023*, s 9(1).

18 *Hansard,* NSW Legislative Council, 12 October 2023, p 8429 (Penny Sharpe).

19 Submission 28, NSW DCCEEW, p 2. See also *Environmental Planning and Assessment Act 1979 s 1.3.*

20 Submission 28, NSW DCCEEW, p 2.

Table 3 Policies relevant to achieving objectives of the *Climate Change (Net Zero Future) Act 2023*

Policy	Description
The Climate Change Policy and Climate Change Action Plan 2023–26	• Outlines the EPA's regulatory approach and actions to address the causes and consequences of climate change in NSW • Assists with meeting the net greenhouse gas emission reduction targets in the *Climate Change (Net Zero Future) Act 2023*[21]
The Net Zero Plan Stage 1: 2020–2030	• Sets out how the NSW Government will achieve net zero emissions by 2050[22]

1.24 In its submission, the NSW Government noted a number of actions it is taking that are consistent with the guiding principles of the *Climate Change (Net Zero Future) Act 2023*, including:

- establishment of a whole-of-government Climate Change Network
- commencing development of the next 10-year Net Zero Plan
- implementing the EPA's Climate Change Policy and Action Plan
- establishing the Electricity Infrastructure Roadmap to coordinate modernisation of the electricity system
- providing funding via the Net Zero Industry and Innovation Program to reduce emissions from high emitting manufacturing and mining facilities and establish new lower-emissions industries.[23]

1.25 During the course of the inquiry, in March 2026, the NSW Environment Protection Agency (EPA) released:

- *Climate Change Licensee Requirements*
- the *Greenhouse Gas Mitigation Guide for NSW Coal Mines*
- a guidance on *Emissions Reporting and Climate Change Mitigation and Adaptation Plans.*

1.26 The new *Climate Change Licensee Requirements* apply to all licenced premises that have emitted more than 25,000 tonnes of carbon dioxide equivalent (CO_2-e) scope 1 and 2 greenhouse gasses in any of the previous three financial years. The EPA noted that this cohort represents the 'vast majority' of emissions from EPA licensees and 'about' 50 per cent of scope 1 emissions from New South Wales.[24]

[21] Submission 28, NSW DCCEEW, p 2.

[22] Submission 28, NSW DCCEEW, p 3.

[23] Submission 28, NSW DCCEEW, p 8.

[24] NSW Environment Protection Agency (EPA), *Climate Change Licensee Requirements* (Guide, March 2026), (hereafter referred to as *Licensee Requirements 2026*), p 5.

The document discusses annual emissions reporting, mitigation and adaptation plans, specific mitigation actions, emissions measurement, and emission limits on licences.[25] This document is complemented by the *Greenhouse Gas Mitigation Guide for NSW Coal Mines* and the guidance *on Emissions Reporting and Climate Change Mitigation and Adoption Plans*.[26]

1.27 The *Greenhouse Gas Mitigation Guide for NSW Coal Mines* is the first in a series of sector-specific mitigation guides, and sets out mitigation measures that coal mines 'must' consider, along with 'outcome-based' alternatives. Mitigation measures that must be considered include:

- addressing drainage gas with high methane concentrations
- addressing leaks from old mine workings
- on side Ventilation Air Methane abatement.[27]

1.28 The EPA's guidance on *Emissions Reporting and Climate Change Mitigation and Adoption Plans* discusses annual emission reporting, forward emissions estimates as well as climate change mitigation and adaptation plans (CCMAPS).[28] Forward emissions estimates will be required to be submitted to the EPA every three years,[29] and CCMAPS, which are required to be made publicly available by 31 March 2027, will also need to be updated every three years.[30]

1.29 These new measures are the result of the 'most rigorous, deep engagement' conducted by the EPA, [31] and will require:

- annual reporting from coal mines and other large emitters
- flaring or utilisation of any drainage gas from underground mines
- monitoring and management of methane leaks from old mines
- progressive installation of ventilation air methane abatement technology at certain high-emitting mines.[32]

1.30 Also in March 2026, the NSW Government released an updated coal policy, the *NSW Coal Industry 2026-50* statement.[33] The statement outlines:

25 NSW EPA, *Licensee Requirements 2026*, p 3.

26 NSW EPA *Licensee Requirements 2026*, p 4.

27 NSW EPA *Greenhouse Gas Mitigation Guide for NSW Coal Mines* (Guide, March 2026), p iv-v.

28 NSW EPA *Emissions Reporting and Climate Change Mitigation and Adaptation Plans* (Guidance, March 2026), (hereafter referred to as CCMAP Guidance 2026), p 3.

29 NSW EPA *CCMAP Guidance 2026*, p 8.

30 NSW EPA, *CCMAP Guidance 2026*, p 9.

31 Evidence, Mr Tony Chappel, Chief Executive Officer, NSW EPA, 25 May 2026, p 11.

32 Evidence, Mr Tony Chappel, 25 May 2026, p 9.

33 Media release, Minister for the Hunter, Minister for the Illawarra and the South Coast, Minister for Natural Resources, Minister for Planning and Public Spaces, 'NSW's Coal

- the contribution of coal to electricity generation, steel manufacturing, the economy and local communities in New South Wales[34]
- projected exports to major trading partners, and the uncertainty in projections[35]
- the prohibition of new greenfield coal mining and the cessation of the release of new areas for greenfield coal exploration[36]
- requirements for approvals for extensions of existing coal mines[37]
- a commitment to support coal regions via the Future Jobs and Investment Authority[38]
- an acknowledgement that the NSW Government has accepted all the recommendations of the Legislative Council's inquiry into beneficial and productive post mining land use.[39]

1.31 The Net Zero Commission has highlighted that whilst the coal policy includes an expectation that emissions from the coal industry will reduce, it 'is unclear how this be achieved, because coal mine extensions and expansions will still be considered'.[40] At the time of the release of the statement, no new greenfield coal developments were proposed in New South Wales.

1.32 Under current policy settings, New South Wales is not on track to achieve its legislated emissions reductions targets.[41] The Government's 2025 projections of a gap of 10-20 MtCO2 between actual emissions and 2030 targets surpassed its 2024 projections of a 7 Mt gap, meaning New South Wales is getting further away from fulfilling legislated requirements to reduce emissions, not closer.[42]

Commonwealth legislation and regulation

1.33 The *Climate Change Act 2022* (Cth) is the primary Commonwealth legislation governing net zero targets. The Act sets out the following targets:

Industry 2026-50 supports mining, workers and regional communities', 19 March 2026.

34 NSW Government, *NSW Coal Industry 2026-50* (Statement, March 2026), (hereafter referred to as *NSW Coal Industry 2026-50*), p 9.

35 NSW Government, *NSW Coal Industry 2026-2050*, p 10.

36 NSW Government, *NSW Coal Industry 2026-2050*, p 14.

37 NSW Government, *NSW Coal Industry 2026-2050*, p 14.

38 NSW Government, *NSW Coal Industry 2026-2050*, p 18.

39 NSW Government, *NSW Coal Industry 2026-2050*, p 19.

40 NSW Net Zero Commission, *2026 Annual Progress Report* (July 2026), p 81.

41 Submission 28, NSW DCCEW, p 5.

42 NSW Net Zero Commission, *2026 Annual Progress Report* (July 2026), p 41.

a. reducing Australia's net greenhouse gas emissions to 43 per cent below 2005 levels by 2030:
    i. implemented as a point target; and
    ii. implemented as an emissions budget covering the period 2021-2030;
b. reducing Australia's net greenhouse gas emissions to zero by 2050.[43]

1.34 Section 10 of the Act stipulates that the targets should be interpreted in a manner consistent with the Paris Agreement and are not intended to exclude or limit the operation of state or territory laws that may operate concurrently with the Act.[44]

1.35 Other relevant Commonwealth legislation and legislative instruments includes the:

- *National Greenhouse and Energy Reporting Act 2007* which established a national scheme for reporting emissions. This scheme assists policy formation and state and territory programs, and is used by the Australian Government to report emissions under international agreements[45]
- *National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015*, which established the detail of the Safeguard Mechanism to regulate and reduce greenhouse gas emissions from major emitters over time, across the mining, manufacturing, transport, oil, gas and waste sectors.[46]

1.36 The reporting mechanisms established through the *National Greenhouse and Energy Reporting Act* and the Safeguard Mechanism are discussed further in Chapter 2.

1.37 On 23 July 2025, the International Court of Justice issued a unanimous Advisory Opinion confirming that States have international obligations in relation to climate change under treaties such as the Paris Agreement, and that States may attract responsibility under international law for failing to regulate emissions.'[47]

International commitments

1.38 The New South Wales and Commonwealth legislation align with commitments the Australian Government has made under the Paris Agreement. Under the agreement, which came into force in 2016, Australia has committed to:

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43 *Climate Change Act 2022* (Cth) s 10(1).

44 *Climate Change Act 2022* (Cth) ss 10(2-3).

45 *National Greenhouse and Energy Reporting Act 2007* (Cth), s 3(10).

46 Australian Government Department of Climate Change, Energy, the Environment and Water, *Safeguard Mechanism overview*, (Web Page, 1 October 2025), <https://www.dcceew.gov.au/climate-change/emissions-reporting/national-greenhouse-energy-reporting-scheme/safeguard-mechanism/overview#the-emissions-reduction-task>.

47 Submission 27, Environmental Defenders Office (EDO), p 6.

- holding the global average temperature increase below 2°C compared to pre-industrial levels, and pursuing efforts to limit the increase to 1.5°C
- submitting emissions reductions commitments on a regular basis, every five years, known as Nationally Determined Contributions.[48]

Recent reports

1.39 Since the passing of the *Climate Change (Net Zero Future) Act 2023* and the establishment of the Net Zero Commission, several reports relevant to the current inquiry have been published, including:

- the *2024 Annual Report of the Net Zero Commission*, published in November 2024
- Report No 1 of the Joint Standing Committee on Net Zero Future into the *2024 Annual Report of the Net Zero Commission*, tabled in March 2025
- the Net Zero Commission's *Coal Mining Emissions Spotlight Report*, published in December 2025.

1.40 These reports inform the development of the present inquiry and are outlined briefly in the sections to follow.

2024 Annual Report of the Net Zero Commission

1.41 The Net Zero Commission provided its first annual report to the Minister for Climate Change, Energy, Heritage and the Environment in 2024.

1.42 The chair of the Commission, noted that 'this first report is necessarily an initial assessment of progress towards primary emissions targets and the adaptation objective'.[49]

1.43 After examining progress on reducing emissions across the electricity, transport, agriculture, industry, built environment and resources sector, the report noted areas requiring specific attention.[50]

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48 Australian Government Department of Foreign Affairs and Trade, *International cooperation on climate change* (Web Page) <https://www.dfat.gov.au/international-relations/themes/climate-change/international-cooperation-on-climate-change#paris-agreement>; See also Paris Agreement, opened for signature 22 April 2016, [2016] ATS 24 (entered into force 4 November 2016) Article 4.

49 NSW Net Zero Commission, *Annual Report 2024*, p 2. The wording 'adaptation objective' refers to the objective of fostering adaptation to a changing climate; see *Climate Change (Net Zero Future) Act 2023*, Pt II.

50 NSW Net Zero Commission, *Spotlight Report 2025*, pp 11-12.

1.44 The resources sector was specifically identified as presenting 'risks to the state's targets from increased emissions'.[51] The Commission noted the 'sizeable pipeline' of coal mining projects submitted for planning consideration and the associated risk of increased emissions arising from those coal mine extensions and expansions.[52]

Joint Standing Committee on Net Zero Future inquiry

1.45 In December 2024 the Joint Standing the Joint Standing Committee on Net Zero Future
self-referred an inquiry into the 2024 Annual Report of the Net Zero Commission.[53]

1.46 The committee sought comments from the community and industry representatives on the 2024 report and found that stakeholders broadly supported the Net Zero Commission's annual report. The committee also found that there is uncertainty regarding the achievability of net zero targets, given the 'sizeable pipeline' of new coal expansions noted by the commission in its report.[54]

1.47 A key recommendation of the committee was that the NSW Government supports the Commission to use their legislated functions to provide a further report on the resources sector, including methane abatement technology and fugitive emissions, as a matter of urgency. [55]

Coal Mining Emissions Spotlight Report

1.48 In December 2025, the Net Zero Commission released its first 'spotlight' report into the role of coal mining in the New South Wales economy and its emissions profile.[56]

1.49 After in-depth analysis regarding greenhouse gas emissions from the coal sector, the commission made findings regarding:

- on-site abatement at existing coal mines
- improving accuracy of fugitive emissions reporting

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51 NSW Net Zero Commission, *Spotlight Report 2025*, p 12.

52 NSW Net Zero Commission, *Spotlight Report 2025*, p 12.

53 Joint Standing the Joint Standing Committee on Net Zero Future, NSW Parliament, *2024 Annual Report of the Net Zero Commission* (2025), p viii.

54 Joint Standing the Joint Standing Committee on Net Zero Future, *2024 Annual Report of the Net Zero Commission* (2025), p viii.

55 Joint Standing the Joint Standing Committee on Net Zero Future, *2024 Annual Report of the Net Zero Commission* (2025), p ix.

56 Net Zero Commission, *Spotlight Report 2025*, p 10; see also Joint Standing Committee on Net Zero Future, *2024 Annual Report of the Net Zero Commission*, (2025) p ix.

- the approval of coal mining activities by consent authorities
- extensions or expansions of coal mining in New South Wales being inconsistent with net zero goals
- preparation for a just and orderly transition in coal-producing communities.[57]

Legal obligations for environmental impact assessment in coal mining approvals in New South Wales

1.50 In February 2026, the Honourable Justice John Basten KC published a report entitled 'Legal obligations for environmental impact assessment in coal mining approvals in New South Wales' (the Basten Report), which found that under New South Wales' existing statutory framework the NSW Government cannot lawfully approve 'any new coal mines or extensions of existing mines'.[58]

1.51 The Basten Report highlights the paramountcy provisions of the *Climate Change (Net Zero Future) Act 2023*, as well as the findings of the Net Zero Commission's 'Spotlight on Coal Report', to find that the Department of Planning, its Minister and Secretary, and consent authorities including the Independent Planning Commission, must act in conformity with the guiding principles of the Act and achieve legislated emissions reductions targets.

1.52 The Basten Report found any policy to approve new coal extensions would be legally invalid, with Justice Basten finding 'if, as suggested below, Australia's domestic law incorporates the principles established by the ICJ Advisory Opinion, the State executive cannot avoid those responsibilities by directing its authorities as a matter of policy to ignore those principles. A policy which purported to have that effect would be invalid.'[59]

1.53 The Report found the Department of Planning's economic assessment guidance, relied upon by the Independent Planning Commission in MACH Energy Australia's Mt Pleasant Coal mine development, misapplies the Paris Agreement and by extension the law in New South Wales, saying 'If relied on by the IPC it puts Australia at risk of internationally unlawful action.'[60] The Report further finds that the IPC has been inadequate of its assessment of mining approvals: 'It is no longer lawful, either internationally or domestically, to fail to assess the effects

[57] NSW Net Zero Commission *Spotlight Report 2025*, p v.

[58] Australian Climate Accountability Project, *Legal obligations for environmental impact assessment in coal mining approvals in New South Wales* (February 2026), p 39.

[59] Australian Climate Accountability Project, *Legal obligations for environmental impact assessment in coal mining approvals in New South Wales* (February 2026), p 25.

[60] Australian Climate Accountability Project, *Legal obligations for environmental impact assessment in coal mining approvals in New South Wales* (February 2026), p 22.

of downstream emissions in a manner that properly reflects their likely effects on the global climate system.'[61]

1.54 Justice Basten said:

> No reason is given for the assumption that GHGs from burning NSW coal overseas do not affect the environment in NSW… The EPA's approach is inconsistent with that of the Net Zero Commission's (admittedly later) Spotlight Report, and the (later) ICJ's findings … The resulting confusion in State Government policies is disturbing. Nevertheless, the legal solution is clear: if the Administration Act imposes such a limited (and scientifically incoherent) remit on the EPA in relation to the planning approval process, it is inconsistent with the Net Zero Act, which states that in the event of inconsistency it prevails.'[62]

[61] Australian Climate Accountability Project, *Legal obligations for environmental impact assessment in coal mining approvals in New South Wales* (February 2026), p 43.

[62] Australian Climate Accountability Project, *Legal obligations for environmental impact assessment in coal mining approvals in New South Wales* (February 2026), p 19.

Chapter 2 Key issues

This chapter examines the key issues raised throughout the inquiry. These include the potential for on-site abatement of emissions from mining, concerns regarding the determination and reporting of those emissions, and the opportunity for policy and regulatory reform.

The potential for on-site abatement

2.1 A key issue raised by inquiry participants is the potential for on-site abatement of methane emissions to be developed and adopted more widely. This section begins with an outline of technology options available to reduce methane emissions on-site. The section then considers the arguments in favour of on-site abatement and the barriers to introducing on-site abatement technology.

Technology options to reduce methane emissions

2.2 The Net Zero Commission identified a range of options for on-site emissions abatement. The suitability of certain options depends on the specific attributes of the mining operation, including, for example, whether it is an underground mine or an open-cut mine, the methane concentrations, and the current life-cycle stage of a mine's operations.[63]

2.3 Abatement options for operating underground coal mines include:

- Gas drainage and utilisation: Pre-drainage and post-drainage systems capture methane from coal seams before and after mining for flaring, on-site power generation, industrial heating and pipeline injection.
  - Pre-drainage involves drilling boreholes into the coal seam before mining to remove methane in advance.
  - Post-drainage targets methane released after mining, often by drilling vertical and/or horizontal boreholes into voids where coal extraction has been completed and where roof materials have collapsed.[64]
- Ventilation air methane abatement**:** As methane is explosive at concentrations between 5 and 15 per cent, fresh air is introduced into underground coal mines to dilute the methane, which is then vented to the surface via shafts. The ventilation air returned contains methane at concentrations below 1 per cent. This is known as ventilation air methane (VAM). The methane is

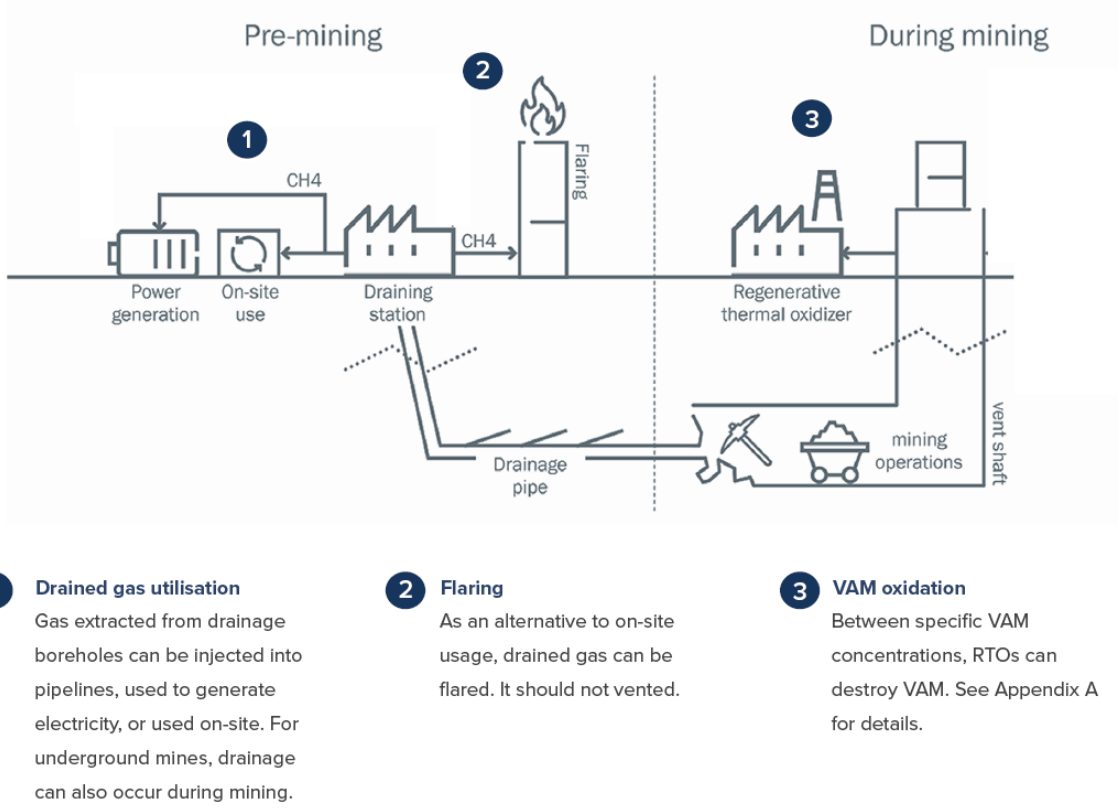
[63] See, NSW Net Zero Commission, *Coal Mining Emissions Spotlight Report*, (Report, December 2025), pp 25-31; Submission 19, Common Capital, Attachment 1, pp 26-32, <https://commoncapital.com.au/wp-content/uploads/2025/05/Common-Capital-2025-Coal-industry-methane-emissions.pdf>.

[64] NSW Net Zero Commission, *Spotlight Report 2025*, pp 26.

combusted using Regenerative Thermal Oxidisers (RTOs) and Regenerative Catalytic Oxidisers (RCOs).

- RTOs treat air by passing it through high-temperature ceramic heat exchange beds and are suitable for VAM abatement at concentrations between 0.2 and 1 per cent. RTOs are commercially available.
- RCOs oxidise methane at lower temperatures using a chemical catalyst and may be better suited for VAM abatement at concentrations below 0.2 per cent. RCOs are not yet commercially available and are still being researched and developed.[65]

Figure 2 Example technologies and processes for methane abatement at coal mines



Source: Submission 19, Common Capital, Attachment 1, p 27, <https://commoncapital.com.au/wp-content/uploads/2025/05/Common-Capital-2025-Coal-industry-methane-emissions.pdf>.

2.4 Underground coal mines continue to emit methane after mining operations cease. Abatement options for closed underground mines include:

- Sealing and physical closure of shafts and portals: A standard regulatory requirement, although it requires 'careful design' as well as ongoing monitoring and maintenance.
- Flooding or inundation: This reduces gas flow by displacing gas from void space, creating a hydraulic barrier that minimises free-path methane

[65] NSW Net Zero Commission, *Spotlight Report 2025*, pp 26-27.

leakage. This method also requires monitoring and contingency planning due to potential effects on surrounding hydrology groundwater chemistry. [66]

2.5 Emissions in an open-cut mine escape from various sources rather than a single point. Therefore, the main option for abatement at open-cut coal mines is gas pre-drainage due to the large surface area of the mine.[67]

2.6 The NSW Government advised that it 'actively monitors' abatement opportunities in the coal and gas sector in a number of ways, such as:

- commissioning suitable experts to review abatement opportunities
- engaging with industry via the Net Zero Industry and Innovation Program
- developing industrial decarbonisation plans.[68]

2.7 As noted in Chapter 1, the NSW Environmental Protection Authority (EPA) released the *Greenhouse Gas Mitigation Guide for NSW Coal Mines* in March 2026 which sets out greenhouse gas mitigation measures. The guide applies to operators of existing coal mines and proponents of new coal mining projects and modifications as part of their planning applications or Climate Change Mitigation and Adaptation Plans.[69]

The EPA's new requirements for coal mines and commentary from the Net Zero Commission on the new requirements, are examined in sections 2.47 to 2.51.

Appin demonstration project

2.8 The NSW Government noted that commercial scale Ventilation Air Methane (VAM) abatement reactor is being established as a demonstration project at Appin in New South Wales. The government submitted that:

- the project will demonstrate effectiveness and safety of the technology for industry
- the project will encourage investment in and uptake of VAM abatement technology more widely

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66 NSW Net Zero Commission, *Spotlight Report 2025*, pp 27-28.

67 Submission 19, Common Capital, Attachment 1, p 27, <https://commoncapital.com.au/wp-content/uploads/2025/05/Common-Capital-2025-Coal-industry-methane-emissions.pdf>.

68 Submission 28, NSW DCCEEW, p 13.

69 Submission 28, NSW DCCEEW, p 13. At the time of the submission, the guide was out for comment in a draft form. It has been finalised as of March 2026. See NSW Environment Protection Agency, *Climate change requirements for licensees* (Website, 19 March 2026) <https://www.epa.nsw.gov.au/Your-environment/Climate-change/climate-change-requirements-licensees>.

- long term testing and assessments will be presented to the government and industry.[70]

2.9 The government explained that the project was established with a $15 million grant from the Coal Innovation NSW Fund, along with a co-contribution from private owners of approximately $18 million.[71]

2.10 Mr David Frith, Director, Policy, NSW Minerals Council, expressed support for the demonstration project at Appin:

> That's a really important project that will help work through some of the technical uncertainty of this kind of technology in terms of Australian mining conditions, with our very low VAM concentrations—importantly, bringing the safety regulator along with us, and the workforce, to make sure that this is being done in a safe and effective way.[72]

2.11 In contrast, numerous experts highlighted the inefficacy of VAM abatement at Appin, the Environmental Defense Fund (EDF) expressed concerns about the 'assumption' that the Appin mine project will be 'sufficient' demonstration for Regenerative Thermal Oxidation (RTO) projects more broadly.[73] The EDF and Lock the Gate outlined concerns with the project, including that the project:

- will only abate a small fraction of the mine's emissions
- does not have a direct connection to the mine ventilation system, and in that respect is similar to previous demonstration projects conducted between 2001 and 2010
- is not a demonstration of existing large scale RTO systems which are 'ready' to be deployed in New South Wales.[74]

Arguments in favour of on-site emissions abatement

2.12 The committee heard several arguments for increasing investment in on-site emissions abatement in the fossil fuel sector, including:

- the potential for a significant volume of abatement
- the potential for the production of electricity which can be generated from methane that would otherwise be released into the atmosphere

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70 Submission 28, NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW), p 15.

71 Submission 28, NSW DCCEEW, p 15.

72 Evidence, Mr David Frith, Director, Policy, NSW Minerals, 12 December 2025, p 8.

73 Evidence, Charlotte Hanson, Policy Advisor, Environmental Defense Fund (EDF), 12 December 2025, p 36.

74 Evidence, Charlotte Hanson, 12 December 2025, p 36; Submission 18, Lock the Gate, p 5.

- a lower cost per tonne of emissions abated than in other industries.

2.13 These arguments are explored in the following sections.

The potential for significant volume of on-site abatement

2.14 The committee heard that there is a large amount of direct emissions abatement that can be achieved on-site at mining operations, without huge expense.

2.15 In particular, Common Capital highlighted that current on-site emissions from New South Wales coal mines were reported as 9.7 million tonnes of carbon dioxide equivalents ($MtCO_2$-e).[75] Common Capital provided broad estimates to illustrate the scope of potential on-site emissions abatement:

- 5.1 $MtCO_2$-e could be abated on-site at mines cost effectively across New South Wales, based on current emissions profiles. This would be equivalent to 53 per cent of the state's emissions from coal mines.
- Deploying enhanced drainage and RTO systems at the nine largest emitting underground mines has the potential to reduce up to 80 per cent of fugitive emissions at each mine.[76]

2.16 The EPA acknowledged that the use of emissions abatement technology is in its early stages in the New South Wales mining sector. However, Mr Tony Chappell, stated that the sector can become 'world leaders in sustainability performance', in the same way that the sector has achieved world-leading safety performance.[77]

The potential to use captured gas to create electricity

2.17 The committee heard that it is possible to capture fugitive methane on-site and use it to generate electricity, to either meet the needs of the mining operation or to provide electricity to the local community.

2.18 Mr Scott Barker, Managing Director, Carbon Logica, gave evidence that the organisation owns and operates three electricity generation projects powered by mine waste gases in the Bown Basin in Queensland and that they are seeking to develop similar technology in New South Wales.[78] By way of example, Carbon Logica provided production figures for the following specific projects:

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75 Submission 19, Common Capital, Attachment 1, p 19, <https://commoncapital.com.au/wp-content/uploads/2025/05/Common-Capital-2025-Coal-industry-methane-emissions.pdf>.

76 Submission 19, Common Capital, Attachment 1, p 33. Common Capital consider a threshold of a cost per unit reduction of under $30 per tonne of carbon dioxide equivalents (tCO_2-e) to be cost effective.

77 Evidence, Mr Tony Chappel, Chief Executive Officer, NSW Environment Protection Authority (EPA), 25 May 2026, p 10.

78 Evidence, Mr Scott Barker, Managing Director, Carbon Logic, 12 December 2025, p 11.

- a 5-megawatt coal mine waste gas (CMWG) project near Moranbah, Queensland, with plans to expand to 20 megawatts
- a 13-megawatt project at Moranbah power station.[79]

2.19 Carbon Logica estimated that their CMWG projects across Queensland and New South Wales could deliver 1,000,000 tonnes of carbon dioxide equivalent (tCO_2-e) in annual abatement.[80]

2.20 The Institute for Energy Economics and Financial Analysis noted a 'gas to electricity' project in Queensland that will capture fugitive emissions from an open-cut coal mine.[81] The project is expected to capture coal seam methane at the South Walker Creek coal mine and convert it into electricity, powering a 20 MW gas-fired power station for 15 years, and 'entirely offset' the mine's electricity requirements.[82]

2.21 The committee received evidence regarding similar projects in New South Wales, such as the West Cliff Ventilation Air Methane Project which ran from 2007 to 2017.[83] The project reportedly generated 6 megawatts of electricity, and reduced greenhouse gas emissions by 2 million tonnes of carbon dioxide equivalents (CO_2-e).[84]

Relatively low costs of abatement

2.22 The committee heard that, while costs to establish on-site emissions abatement may initially be high, the costs per unit of greenhouse gases abated is low, and lower than unit costs in other industries.

2.23 Common Capital stated that independent studies have found that the technologies for abatement of coalmine methane are 'very low cost, at scale', and that the average cost may be below $30 a tonne for many mines.[85]

2.24 The Climate Council similarly put to the committee that 20 per cent of coal methane emissions could be abated with 'negative cost', that is, creating new revenue stream for the businesses.[86]

2.25 Common Capital analysed the marginal cost of abatement across various industries and suggested that reducing coal fugitive emissions is significantly

79 Submission 9, Carbon Logica, p 2.
80 Submission 9, Carbon Logica, p 2.
81 Submission 17, Institute for Energy Economics and Financial Analysis, p 8.
82 Submission 17, Institute for Energy Economics and Financial Analysis, p 8.
83 Submission 5, Mr Les Daniel, p 16.
84 Submission 5, Mr Les Daniel, p 16.
85 Evidence, Mr Henry Adams, Director, Common Capital, 12 December 2025, p 16.
86 Submission 16, Climate Council, p 9.

cheaper than the cost of abatement in other parts of the economy including electricity generation, agriculture and industrial processes (Figure 2).

Figure 2 Potential for near-term emissions abatement across NSW sectors

	Coal fugitives	Electricity	Transport	Agriculture	IPPU	Stationary energy*	Waste	LULUCF
Annual emissions	10 Mt	45 Mt	25 Mt	20 Mt	15 Mt	15 Mt	5 Mt	-20 Mt
Marginal cost ($/t) of additional abatement	<$20	>$150	<$0	>$150	>$100	>$50	<$20	<$20
Projected emissions change to 2030	+23%	-54%	+2%	-18%	-17%	-32%	-14%	+11%
Readiness of abatement solutions	High	High	High	Low	Low	Med.	High	High
Emissions per site	High	High	Low	Low	High	Med.	Med.	Low

Darker blue indicates stronger potential for emissions reduction in 2030. Underlying sources and calculations are explained in Appendix 1. * Stationary energy excludes the energy industries subsector, primarily composed of stationary emissions at coal mines.

Source: Common Capital, Closing NSW's Emissions Gap – coal sector near-term abatement opportunities (Report, December 2025), p 24, <https://commoncapital.com.au/publication/closing-nsws-emissions-gap-coal-sector-near-term-abatement-opportunities/>.

2.26 Common Capital suggested that reducing direct emissions 'by 80 per cent at NSW's six most emissions-intensive coal mines could deliver 4.9 $mtCO_2$-e of abatement by 2030 with minimal or even positive profit impacts'.[87]

Barriers to introducing on-site abatement technology

2.27 In addition to receiving evidence on the arguments in favour of investing in on-site abatement, the committee heard that there are potential barriers to development, including:

- higher costs for early adopters and substantial up-front costs to establish abatement infrastructure
- the need to test and develop systems for specific geological conditions and mining safety practices in Australia.

These barriers will be examined in the section to follow.

87 Common Capital, *Closing NSW's Emissions Gap – coal sector near-term abatement opportunities* (Report, December 2025), p 24, <https://commoncapital.com.au/publication/closing-nsws-emissions-gap-coal-sector-near-term-abatement-opportunities/>.

Higher costs for early adopters and substantial up-front costs

2.28 Common Capital highlighted that 'first movers', or mine operators that are the first to deploy new abatement technologies, may face higher costs as 'the local industry and regulators have to skill up and learn by doing'.[88]

2.29 The Environmental Defense Fund (EDF) suggested that 'near term subsidies' may be required, in light of the current 'very limited uptake' of VAM abatement technology in New South Wales.[89] The EDF suggested a tiered funding scheme, whereby early adopters receive a higher portion of any subsidy.[90]

2.30 In response to questions from the committee, Ms Shagofta Ali, Director, Policy and Strategy, NSW EPA, acknowledged that 'it is a complex process. There are those additional risks or additional costs associated with the first mover.'[91]

2.31 Ms Ali further explained that, in acknowledgement of the challenges faced by any first movers in adopting new technologies, funding is available via the High Emitting Industries fund, and that the government is also supporting the Appin trial through the Coal Innovation Fund.[92] Ms Ali also noted that the EPA has heard that mine operators are very interested in seeing evidence from the Appin trial and understanding how it progresses, which may allow them to then move 'as a fast follower' or to better understand site feasibility.[93]

2.32 The committee also heard that, without incentives mine operators are not likely to invest in abatement technologies as they generate less income than mining.

2.33 Mr Henry Adams, Director, Common Capital, explained that there is a disincentive to mining operators because the significant capital and labour required up-front delivers lower shareholder value than if it were deployed to their core business of mining.[94]

2.34 Other stakeholders put forward the view that, without assurances of ongoing mining operations in the medium-to-long term, it is difficult for operators to justify additional investment in on-site abatement infrastructure.

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88 Evidence, Mr Henry Adams, 12 December 2025, p 16; see also Submission 19, Common Capital, Attachment 1, p 6, <https://commoncapital.com.au/wp-content/uploads/2025/05/Common-Capital-2025-Coal-industry-methane-emissions.pdf>.

89 Submission 25, Environmental Defense Fund, p 3.

90 Submission 25, Environmental Defense Fund, p 3.

91 Evidence, Ms Shagofta Ali, Director, Policy and Strategy, NSW EPA, Friday 12 December 2025, p 64.

92 Evidence, Ms Shagofta Ali, 12 December 2025, p 64.

93 Evidence, Ms Shagofta Ali, 12 December 2025, p 64.

94 Evidence, Mr Henry Adams, 12 December 2025, p 16. See also, Submission 5, Mr Les Daniel, p 17.

2.35 Mr Scott Barker, Managing Director, Carbon Logica, suggested that a long-term operating timeline is required to justify such investment. Mr Barker highlighted that it could take 10 to 20 years of operation to recoup investments in constructing power stations or VAM units. He contended that 'shorter approvals or more contingent' approvals make it more challenging for mining operators to invest in abatement technology.[95]

2.36 Notwithstanding the issues with incentives and investment returns, community groups expressed the view that industry should pursue best practice regardless of increased costs.

2.37 For example, Bushfire Survivors Australia argued that 'considerations of cost alone are insufficient to excuse facilities from conducting commercial activities according to best practice'.[96]

2.38 Similarly, the Environment Defense Fund (EDF) suggested that the government introduce within the next two years requirements for coal mines to install 'best available methane abatement'. The EDF further suggested this could be associated with a performance standard or levy, complementary to the Australian Safeguard Mechanism, and that near-term subsidies 'may also be appropriate for a limited number of mines'.[97]

The suitability of geological conditions and safety concerns

2.39 The committee heard evidence that geological conditions and mining practices in Australia may not lend themselves to deployment of methane abatement projects, despite their success and increasing development overseas.

2.40 Centennial Coal noted a number of technical concerns, including:

- potential safety issues, highlighting risks associated with concentrated 'plugs' of methane entering VAM systems and creating an explosion risk
- low concentrations of methane potentially preventing VAM systems from operating
- the infrastructure footprint required, and associated 'biodiversity, noise, water access, and land tenure' concerns
- costs, dependent on site-specific factors as well as the 'constantly changing' political landscape.[98]

95 Evidence, Mr Scott Barker, 12 December 2025, p 14.

96 Submission 6, Bushfire Survivors Australia, p 9.

97 Submission 25, Environmental Defense Fund, p 3.

98 Submission 11, Centennial Coal, p 5.

2.41 Centennial Coal argued that projects overseas operate in technical, safety, regulatory and commercial contexts 'vastly' different from New South Wales operations and are 'in no way directly transferable'.[99]

2.42 The Net Zero Commission provided examples of VAM abatement systems that are in operation overseas (Table 4).

Table 4 Case studies of operational Regenerative Thermal Oxidisers for VAM abatement

Location	Estimated abatement per year (tCO_2-e)	Dates operational	Enabled by
Shanxi province, China	Up to 26,000	Opened 2019	Regulation
Brookwood, Alabama, USA	20,000	2009-2013	Carbon credits
Marshall County, West Virginia, USA	380,000	2012-2023	Carbon credits

Source: Net Zero Commission, Coal mining ventilation air methane abatement project examples – for Joint Standing Committee on Net Zero Future (Briefing paper, February 2026).

2.43 The Net Zero Commission also provided examples of trials of RTOs for VAM abatement in jurisdictions which have a similar geological and regulatory profile to New South Wales (Table 5).

Table 5 Planned trials of Regenerative Thermal Oxidisers for VAM abatement in other jurisdictions relevant for NSW context

Mine name and location	Estimated abatement (tCO2-e)	Trial dates	Enabled by
Aberpergwm Colliery, South Wales, UK	1.46 million over 20 years with potential for expansion	6-month trial commencing February 2026	Company targets and Welsh 2040 net zero targets
Kestrel Mine, Bown Basin, QLD	8.4 million over 20 years	Construction 2024-2028 and operation expected from 2028	Grant funding - $38.8 million (50% project cost) via Powering the Regions fund

Source: Net Zero Commission, Coal mining ventilation air methane abatement project examples – for Joint Standing Committee on Net Zero Future (Briefing paper, February 2026).

NSW Government's position on-site emissions abatement

2.44 Ms Shagofta Ali, Director, Policy and Strategy, NSW Environment Protection Authority, noted that VAM abatement is in place overseas. Ms Ali highlighted that while the levels of methane coming from shafts in New South Wales are generally

[99] Submission 11, Centennial Coal, p 5.

lower, suppliers have indicated the technology can be used with the lower levels. The EPA is therefore trying to encourage the application of this technology in New South Wales.[100]

2.45 The EPA acknowledged that there are 'challenges' associated with implementing VAM abatement in New South Wales mines. However, Mr Tony Chappell, advised that operationalising this technology would be achievable by 2032. Mr Chappell noted that VAM abatement is 'outperforming expectations' in a trial in the United Kingdom where its being used in conditions that have 'very similar' methane concentrations to mines in New South Wales.[101]

2.46 Lock the Gate Alliance noted that 'NSW EPA does not anticipate that it will be in a position to declare whether commercial VAM abatement systems are safe until 2028… If a system is operational in 2027, five years will have elapsed between grant funding and delivery of a system capable of abating 2% of VAM emissions. This does not inspire confidence that the NSW EPA will be able to ensure build out of multiple VAM abatement systems across multiple underground mines…'[102]

2.47 As mentioned in Chapter 1, during the inquiry, the EPA released the *Greenhouse Gas Mitigation Guide for NSW Coal Mines* and new requirements for large greenhouse gas emitting licensees. These new requirements create 'greater transparency and accountability' for greenhouse gas emitters, set 'clear expectations' for coalmines, and are expected to reduce emissions.[103] The guide makes clear that the EPA will now require on-site abatement of Ventilation Air Methane (VAM) for operating mines, as well as management of drainage gas and leaks from old mine workings (Figure 3)

100 Evidence, Ms Shagofta Ali, Friday 12 December 2025, p 64.

101 Evidence, Mr Tony Chappel, 25 May 2026, p 15.

102 Submission 18, Lock the Gate, p 5.

103 Evidence, Mr Tony Chappel, 25 May 2026, p 9.

Figure 3 EPA requirements for fugitive emissions reductions at New South Wales coal mines

Requirements	Implementation phasing
Drainage gas	
Drainage gas with a methane concentration of greater than 30% must be flared or utilised at operational[(a)] underground mines that: • are located outside of the Western coalfields, and • emit ≥25,000 tonnes of carbon dioxide equivalent per year (t CO_2-e/year) scope 1 and 2	By **1 July 2027**
Leaks from old mine workings	
Methane entering ventilation air must be minimised by detecting and managing leaks from old mine workings at operational[(a)] underground mines that: • are located outside of the Western coalfields, and • emit ≥25,000 t CO_2-e/year scope 1 and 2	By **1 July 2027**
VAM abatement	
VAM abatement must be installed at operational[(a)] underground mines if: • the mine has consistently[(c)] greater than 0.20% VAM concentration, and – is operating after 2030, and – is located outside of the Western coalfields, and – emits ≥100,000 t CO_2-e/year scope 1	Underground mines that emit ≥1 million tonnes (Mt) CO_2-e/year must: • have VAM abatement in place on at least one shaft by **1 July 2030**, and • abate at least 75% of VAM emissions annually[(b)] from **1 July 2032** Underground mines that emit <1 Mt CO_2-e/year must: • have VAM abatement in place on at least one shaft by **1 July 2032**, and • abate at least 75% of VAM emissions annually[(b)] from **1 July 2034**

Source: NSW Environment Protection Agency, Greenhouse Gas Mitigation Guide for NSW Coal Mines (Guide, March 2026) <https://www.epa.nsw.gov.au/Your-environment/Climate-change/climate-change-requirements-licensees>.

2.48 The Net Zero Commission noted that ventilation air methane (VAM) is the 'primary source' of fugitive methane from coalmines, and observed that the March 2026 *Greenhouse Gas Mitigation Guide for NSW Coal Mines* 'for the first time' introduces regulatory requirements for coalmines to abate that ventilation air methane. Dr Will Rayward-Smith, Executive Director, Net Zero Commission, further noted that the commission is 'pleased to see' that the Guide does not allow underground mines to use exemptions or offsets to address these new abatement obligations.[104]

2.49 However, the commission noted that the requirements will 'not make a significant contribution to the 2030 legislated targets'.[105] Dr Rayward-Smith put to the committee an illustrative example using the Appin mine. By the

[104] Evidence, Dr Will Rayward-Smith, Executive Director, Net Zero Commission, 25 May 2026, p 18.

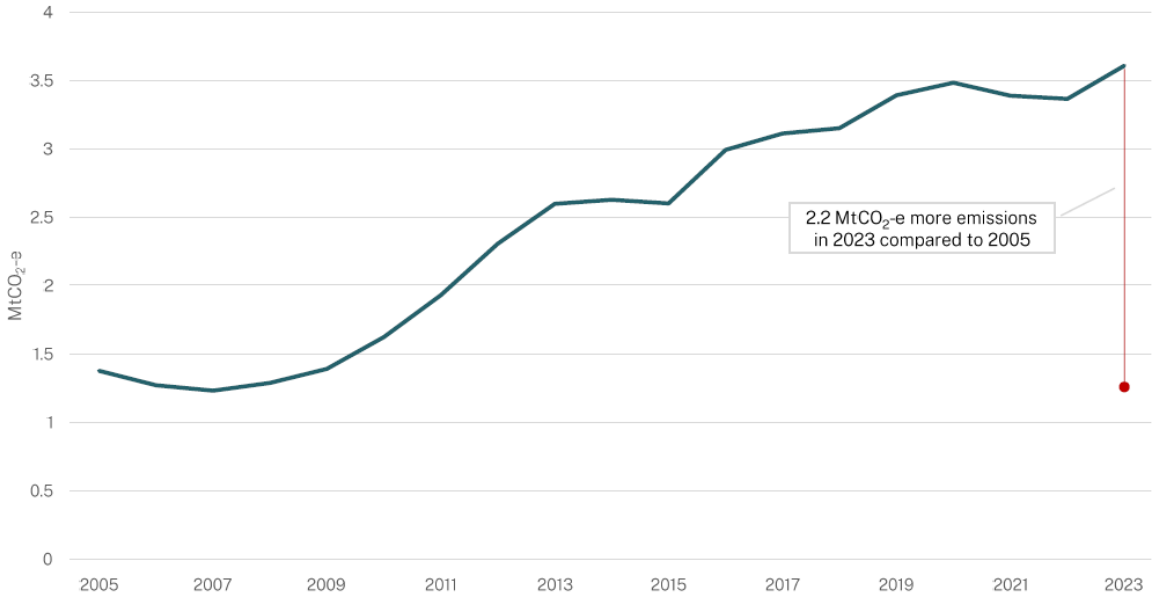
[105] Evidence, Dr Will Rayward-Smith, 25 May 2026, p 18.

commission's calculation, under the EPA requirements for 2030, the Appin mine would be expected to abate 36,000 tonnes of CO_2 equivalent annually, or 0.3 per cent of 2023 reported fugitive emissions from New South Wales coalmines.[106]

2.50 The Net Zero Commission suggested that with full implementation of the EPA guide, the Appin mine 'may result in annual abatement of more than one million tonnes of CO2 equivalent', or roughly 10 per cent of reported emissions from New South Wales coalmines in 2023.[107]

2.51 The Net Zero Commission expressed concern that the 2026 *Greenhouse Gas Mitigation Guide for NSW Coal Mines* omits abatement requirements for either open-cut coalmines or for diesel emissions. Dr Will Rayward-Smith, Executive Director, Net Zero Commission, put to the inquiry that diesel emissions amount to 'a quarter of total coalmining scope 1 emissions' and suggested this is a 'significant gap', and a 'particular concern' given fuel combustion emissions rose 162 per cent between 2005 and 2023 in New South Wales (Figure 4).[108]

Figure 4 New South Wales coal mining scope 1 fuel combustion emissions increased 162 per cent between 2005 and 2023



Source: Net Zero Commission analysis of DCCEEW, State and Territory greenhouse gas inventories: 2023 emissions.

Source: Tabled document, NSW Net Zero Commission, Various graphs, tabled 25 March 2026, p 5.

106 Evidence, Dr Will Rayward-Smith, 25 May 2026, p 18. See also sections 2.8 to 2.11 and 2.31 for further discussions of the VAM abatement trial at Appin.

107 Evidence, Dr Will Rayward-Smith, 25 May 2026, p 18.

108 Evidence, Dr Will Rayward-Smith, 25 May 2026, p 18.

Estimating and reporting on emissions

2.52 This section sets out the evidence received regarding the reporting of greenhouse gas emissions under the National Greenhouse and Energy Reporting (NGER) (Measurement) Determination 2008. The section begins by providing an outline of the methodology prescribed by the NGER. It then discusses debate raised throughout the inquiry about whether there is underreporting or under-estimation of emissions.

The methodology used to determine emissions

2.53 The NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) explained that coal mines and gas fields in New South Wales report their emissions using techniques prescribed in the National Greenhouse and Energy Reporting (NGER) (Measurement) Determination 2008. The NGER determination allows for several methods of estimation emissions of 'increasing accuracy and complexity' as outlined in Table 6 below.

Table 6 National Greenhouse and Energy Reporting methods and use in NSW

NGER method	Description	Example of use in NSW coal mines
Method 1	Default emission factors (EFs), potential for reduced accuracy	Used at one open cut coal mine in NSW. Default EFs also used for decommissioned underground mines
Method 2	Industry-based sampling, provides more accurate facility-specific estimates	Used at all other open cut coal mines in NSW
Method 3	Industry-based sampling, but with additional standards requirements for sampling	Used at all other open cut coal mines in NSW
Method 4	Direct monitoring of emissions, for example direct measurements of emissions from mine ventilation shafts	Used at all underground coal mines in NSW

Source: Submission 28, NSW Department of Climate Change, Energy, the Environment and Water, p 9.

2.54 According to the Department, the methods provided under the NGER determination are considered best practice and deployed across the fossil fuel sector. Key principles under NGER include transparency, comparability, accuracy and completeness. Registered reporters must therefore keep records of data used to prepare emissions and estimates and make records available for inspection and audit.[109]

[109] Submission 28, NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW), p 10.

2.55 The Department noted that there are specific requirements to ensure that uncertainties in estimates are minimised and that they are not over or underestimates of the true values at a 95 per cent confidence interval. Requirements to reduce uncertainty include data sufficiency, and bias determination, and sample duration and frequency. [110]

Concerns with under-estimating or under-reporting emissions

2.56 The committee heard a range of views regarding the accuracy of emissions' estimates. Some stakeholders expressed concern that the current methodology may be leading to extensive under-reporting of actual emissions. Stakeholders from the mining industry defended the current methodology, while noting that the Australian Government is also currently undertaking expert review of alternative methods.

2.57 Turning first to the suggestion that there is widespread under-reporting, some stakeholders pointed the committee to examples of independent analyses which suggest that emissions may be higher than reported. For instance, the Climate Council of Australia provided the following examples:

- a 2023 International Energy Agency analysis which suggests 'Australian coal and gas corporations could be under-reporting methane pollution by as much as 60 per cent'
- a 2025 United Nations Environment Programme study in Queensland that found emissions to be up to eight times higher than reported
- an analysis of 2021 emissions by Ember which identified 679 kt of methane, while official reports were just 329 kt in the same year.[111]

2.58 A number of stakeholders also noted that there are remote sensing technologies available for independent measurement of emissions, including satellites and instrumented aircraft flyovers, which indicate emissions may be much higher than currently reported by mine operators.[112]

2.59 The Environmental Defense Fund (EDF) suggested that the methodology currently used to estimate emissions lacks transparency and may not be representative of true emissions. The EDF suggested that the methods currently used 'only requires operators to drill three borehole samples in unspecified areas to determine their emissions factor across an entire mine site'. The EDF added

110 Submission 28, NSW DCCEEW, p 10.

111 Submission 16, Climate Council of Australia, p 6. See also, Evidence, Ms Jacqueline Mills, Senior Climate and Energy Campaigner, Nature Conservation Council, 12 December 2025, p 20.

112 See Submission 17, Institute for Energy Economics and Financial Analysis, p 1; Submission 5, Mr Les Daniel, p 6; Submission 16, Climate Council, p 6.

that the data is not shared, resulting in a 'lack of scrutiny' about how the emissions are estimated.[113]

2.60 The Institute for Energy Economics and Financial Analysis (IEEFA) expressed concerns with the methodology and the lack of external verification of estimates. More specifically, IEEFA explained that open cut coal mines in New South Wales have moved recently from using NGER Method 1 to Method 2, noting that:

- the Australian Climate Change Authority recommended an urgent review of Method 2 with respect to sampling requirements and standards
- University of Wollongong research found that the use of an 'artificially high' gas detection threshold in the Method 2 approach effectively leads to 'considerable' underreporting
- the switch to Method 2 reporting has led to a marked decreased in reported fugitive emissions intensity across a number of open-cut coal mines.[114]

2.61 Inquiry participants made a number of recommendations to address concerns with the current methodology:

- Ms Amanda Denis-Ryan, Chief Executive Officer, IEEFA, suggested that the methodology and how it is applied could benefit from auditing and verification from third-parties[115]
- the EDF recommended that to reduce the risk of mine operators using a 'selective' sampling approach, the NSW Government should require greater transparency and disclosure of 'their emissions models and the methodologies they've used to reach their impact factors'.[116]
- The Climate Council called for the government to progress state-based regulatory reforms to improve the accuracy of fugitive emissions measurement. In doing so, the Climate Council pointed to the recommendations put forward by the CSIRO in the EPA's report, *'Improving measurement of fugitive methane emissions'* (2025). The Council noted that the report included recommendations on establishing regional greenhouse gas monitoring networks, adopting a tiered approach that prioritises large emitters, facility level monitoring, the use of top-down modelling, as well as recommendations on transparency and independent verification.[117]

2.62 In contrast, the NSW Minerals Council defended the current methodology. The Council suggested that satellite and aircraft-based measurements are 'emerging,

[113] Submission 25, Environmental Defense Fund (EDF), p 1.

[114] Submission 17, Institute for Energy Economics and Financial Analysis, p 5-6.

[115] Evidence, Ms Amandine Denis-Ryan, Chief Executive Officer, Institute for Energy Economics and Financial Analysis, 12 December 2025, p 20.

[116] Evidence, Charlotte Hanson, Policy Advisor, EDF, Friday 12 December 2025, p 41.

[117] Submission 16, The Climate Council, p 8.

experimental methods' and not 'fit-for-purpose'.[118] The Council listed a number of concerns and sources of uncertainty including:

- sensor interference
- conversion of sensor readings into gas concentrations
- the use of gas dispersion models including wind speed and direction
- topographical complexity
- temporal variability.[119]

2.63 Nonetheless, the Minerals Council noted their support for 'innovation in estimation and monitoring techniques' and the development of alternative technologies via the Australian Coal Association Research Program (ACARP). The Council also noted that the Australian Government established an expert panel to investigate these questions.[120]

2.64 The NSW Department of Climate Change, Energy, the Environment and Water noted current work underway to review applicability and suitability of alternative emission estimated methods, including:

- the Australian Government expert panel examining atmospheric detection methods
- the establishment by the NSW Government of a regional monitoring network for greenhouse gases, including methane
- the publishing by the EPA, in collaboration with the CSIRO, of a review of methane measurement technologies for fugitive methane emissions.[121]

2.65 The Net Zero Commission noted that ACARP is funding research to 'monitor advancements' in ground-based, airborne, and satellite-based estimates of emissions, and to 'reduce associated uncertainties'.[122]

2.66 As mentioned in Chapter 1, during the course of the inquiry, in March 2026, the EPA released its guidance on *Emissions Reporting and Climate Change Mitigation and Adoption Plans*.

2.67 The guidance sets out new expectations for annual emissions reporting, forward estimates of projected emissions, and climate change mitigation and adaptation plans (CCMAPs). These expectations will apply to all premises licenced by the

118 Submission 24, NSW Minerals Council, p 12. See also, Evidence, Mr Peter Morris, Principal Advisor, Minerals Council of Australia, 12 December 2025, p 3.

119 Submission 24, NSW Minerals Council, p 12. See also, Evidence, Mr Peter Morris, 12 December 2025, p 3.

120 Submission 24, NSW Minerals Council, p 12. See also, Evidence, Mr Peter Morris, 12 December 2025, p 7.

121 Submission 28, NSW DCCEEW, p 10.

122 Net Zero Commission, *Spotlight Report 2025*, p 74.

NSW EPA who have emissions over 25,000 tonnes of carbon dioxide equivalent per year.[123]

2.68 From 2027, climate change mitigation and adaptation plans (CCMAPs) will be required to be published on the website of EPA licensees, and updates will be required every three years. The EPA states that these reporting and publication dates have been selected to coordinate with NGERS reporting dates.[124]

Further opportunities for policy and regulatory reform

2.69 This section considers further opportunities for policy and regulatory reform raised by inquiry participants. Several community stakeholders and organisations put forward suggestions regarding:

- the need to update the New South Wales coal policy
- the granting of licences to extend or expand mining at existing mines, or open new mines
- the need to support coal miners and coal mining communities in the transition to a net zero economy
- over-reliance on the Australian Government Safeguard Mechanism to reduce emissions
- sponsorship agreements and advertising funded by the fossil fuel industry.

2.70 These suggestions are explored in the following sections.

The need to update the New South Wales coal policy

2.71 Witnesses who provided evidence to the committee in December 2025 raised concerns that the NSW Government policy on fossil fuel production and coal mining may be out of date and out of alignment with net zero targets.

2.72 Lock the Gate Alliance observed that although the relevant minister stated that the coal policy was under review in 2024, a reformed coal policy had not yet been released.[125]

2.73 Similarly, the Nature Conservation Council suggested that the NSW Government policy on coal should be reviewed in light of 'the imminent decline of international demand for coal exports as projected by the International Energy Agency'. The

123 NSW Environment Protection Agency (EPA), *CCMAP Guidance 2026*, p 3-9.

124 NSW EPA, *CCMAP Guidance 2026*, p 9.

125 Evidence, Mr Nic Clyde, New South Wales Coordinator, Lock the Gate Alliance, 12 December 2025, p 32.

Council called on the government to ensure workers and communities are supported through a potential decline of the coal industry.[126]

2.74 In its submission, the NSW Department of Climate Change, Energy, the Environment and Water noted that the government had commenced work on a new '10 year' Net Zero Plan, to follow from the previous Net Zero Plan Stage 1: 2020-2030.[127]

2.75 As previously discussed, the government's *NSW Coal Industry 2026-50* statement was subsequently released in March 2026, along with several guidance documents from the EPA which give effect to that policy.

Coal mine extensions and expansions

2.76 Several inquiry participants expressed concern about the continued approval of coal mine extensions and expansions.[128]

2.77 Approvals of new and expanded coal mines are inconsistent with legislated climate targets, and that ceasing such approvals would be the most effective way to ensure the sector reduces emissions over time[129] and to comply with the law in New South Wales.[130]

2.78 For example, Beyond Zero Emissions expressed the view that allowing expansion of fossil fuel projects while promoting emissions reductions targets 'undermines investor confidence' in the development of clean energy projects.[131]

2.79 The Institute for Energy Economics and Financial Analysis took the position that any approvals for new coal projects or expansions should be conditional on comprehensive methane abatement plans, including mitigation, before the commencement of mining.[132]

2.80 The Mining and Energy Union supported the use of emissions abatement technologies and suggested that such technologies will 'enable the coal industry

126 Evidence, Ms Kashmir Miller, Government Relations Manager, Nature Conservation Council of NSW, 12 December 2025, p 34; Submission 16, Climate Council, p 34.

127 Submission 28, NSW DCCEEW, p 3.

128 See Submission 16, The Climate Council, p 5-6; Submission 18, Lock the Gate Alliance, p 1; Submission 27, Environmental Defenders Office (EDO), p 7; Submission 6, Bushfire Survivors for Climate Action, p 17; Submission 22, Central West Environment Council, p 3.

129 See Submission 16, The Climate Council, p 6; Submission 27, EDO p 7.

130 See Submission 16, The Climate Council, p 6; Submission 27, EDO, p 7.

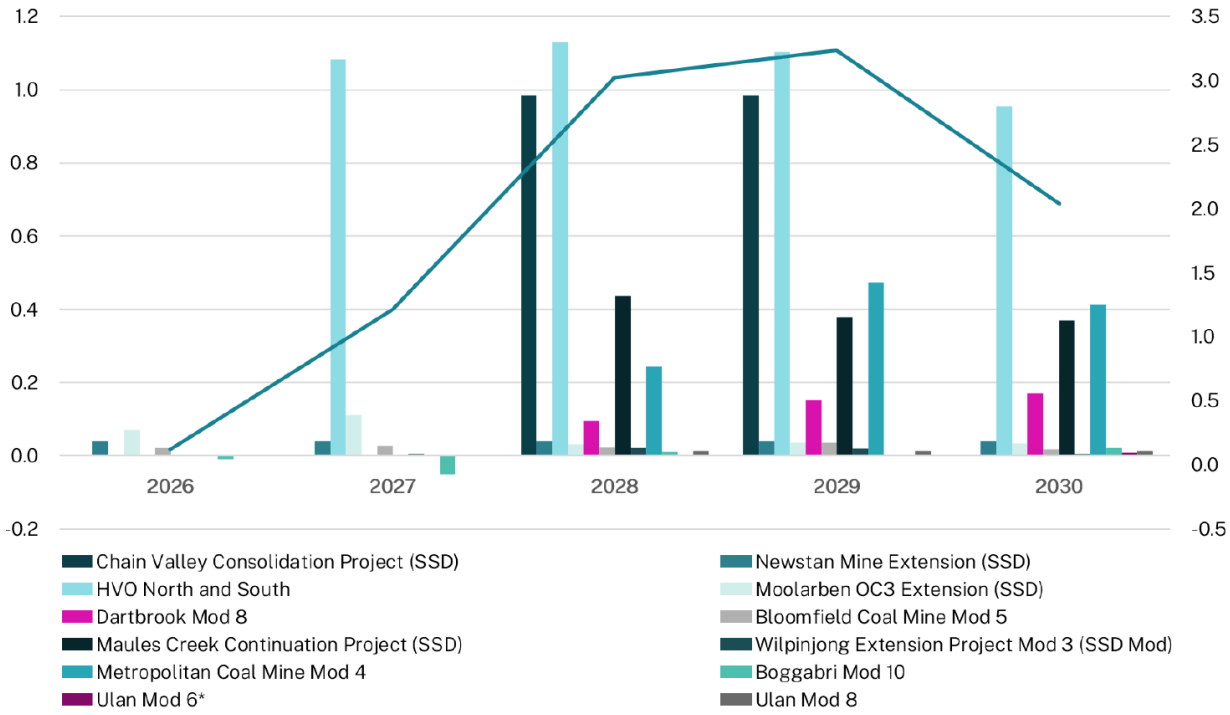
131 Submission 7, Beyond Zero Emissions, p 2.

132 Submission 17, Institute for Energy Economics and Financial Analysis, p 11.

to contribute to the economy-wide decarbonisation effort and bolster its social licence to operate'.[133]

2.81 In evidence to the committee, Ms Katerina Kimmorley, Net Zero Commissioner, noted that since December 2025, two coalmines in New South Wales have been granted expansions, and explained there are at least 19 other proposed extensions and expansions, which will contribute significantly to the additional scope 1 emissions from mining to 2030 (Figure 5).[134]

Figure 5 Scope 1 emissions from proposed coal mine extensions and expansions 2026 to 2030



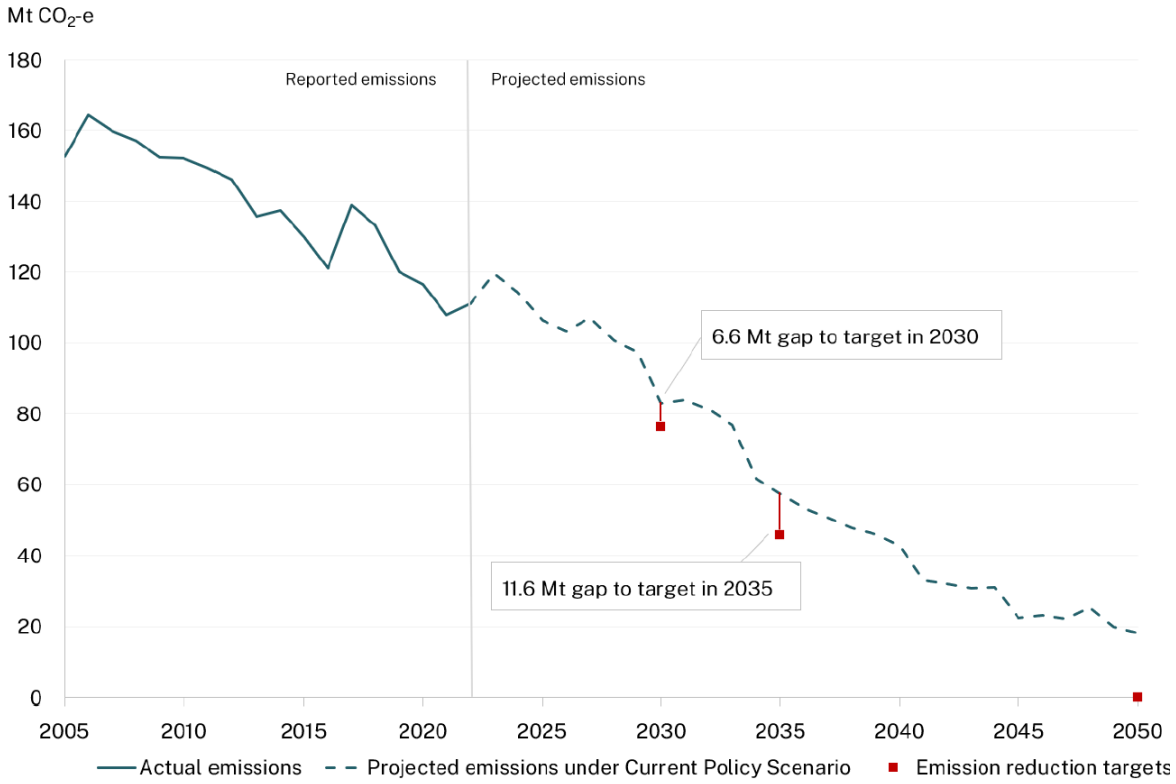
Source: Tabled document, NSW Net Zero Commission, Various graphs, tabled 25 March 2026, p 4.

[133] Submission 23, Mining and Energy Union, p 2.

[134] Evidence, Ms Katerina Kimmorley, Executive Director, Net Zero Commission, 25 May 2026, p 17.

2.82 Ms Kimmorley advised that according to state projections, in 2030 and 2035 there will be significant gaps between projected emissions and emissions targets (Figure 6), and that this can largely be explained by and attributed to the projected mine extensions and expansions.[135]

Figure 6 NSW historical and projected scope 1 emissions



Source: 2024 DCCEEW projections.

Tabled document, NSW Net Zero Commission, Various graphs, tabled 25 March 2026, p 1.

2.83 Dr Will Rayward-Smith, Executive Director, New Zero Commission, noted that the planning system is a 'key place' for the government to focus its attention, 'given the number of extensions and expansions' recently approved or under consideration. Dr Rayward-Smith noted that the commission has written to the Department of Planning, Housing and Infrastructure to offer support 'in terms of best practice' for consideration of applications.[136]

2.84 Dr Rayward-Smith also noted that the Net Zero Commission has encouraged the Department of Planning, Housing and Infrastructure and the Independent Planning Commission to consider the following when assessing planning approvals for coal mine expansion and extensions:

- Scope 1 emissions in relation to New South Wales' legislated targets

[135] Evidence, Ms Katerina Kimmorley, Executive Director, Net Zero Commission, 25 May 2026, p 17.

[136] Evidence, Dr Will Rayward-Smith, 25 May 2026, p 19.

- Measures to reduce scope 2 emissions from any proposal
- the cumulative impact of multiple projects
- scope 3 emissions given the capacity for such emissions to have an impact locally in New South Wales.[137]

Support for mining workers and communities affected by transition

2.85 Several stakeholders suggested that the government should take a proactive approach to support mining communities affected by the transition from a heavy reliance on coalmining to other forms of energy production.

2.86 The NSW Net Zero Commission noted that demand for New South Wales' coal exports in international markets will continue to decline over coming decades. To illustrate, the Net Zero Commission outlined that:

- Treasury projects that coal production will be reduced by 72-74 per cent by 2050
- 80 countries, including Australia, have endorsed the November 2025 Belem Declaration on the Transition Away from Fossil Fuels, which calls for a 'just, orderly and equitable transition away from fossil fuels'
- major importers of New South Wales coal, including Japan, Taiwan, South Korea and China, have their own net zero plans.[138]

2.87 The Commission encouraged government leadership and coordination to support coal mining communities to navigate the energy transition with sensitivity.[139]

2.88 Community groups agreed that there is a need to support coalmining communities to plan for the economic transition towards a low-emissions future:

- Lock the Gate Alliance noted that in the event of staged closures of coal mines, 'considerable support' will be needed in coal mining communities, and suggested that 'uncertainty of policy in this regard is actively doing harm'[140]
- The Environmental Defenders Office suggested that a revised coal policy 'must consider and plan for' affected workforces and communities[141]
- Bushfire Survivors for Climate Action called for funding measures to support wellbeing of workers and communities exposed to the fossil fuel

[137] Evidence, Dr Will Rayward-Smith, Executive Director, Net Zero Commission, 25 May 2026, p 19.

[138] Net Zero Commission *Spotlight Report 2025*, p 51.

[139] Net Zero Commission, *Spotlight Report 2025,* p 51.

[140] Submission 18, Lock the Gate Alliance, p 7.

[141] Submission 27, Environmental Defenders Office, p 17.

industry be 'continued and increased', and further suggested that measures to require fossil fuel companies to contribute to the costs of supporting communities through the transition should be investigated.[142]

2.89 The Institute for Energy Economics and Financial Analysis noted that investment in abatement projects can create economic development that benefits regional communities that may be affected by mine closures.[143] Ms Amandine Denis-Ryan, Chief Executive Officer, Institute for Energy Economics and Financial Analysis, put to the committee that 'the revenue from carbon credits can actually trigger a fair bit of activity. She added that in the United States it has 'really triggered a lot of activity in the cost of operating mines, methane captures, which has been seen as an opportunity for economic development in communities affected by mine closures'.[144]

2.90 The Mining and Energy Union (MEU) similarly called for an orderly transition that supports workers and communities. The MEU noted that coal regions are 'already navigating' consequences of closures of major coal-fired power stations, and that the 2030 closure of the Mt Arthur coalmine will impact 2,600 direct employees as well as local supply chain, businesses, and the wider community in Muswellbrook. The MEU warned against policies and regulations that lead to 'sudden' closures.[145]

2.91 Several stakeholders noted that the government is consulting on the establishment of the Future Jobs and Investment Authority, in order to support coal workers and communities through the transition to a lower emissions economy.[146]

Concerns with the Australian Government Safeguard Mechanism

2.92 As mentioned in Chapter 1, the Australian Safeguard Mechanism is a package of Australian Government regulations under the *National Greenhouse and Energy Reporting Act 2007* (Cth) that requires large industrial facilities with annual emissions above 100,000 tCO_2-e (tonnes of carbon dioxide equivalents) to report on, and reduce, their emissions over time in line with a declining limit, called a 'baseline'. The baseline declines over time in accordance the Australian Government's national emissions reduction targets.[147]

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142 Submission 6, Bushfire Survivors for Climate Action, p 13-14.

143 Evidence, Ms Amandine Denis-Ryan, 12 December 2025, p 19.

144 Evidence, Ms Amandine Denis-Ryan, 12 December 2025, p 20.

145 Submission 23, Mining and Energy Union, p 1.

146 Evidence, Ms Kashmir Miller, 12 December 2025, p 34; Submission 16, Climate Council, p 5; Net Zero Commission, *Spotlight Report 2025*, p 53; Evidence, Ms Georgina Beattie, Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development, 25 May 2026, p 2.

147 Net Zero Commission, *Spotlight Report 2025*, p 23.

2.93 The following options are available to coal mines covered by the Safeguard to meet their declining baselines:

- reduce the intensity of their emissions through on-site abatement
- borrow up to 10 per cent of the following year's baseline with a 10 per cent annual interest rate
- address excess emissions by purchasing and surrendering eligible carbon credits including Australian Carbon Credit Units (ACCUs) or Safeguard Mechanism Credits (SMCs)
- if a facility plans to undertake an on-site abatement project, it can apply for a five-year monitoring period, meaning cumulative emissions over a five-year period must not exceed the combined baseline allowance for the same period. [148]

2.94 Several stakeholders argued that regardless of its intentions and design, the Safeguard Mechanism is not effectively reducing emissions.

2.95 Dr Will Rayward-Smith, Executive Director, Net Zero Commission, noted that the Safeguard incentivises, but does not require on-site abatement. He stated that policy settings under the Safeguard are 'unlikely to deliver strong enough signals to progress on-site abatement with the urgency required to achieve the legislated targets within the Climate Change Act'. He suggested that 'additional regulatory measures will be required to achieve measurable on-site abatement'.[149]

2.96 Dr Rayward-Smith further highlighted that there are various alternative compliance options to on-site abatement. In particular, he noted that there are no restrictions on the use of carbon credits. The source of the credit may not be in New South Wales and, in those cases, would not count towards New South Wales emissions reduction targets.[150]

2.97 Other stakeholders shared concerns about the reliance under the mechanism on carbon credits or offsets. The Superpower Institute and Climate Resource suggested that the outcomes under the Safeguard Mechanism lead to a reliance on 'low integrity' offsets which are 'ineffective' in mitigating emissions from other sectors. The Institute noted that concerns about the efficacy of land-based offsets are 'well-publicised' and is a particular problem for fossil fuels, which 'introduce new carbon into the atmosphere from outside the terrestrial carbon cycle'.[151]

148 Net Zero Commission, *Spotlight Report 2025*, p 70.

149 Evidence, Dr Will Rayward-Smith, Executive Director, Net Zero Commission, 12 December 2025, p 58.

150 Evidence, Dr Will Rayward-Smith, 12 December 2025, p 58.

151 Submission 15, The Superpower Institute and Climate Resource, p 10.

2.98 Following expert consultation undertaken by the NSW EPA,[152] the organisation also questioned the widespread reliance on offsets, particularly where they are used to offset methane released by mining operations. Mr Chappel, explained that using offsets may be more suitable for ameliorating biogenic[153] methane which is 'part of the natural carbon cycle'[154] rather than using offsets to counter emissions from mining which involves 'releasing emissions that have been sequestered for hundreds of millions of years'.[155] Mr Chappel noted the EPA's view that for fossil methane 'there is more benefit and more certainty in addressing those at the source' rather than relying on offsets.[156]

2.99 Certain stakeholders expressed concern that the Safeguard Mechanism has not cut emissions from mines. Ms Kashmir Miller, Government Relations Manager, Nature Conservation Council of NSW, observed that the Safeguard Mechanism has 'failed to deliver real emissions cuts for coalmining in New South Wales'. Ms Miller noted in particular that mining companies such as BHP and Glencore are expected to be able to continue to earn credits 'for every tonne of coal they produce' under the scheme until 2050.[157]

2.100 The Environmental Defense Fund commented that 'the production-based emissions reductions that have occurred have effectively been offset by new coalmines entering the Safeguard Mechanism, unfortunately.'[158]

2.101 The Environmental Defenders Office (EDO) concurred and identified concerns with the Safeguard Mechanism, including:

- mine operators are compared to an industry average baseline for emissions intensity
- emitters who fall below the average generate credits automatically
- higher emitters, who generate emissions over the average, can purchase those credits
- obligations under the Safeguard Mechanism are acquitted 'without any real emissions reduction having occurred'.[159]

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152 Evidence, Mr Asela Atapattu, Policy Programs and Finance, NSW Environment Protection Authority, 25 May 2026, p 12.

153 In this context, 'biogenic' refers to carbon emissions or offsets generated via biological processes, such as in agriculture or ecosystems.

154 Evidence, Mr Tony Chappel, 25 May 2026, p 11-12.

155 Evidence, Mr Tony Chappel, 25 May 2026, p 11.

156 Evidence, Mr Tony Chappel, 25 May 2026, p 12.

157 See Evidence, Ms Kashmir Miller, 12 December 2025, p 34; Submission 16, Climate Council, p 5.

158 Evidence, Mr Chris Wright, Analyst, EDF, 12 December 2025 p 36.

159 Submission 27, Environmental Defenders Office, pp 28-29.

2.102 The Nature Conservation Council shared the concern about the baselines being set too high under the safeguard mechanism to drive any abatement:

> The broader concern is that those baselines or caps or limits have been set based on business as usual for those facilities, so, essentially, they've been set too high, meaning that those companies can be rewarded with credits without taking the action to reduce emissions.[160]

2.103 Mr Tony Chappel, Chief Executive Officer, NSW Environment Protection Authority, also argued that the Safeguard Mechanism is 'not delivering significant on-site methane reduction at New South Wales mines in the short to medium term'. Mr Chappel noted the Safeguard Mechanism places no limit on the use of offsets and does not require the reduction of methane emissions. He added that in the most recent reporting year, 40 per cent of the sector's emissions were below baselines, and therefore generating credits, and 'not incentivised to take additional action'.[161]

2.104 Mr Chappel explained that the EPA recently undertook consultation on regulatory actions that could complement the Safeguard Mechanism and drive on-site abatement at coalmines in New South Wales. Mr Chappel outlined that those proposals included:

- requiring Ventilation Air Methane abatement by 2030
- requiring pre-draining and flaring of gas by 2027
- and the minimisation of methane leaks from old mine workings by July 2027.[162]

2.105 The NSW Minerals Council suggested that 'almost all' of the sector's emissions are regulated by the Safeguard Mechanism and therefore 'subject to regulated requirements to reach net zero by 2050 without any additional intervention by the New South Wales Government'.[163]

2.106 The EDO disagreed with this position, suggesting that the Safeguard Mechanism was 'not designed to be the sole mechanism' for reducing emissions from the resource and industry sectors.[164] The EDO put to the committee that this is 'explicitly set out' in the *National Greenhouse and Energy Reporting Act 2007* (Cth),[165] which states: 'The safeguard provisions and the safeguard rules are not intended to exclude or limit the operation of a law of a State or Territory that is

[160] Evidence, Ms Jacqueline Mills, Senior Climate and Energy Campaigner, Nature Conservation Council, 12 December 2025, p 39.

[161] Evidence, Mr Tony Chappel, Chief Executive Officer, NSW Protection Authority, 12 December 2025, p 61.

[162] Evidence, Mr Tony Chappel, 12 December 2025, p 60.

[163] Submission 24, NSW Minerals Council, p 8.

[164] Submission 27, Environmental Defenders Office (EDO), p 28.

[165] Submission 27, EDO, p 28.

capable of operating concurrently with the safeguard provisions and those rules.'[166]

Fossil fuel industry advertising and sponsorship

2.107 Comms Declare raised concerns regarding the advertising and marketing of fossil fuels, and the influence of the fossil fuel industry on educational materials.

2.108 The organisation argued that fossil fuels are a harmful product, and as such advertising and marketing of fossil fuels should be restricted in the same way as other harmful products such as tobacco, gambling and alcohol.[167] Comms Declare pointed to specific examples of fossil fuel industry advertising and sponsorship arrangements such as billboard and bus shelter advertising in Sydney, and funding to a museum in Queensland.[168]

2.109 Comms Declare suggested that New South Wales is 'uniquely positioned' to provide leadership in regulating restrictions on advertising and sponsorship by the fossil fuel sector, similar to previous legislation that restricted advertising of tobacco products.[169]

2.110 Comms Declare proposed that the NSW Government should consider introducing legislation to ban advertising of, and sponsorship from, the fossil fuel industry on Government property and transport assets and in schools.[170]

Committee comment

2.111 The committee acknowledges that mining has made a significant contribution to the state's economy since the 19th century. Nonetheless, it is important to also acknowledge that fossil fuels make a sizeable contribution to the state's greenhouse gas emissions. Throughout this inquiry, it was clear that the community expects the mining industry to do its fair share of emissions reduction, and not rely on offsets to continue business as usual.

2.112 It is clear that there is substantial potential for on-site abatement of methane emissions. The committee heard that a significant volume of abatement can be achieved at low cost, and in some cases create alternative income streams for mining companies. Notably, on-site abatement at mining operations can be achieved at a lower cost than in other industries. In light of these benefits, adopting on-site abatement at scale should be a key priority in New South Wales.

166 *National Greenhouse and Energy Reporting Act 2007* (Cth) s 22XO.

167 Submission 1, Comms Declare, p 2.

168 Submission 1, Comms Declare, p 5; Evidence, Ms Lisa Wills, Campaign Manager, Comms Declare, 12 December 2025, p 46.

169 Submission 1, Comms Declare, p 1.

170 Submission 1, Comms Declare, p 2.

2.113 The committee commends the government and industry for developing the demonstration trial of a commercial scale Ventilation Air Methane abatement project at Appin. We also understand that large scale systems have been operating for some years in other jurisdictions.

2.114 It is important to note that the NSW Environment Protection Authority (EPA) released its *Greenhouse Gas Mitigation Guide for NSW Coal Mines* in March 2026. The guide includes a number of on-site abatement requirements for coal mines. The committee is encouraged by this development, particularly given the evidence that the Australian Government Safeguard Mechanism has not effectively incentivised mining operators to implement on-site abatement.

2.115 The committee recommends that the NSW Government make any approvals for new coal mining projects and modifications contingent on compliance with the EPA's guide and consider the recommendations of the independent Net Zero Commission. We further recommend that the NSW Government should also require existing coal mine licensees to implement on-site abatement in accordance with the guide.

2.116 The committee is encouraged by the detailed consultation work that the NSW EPA and the NSW Net Zero Commission have been doing to assist the New South Wales resources industry towards meeting legislated net zero targets. However, the committee heard widespread concern about the pipeline of planning approvals for coalmine extensions or expansions, and understands responsibility for approvals sits with the Department of Planning, Housing and Infrastructure. The committee recommends that the government should direct the Department of Planning, Housing and Infrastructure to consult attentively with the Net Zero Commission and the EPA in relation to best practice for mine expansions and extensions.

Recommendation 1

That the NSW Government:

- make any approvals for new coal mining projects and modifications contingent on compliance with the NSW Environment Protection Authority's *Greenhouse Gas Mitigation Guide for NSW Coal Mines* and consider the recommendations of the independent Net Zero Commission
- require existing coal mine licensees to implement on-site abatement in accordance with the guide
- require the Department of Planning, Housing and Infrastructure to consult attentively with the NSW EPA and Net Zero Commission regarding the pipeline of proposed coal mine extensions and expansions.

2.117 The committee acknowledges that there are barriers to adoption of on-site abatement systems. In particular, early adopters of the technology may face higher costs. The committee understands that the High Emitting Industries grant is a mechanism through which industry has been able to seek support for on-site

abatement. It was not clear to the committee whether there has been significant interest in the grant by the resources sector, given we heard a strong need for further incentives, particularly for early adopters.

2.118 The committee therefore recommends that the NSW Government examine why existing grants, such as the High Emitting Industries grant, may not have effectively incentivised coal mine operators to adopt on-site abatement technologies, and consider adjusting grant settings accordingly and examine ways to reduce coal production where cumulate implementation of scope 1 emissions abatement methods fail to align with legislated emissions reductions targets.

Recommendation 2

That the NSW Government examine why existing grants, such as the High Emitting Industries grant, may not have effectively incentivised coal mine operators to adopt on-site abatement technologies, and consider adjusting grant settings accordingly and consider ways to reduce coal production where cumulative implementation of scope 1 emissions abatement methods fail to align with legislated emissions reductions targets.

2.119 The committee also understands that some stakeholders in the mining industry have safety and technical concerns about implementing on-site abatement. The committee did not hear from safety regulators, but is concerned that progress is not held up unnecessarily where safety concerns can be resolved.

2.120 We therefore recommend that the NSW Government seek to resolve safety concerns associated with on-site abatement technologies at coalmining operations, in collaboration with appropriate technical experts, technology providers, relevant safety regulators and industry as soon as possible.

Recommendation 3

That the NSW Government seek to resolve safety concerns associated with on-site abatement technologies at coal mining operations, in collaboration with appropriate technical experts, technology providers, relevant safety regulators and industry as soon as possible.

2.121 The committee heard that successful waste gas to electricity generation projects have been established in the Bowen Basin in Queensland.

2.122 There is an opportunity for the NSW Government to encourage the industry in New South Wales to develop similar projects. The committee therefore recommends the NSW Government consider the policy and regulatory settings required to encourage implementation of waste gas to electricity projects, looking to successful projects in Queensland as examples.

Recommendation 4

That the NSW Government consider the policy and regulatory settings required to encourage implementation of waste gas to electricity projects, looking to successful projects in Queensland as examples.

2.123 Another key issue raised throughout the inquiry was the estimation and potential underreporting of emissions. We note that this was raised in the committee's previous report. We remain concerned the question is still unresolved. Stakeholders told us the methodology used under the National Greenhouse and Energy Reporting scheme may lead to consistent underreporting and lacks transparency.

2.124 The committee commends the Australian Government for convening the Expert Panel on Atmospheric Measurement of Fugitive Methane Emissions in Australia to review and examine measurement of mining emissions.

2.125 The committee also commends the commitment by the NSW Government to establish a regional monitoring network for greenhouse gases including methane. The committee looks forward to hearing more about the network. We recommend that the NSW Government:

- expeditiously roll out the regional monitoring network for greenhouse gases, seeking input from appropriate independent experts to ensure a robustly designed and implemented system
- collaborate with the Australian Government's Expert Panel on Atmospheric Measurement of Fugitive Methane Emissions in Australia
- ensure that the network reports publicly.

2.126 The committee notes with concern that Method 2 allows coal corporations discretion as to how they measure and model emissions, with analysis suggesting there has been a 76 per cent fall in self-reported emissions per unit of coal in New South Wales.

Recommendation 5

That the NSW Government:

- expeditiously roll out the regional monitoring network for greenhouse gases, seeking input from appropriate independent experts to ensure a robustly designed and implemented system
- ensure that the network collaborates with the Australian Government's Expert Panel on Atmospheric Measurement of Fugitive Methane Emissions in Australia
- requires that the network reports publicly.

2.127 The committee heard widespread support from stakeholders that coal mining workers and communities should be supported in the transition to a decarbonised, net zero economy. The committee acknowledges and commends the NSW Government for the establishment of the Future Jobs and Investment Authority to support coal mining communities through a period of transition.

2.128 Finally, the committee heard community concerns about the mining industry's sponsorship of educational institutions and public advertising campaigns. Of particular concern to the committee is the ability for mining interests to influence curatorial decisions or the design of education materials. The committee recommends that the NSW Government consider assessing limitations that placed on fossil fuel advertising or sponsorship agreements, with particular attention to public buildings, transport assets and educational institutions.

Recommendation 6

That the NSW Government consider assessing limitations that can be placed on fossil fuel advertising or sponsorship agreements, with particular attention to public buildings, transport assets and educational institutions.

Appendix 1 Submissions

No.	Author
1	Comms Declare
2	Rainforest Reserves Australia
3	Ms Celeste Pater
4	Mr Eric Galloway
5	Mr Les Daniel
6	Bushfire Survivors for Climate Action
7	Beyond Zero Emissions
8	The Australian Workers' Union NSW Branch
9	Carbon Logica
10	Ms Cathy Gill
11	Centennial Coal
12	Nature Conservation Council of NSW
13	Minerals Council of Australia
14	NSW Net Zero Commission
15	The Superpower Institute Ltd and Climate Resource Pty Ltd
16	Climate Council
17	Institute for Energy Economics and Financial Analysis (IEEFA)
18	Lock the Gate Alliance
19	Common Capital
20	Sydney Knitting Nannas & Friends
21	Action for Public Transport (NSW) Inc.
22	Central West Environment Council
23	Mining & Energy Union
24	NSW Minerals Council
24a	NSW Minerals Council
25	Environmental Defense Fund
26	Mr Geoff Miell
27	Environmental Defenders Office (EDO)
28	NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW)
29	Ms Lynette LaBlack

Appendix 2 Witnesses at hearing

Date	Name	Position and Organisation
Friday 12 December 2025 **Macquarie Room** **Parliament House, Sydney**	Mr Peter Morris	Principal Adviser, Minerals Council of Australia
	Mr Stephen Galilee	CEO, NSW Minerals Council
	Mr David Frith	Director, Policy, NSW Minerals Council
	Mr Mark Jonker	CEO, Carbon Logica
	Mr Scott Barker	Managing Director, Carbon Logica
	Ms Amandine Denis Ryan *(via videoconference)*	CEO, Institute for Energy Economics and Financial Analysis
	Ms Amy Leiper	Communications Lead, Institute for Energy Economics and Financial Analysis
	Mr Henry Adams	Director, Common Capital
	Mr Nic Clyde	NSW Coordinator, Lock the Gate Alliance
	Ms Beverley Smiles	Secretary, Central West Environment Council
	Ms Jacqueline Mills *(via videoconference)*	Senior Climate and Energy Campaigner, Nature Conservation Council of NSW
	Ms Kashmir Miller	Government Relations Manager, Nature Conservation Council of NSW
	Mr Chris Wright	Independent Consultant, Environmental Defense Fund
	Ms Charlotte Hanson	Policy Advisor, Environmental Defense Fund
	Ms Rachael Chick	Senior Solicitor, Policy and Law Reform, Environmental Defenders Office
	Ms Lisa Wills	Campaign Manager, Comms Declare
	Professor Peter Rayner *(via videoconference)*	Chief Scientist, The Superpower Institute and Climate Resource
	Mr Greg Bourne	Director and Councillor, Climate Council of Australia

Date	Name	Position and Organisation
	Mr Nicholas Rowley	Chair, NSW Net Zero Commission
	Dr Will Rayward-Smith	Executive Director, Net Zero Commission
	Mr Matthew Riley	Director, Climate and Atmospheric Science, NSW Department of Climate Change, Energy, the Environment and Water
	Mr Tony Chappel	Chief Executive Officer, NSW Environment Protection Authority
	Ms Shagofta Ali	Director Policy & Strategy, NSW Environment Protection Authority
Monday 25 May 2026 **Macquarie Room** **Parliament House, Sydney**	Ms Georgina Beattie	Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development
	Mr Tony Chappel	Chief Executive Officer, NSW Environment Protection Authority (EPA)
	Mr Asela Atapattu	Executive Director Policy Programs and Finance, NSW Environment Protection Authority (EPA)
	Dr Will Rayward-Smith	Executive Director, Net Zero Commission
	Ms Phoebe Colman	Principal Advisor, Net Zero Commission
	Ms Katerina Kimmorley	Net Zero Commissioner

Appendix 3 Minutes

Minutes no. 5
Thursday, 26 June 2025
Joint Standing Committee on Net Zero Future
Room 1043, Parliament House, 1.03 pm

1. Members present
Mr Buckingham, *Chair*
Ms Butler, *Deputy Chair*
Mr Buttigieg
Ms Higginson
Ms Munro (from 4.25 pm)
Ms Suvaal
Mr Fang
Ms Tesch

2. Apologies
Ms Doyle
Mr Griffin
Mr Murphy

3. Previous minutes
Resolved, on the motion of Ms Butler: That draft minutes no. 4 be confirmed.

4. Correspondence
The committee noted the following items of correspondence:

Received

- 21 March 2025 – Email from Eve Altman, Clean Energy Campaigner, Nature Conservation Council of NSW, to the Chair, providing a document titled 'Strengthening NSW Renewable Energy Zones: Joint policy recommendations to improve outcomes for nature and communities' signed by 18 organisations, and requesting the Joint Standing Committee on Net Zero Future provide the document to the Net Zero Commission
- 10 April 2025 – Email from Charlie Rodrick, NSW Clean Energy Campaigner, Solar Citizens, to the Committee, expressing concern about approvals for new homes under the Transport Oriented Development program not requiring electrification and attaching a letter sent to the Minister for Planning and Public Spaces, the Hon Paul Scully, as well as a briefing note including policy recommendations
- 14 April 2025 – Email from Ms Janene Theol, private individual to committee, expressing concern regarding future coal mining projects in New South Wales.

Sent

- 25 March 2025 – Email from secretariat to Rebecca Watson, Principal Advisor, Net Zero Commission, providing to the Net Zero Commission the Nature Conservation Council of NSW document titled 'Strengthening NSW Renewable Energy Zones: Joint policy recommendations to improve outcomes for nature and communities' signed by 18 organisations.

5. Inquiry into the 2024 Annual Report of Net Zero Commission

5.1 Answers to questions on notice and supplementary questions

The committee noted the following answers to questions on notice were published by the committee clerk under the authorisation of the resolution appointing the committee:

- answers to questions on notice from Mr Stephen Hynd, Executive Director, NSW Aboriginal Land Council, received 25 March 2025.

5.2 Report

The committee noted on 21 March 2025 it resolved that the secretariat be authorised to incorporate amendments to the Committee Comment in Chapter 2 relating to low emissions technologies in the transport sector, and energy ratings for existing homes, with the wording of the amendments to be circulated and approved via email unless a meeting is required to resolve any objections.

The committee noted that it agreed via email on 25 March 2025 to the following amendments (pursuant to that resolution):

That the following new paragraph be inserted at the end of Chapter 2:

> 'As discussed at 2.24, the Climate Council recommended that due to the length of time that a vehicle is put into service, the earlier that regulatory changes to encourage the purchase of new low emissions vehicles, the sooner the benefit of emissions reduction will be realised.'

That the following new recommendation be inserted after the above paragraph:

> '**Recommendation X**
>
> That the government consider implementing regulatory changes to encourage the earlier adoption of low emissions technologies.'

That the following new paragraph be inserted after the above recommendation:

> 'As discussed at 2.53, the Property Council, and other stakeholders, recommended the development of energy ratings for existing homes for potential buyers or renters to evaluate.'

That the following new recommendation be inserted after the above paragraph:

> **'Recommendation X**
>
> That the government implement changes as discussed at 2.53 in regards to energy ratings for existing homes that could be disclosed at point of sale or lease to provide buyers or renters information on energy efficiency before making the decision to buy or lease the property.'

6. Consideration of terms of reference

The Chair tabled a proposed terms of reference in accordance with paragraph 1 (b) of the resolution establishing the committee:

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

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

b) quantification and measurement of coal-mine and gas industry methane and related greenhouse gas emissions in New South Wales including fugitive emissions, in particular:

(i) the accuracy of emissions reporting from coal mines and gas fields
(ii) the relevance of using a twenty-year versus one-hundred-year global warming potential to assess short term climate impact
(iii) current measurement, reporting and verification methods and whether they reflect best practice

c) the transparency, timeliness and integrity of New South Wales' emission modelling and how this modelling is used to inform New South Wales' planning decisions

d) the implementation and feasibility of greenhouse gas abatement, including ventilation air methane (VAM) abatement for coal mining.

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

f) any other related matters.

Resolved, on the motion of Ms Higginson: That the committee adopt the terms of reference proposed by the Chair.

7. Conduct of inquiry into emissions from the fossil fuel sector

7.1 Closing date for submissions

Resolved, on the motion of Mr Buttigieg: That the closing date for submissions be Friday 22 August 2025.

7.2 Stakeholder list

Resolved, on the motion of Ms Tesch: That:

- the secretariat circulate to members the Chair's proposed list of stakeholders to be invited to make a submission
- members have two days from when the Chair's proposed list is circulated to make amendments or nominate additional stakeholders
- the committee agree to the stakeholder list by email, unless a meeting of the committee is required to resolve any disagreement.

7.3 Approach to submissions

Resolved, on the motion of Ms Higginson: That, to enable significant efficiencies for members and the secretariat while maintaining the integrity of how submissions are treated, in the event that 50 or more individual submissions are received, the committee may adopt the following approach to processing short submissions.

- All submissions from individuals 250 words or less in length will:
  - have an individual submission number, and be published with the author's name or as name suppressed, or kept confidential, according to the author's request
  - be reviewed by the secretariat for adverse mention and sensitive/identifying information, in accordance with practice
  - be channelled into one single document to be published on the inquiry website
- All other submissions will be processed and published as normal.

7.4 Hearing dates

Resolved, on the motion of Ms Butler: That the timeline for hearings be considered by the committee following the receipt of submissions. Further, that hearing dates be determined by the Chair after consultation with members regarding their availability.

8. Adjournment
The committee adjourned at 1.10 pm, *sine die.*

Stephen Fujiwara
Committee Clerk

Draft minutes no. 6
Friday 12 December 2025
Joint Standing Committee on Net Zero Future
Macquarie Room, Parliament House, Sydney at 8.52 am

1. Members present
Mr Buckingham, *Chair*
Mr Buttigieg
Ms Doyle, via videoconference
Mr Fang
Ms Higginson
Ms Munro
Mr Murphy
Mr Regan, via videoconference
Ms Suvaal, via videoconference
Ms Tesch, via videoconference

2. Apologies
Ms Butler, *Deputy Chair*

3. Previous minutes
Resolved, on the motion of Mr Murphy: That draft minutes no. 5 be confirmed.

4. Correspondence
The committee noted the following items of correspondence:

Received

- 22 July 2025 – Correspondence from Ms Meagan Wheeler, Manager - Carbon Policy, LMS Energy Pty Ltd, offering to provide information to the committee should it be interested in control of methane emissions from landfills and waste or agriculture
- 25 July 2025 - Postcard from an individual to the committee expressing concern about the impacts of climate change and encouraging the committee to advocate to the government for action this issue
- 19 August 2025 – Email from the NSW Productivity and Equality Commissioner, Peter Achterstraat AM, to the committee, attaching two papers from the Commissioner's 'Achieving Net Zero' report series, noting their relevance to the current inquiry's terms of reference, and offering to assist with any further information or clarification
- 1 September 2025 - Letter from Ms Meg McDonald, Interim Chair, Net Zero Commission, to the Hon Penny Sharpe MLC, Minister for Climate Change, titled 'Risk of extreme heat and humidity in summer 2025-26', dated 29 August 2025
- 8 October 2025 – Email from Mr Geoff Miell, providing for members' information details about an online conference scheduled on 16-16 October 2025 titled 'The Global Heating Emergency: Preventing 2°C by 2040: What's the Plan?'

- 20 November 2025 – Email from Alison Goodwin, National Research and Policy Officer, Mining and Energy Union, confirming that on this occasion the Mining and Energy Union declines the invitation to attend the public hearing being held Friday 12 December 2025
- 20 November 2025 – Email from Chase Dingle, General Manager Environmental Social Governance, Centennial Coal, advising that due to existing commitments and resource constraints, Centennial Coal is not able to nominate a representative to attend the public hearing on 12 December 2025, however remain open to supporting the inquiry at future opportunities
- 26 November 2025 – Email from Kaitao He, Australian Workers Union (AWU) NSW Branch, advising that no AWU representatives are available to attend the public hearing on Friday 12 December 2025
- 9 December 2025 – Email from Mr Henry Adams, Director, Common Capital, attaching two studies to assist the committee ahead of his appearance before the committee at the public hearing to be held on Friday 12 December 2025
- 11 December 2025 – Email from Mr Henry Adams, Director, Common Capital, attaching an updated December 2025 version of the emissions gap report, superseding the November version provided on 9 December 2025
- 11 December 2025 – Email from Ms Alberta McAteer, A/Principal Adviser – Secretariat and Governance, Net Zero Commission, enclosing the Net Zero Commission's Coal Mining Emissions Spotlight Report
- 12 December 2025 – Email from Rachael Chick, Senior Solicitor, Environmental Defenders Office (EDO), explaining that Mr William Scott is unwell and therefore unable to attend the public hearing scheduled for 12 December 2025, but noting that Ms Chick herself will still be in attendance to represent the EDO.

5. Inquiry into emissions from the fossil fuel sector

5.1 Public submissions

The committee noted the following submissions were published by the committee clerk under the authorisation of the resolution appointing the committee: submission nos. 1-29.

5.2 Timeframe for return of post-hearing responses

Resolved, on the motion of Ms Doyle: That the due date of answers to post hearing responses, including answers to questions on notice, answers to supplementary questions, and transcript corrections and clarifications, be Monday 19 January 2026.

5.3 Election of acting Deputy Chair

The Chair noted the absence of the Deputy Chair for the meeting.

The Chair called for nominations for a member to act as Deputy Chair for the purpose of the meeting.

Mr Murphy moved: That Ms Higginson be elected acting Deputy Chair for the purpose of the meeting.

There being no further nominations, the Chair declared Ms Higginson elected acting Deputy Chair for the purpose of the meeting.

5.4 Public hearing

Resolved, on the motion of Ms Higginson: That the allocation of questioning for today's hearing be left in the hands of the Chair.

Witnesses, the public and the media were admitted.

The Chair made an opening statement.

The following witnesses were sworn and examined:

- Mr Peter Morris, Principal Adviser, Minerals Council of Australia
- Mr Stephen Galilee, CEO, NSW Minerals Council
- Mr David Frith, Director, Policy, NSW Minerals Council.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Mark Jonker CEO, Carbon Logica
- Mr Scott Barker Managing Director, Carbon Logica.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Amandine Denis Ryan, CEO, Institute for Energy Economics and Financial Analysis (via videoconference)
- Ms Amy Leiper, Communications Lead, Institute for Energy Economics and Financial Analysis
- Mr Henry Adams, Director, Common Capital.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Nic Clyde, NSW Coordinator, Lock the Gate Alliance
- Ms Beverley Smiles, Secretary, Central West Environment Council.

Mr Fang tendered the following document:

- A social media post from Lock the Gate Alliance.

Mr Clyde tendered the following documents:

- A chart entitled 'Amended Huntery Valley Operations Continuation Project'
- A chart entitled 'Maules Creek Continuation Project'
- A document including a tabulated summary of coal expansion projects.

The Chair called Mr Fang to order for the first time.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Jacqueline Mills, Senior Climate and Energy Campaigner, Nature Conservation Council of NSW (via videoconference)
- Ms Kashmir Miller, Government Relations Manager, Nature Conservation Council of NSW
- Mr Chris Wright, Independent Consultant, Environmental Defense Fund
- Ms Charlotte Hanson, Policy Advisor, Environmental Defense Fund
- Ms Rachael Chick, Senior Solicitor, Policy and Law Reform, Environmental Defenders Office.

Dr Wright tendered the following document:

- A document entitled 'Environment Defense Fund supplementary evidence statement Net Zero Commission hearing into fossil fuels'.

The Chair called Mr Fang to order for the second time.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Lisa Wills, Campaign Manager, Comms Declare
- Professor Peter Rayner, Chief Scientist, The Superpower Institute and Climate Resource (via videoconference)
- Mr Greg Bourne, Director and Councillor, Climate Council of Australia.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Nicholas Rowley, Chair, NSW Net Zero Commission
- Dr Will Rayward-Smith, Executive Director, Net Zero Commission.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Matthew Riley, Director, Climate and Atmospheric Science, NSW Department of Climate Change, Energy, the Environment and Water
- Mr Tony Chappel, Chief Executive Officer, NSW Environment Protection Authority
- Ms Shagofta Ali, Director Policy & Strategy, NSW Environment Protection Authority.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 4.30 pm. The public and the media withdrew.

Tendered documents

Resolved, on the motion of Ms Munro: That the committee accept and publish the following documents tendered during the public hearing:

- A social media post by Lock the Gate Alliance, tendered by Mr Fang
- A chart entitled 'Amended Huntery Valley Operations Continuation Project', tendered by Mr Nic Clyde
- A chart entitled 'Maules Creek Continuation Project', tendered by Mr Nic Clyde
- A document including a tabulated summary of coal expansion projects, tendered by Mr Nic Clyde
- A document entitled 'Environment Defense Fund supplementary evidence statement Net Zero Commission hearing into fossil fuels' tendered by Dr Chris Wright.

6. Adjournment

The committee adjourned at 4.33 pm, *sine die.*

Stephen Fujiwara
Committee Clerk

Draft minutes no. 7
Monday 9 February 2026
Joint Standing Committee on Net Zero Future
Room 814, Parliament House, Sydney at 11.00 am

1. Members present

Mr Buckingham, *Chair*
Ms Butler, *Deputy Chair*
Mr Buttigieg (via videoconference)
Ms Doyle (via videoconference)
Mr Fang (via videoconference)
Mr Griffin (via videoconference)
Ms Higginson (via videoconference)
Mr Murphy (via videoconference)
Mr Regan (via videoconference)
Ms Suvaal (via videoconference)
Ms Tesch (via videoconference)

2. Previous minutes

Resolved, on the motion of Mr Murphy: That minutes no. 6 be confirmed.

3. Correspondence

The committee noted the following items of correspondence:

Received

- 22 December 2025 – Email from William Poole, Managing Editor, Australia, Institute for Energy Economics and Financial Analysis, to the secretariat, requesting replacement of the submission provided on 22 August 2025, with an updated submission, which omits the words 'fossil fuel' on the first and fourth pages of the original submission
- 14 January 2026 – Postcard from Ms Mary Smith, to the Committee, entitled 'Greetings from my Summer Holiday' expressing concern about coal mining and export and associated greenhouse gas emissions, and asking the committee to call on the government to cease approvals for coal mine expansions
- 15 January 2026 – Letter dated 13 January 2026, from Mr Nicholas Rowley, Chair, Net Zero Commission, providing clarification of evidence given by the Net Zero Commission at the public hearing held on 12 December 2025, and requesting amendment of records of that evidence
- 30 January 2026 - Email from Amandine Denis-Ryan, CEO Australia, Institute for Energy Economics and Financial Analysis (IEEFA) to the secretariat, providing for the Net Zero Committee a report published by the IEEFA on 30 January 2026 entitled 'Cutting Australian mining's diesel emissions'.

4. Inquiry into emissions from the fossil fuel sector

4.1 Answers to questions on notice and supplementary questions

The committee noted that the following answers to questions on notice were published by the committee clerk under the authorisation of the resolution appointing the committee:

- Answers to question on notice from the NSW Department of Climate Change, Energy, the Environment and Water, received on 23 January 2026
- Answers to questions on notice and answers to supplementary questions from the NSW Environment Protection Authority, received on 23 January 2026

- Answers to questions on notice and answers to supplementary questions from the NSW Net Zero Commission, received 15 January 2026.

4.2 Transcript clarifications

Resolved, on the motion of Ms Doyle: That the committee authorise:

- the publication of correspondence received on 15 January 2026 from Mr Nicholas Rowley, Chair, Net Zero Commission, to the committee, requesting correction to the transcript of evidence provided by witnesses of the Net Zero Commission to the Committee at the public hearing on 12 December 2025, and
- the insertion of footnotes on the transcript of the hearing held on 12 December 2025, clarifying the evidence of the Net Zero Commission, as per the correspondence received on 15 January 2026.

4.3 Submissions

The committee noted that it previously agreed via email to replace submission no. 17, from the Institute for Energy Economics and Financial Analysis, as per the author's request.

4.4 Briefing with the Net Zero Commission

The Net Zero Commission provided a briefing on the Coal Mining Emissions Spotlight Report, published by the commission on 12 December 2025. Net Zero Commission representatives attending were:

- Mr Nicholas Rowley, Chair
- Ms Katerina Kimmorley, Commissioner
- Dr Will Rayward-Smith, Executive Director
- Ms Phoebe Colman, Principal Advisor – Emissions Reduction.

5. Adjournment

The committee adjourned at 12.07 pm, *sine die.*

Stephen Fujiwara
Committee Clerk

Draft minutes no. 8
Monday 25 May 2026
Joint Standing Committee on Net Zero Future
Macquarie Room, Parliament House, Sydney at 10.15 am

1. Members present

Mr Buckingham, *Chair*
Ms Butler, *Deputy Chair*
Mr Buttigieg (via videoconference)
Ms Doyle (via videoconference)
Mr Griffin
Ms Higginson
Mrs Mitchell (substituting for Mr Fang)
Ms Munro
Ms Suvaal (via videoconference)
Ms Tesch (via videoconference)

2. Apologies

Mr Murphy

3. Previous minutes

Resolved, on the motion of Ms Higginson: That draft minutes no. 7 be confirmed.

4. Correspondence

The committee noted the following items of correspondence:

Received

- 25 February 2026 – Email from Bec Watson, Principal Advisor, Net Zero Commission, attaching a document providing examples of the use of Ventilation Air Methane (VAM) abatement technology, as requested during the private briefing with the Net Zero Commission held on Monday 9 February
- 12 May 2026 – Email from Stephen Galilee, Chief Executive Officer, NSW Minerals Council Ltd, attaching a document entitled 'Response to the Net Zero Commission 'Coal Mining Emissions Spotlight Report", dated April 2026
- 20 May 2026 – Email from Ms Maria Nawaz, Project Lead, Australian Climate Accountability Project, Australian Human Rights Institute, providing a link to the Australian Climate Accountability Project Report by the Hon. John Basten AO KC into assessment by NSW government agencies of impacts of greenhouse gas emissions in applications to approve new or expanded coal mines (March 2026), and a link to the project's Supplementary Report, which discusses the new policy statement 'NSW Coal Industry 2026-50' (May 2026)
  22 May 2026 – Email from Mr Nic Clyde, NSW Coordinator, Lock the Gate Alliance, attaching a document entitled 'Brief for JSC on NZ: FF emissions inquiry'.

Resolved, on the motion of Ms Butler: That the committee authorise the publication of the following:

- correspondence from Bec Watson, Principal Advisor, Net Zero Commission, and the attached document providing examples of the use of Ventilation Air Methane (VAM) abatement technology, dated 25 February 2026
- document entitled 'Response to the Net Zero Commission 'Coal Mining Emissions Spotlight Report', dated April 2026
- correspondence from Maria Nawaz, Project Lead, Australian Climate Accountability Project, Australian Human Rights Institute, providing a link to the Australian Climate Accountability Project Report by the Hon. John Basten AO KC into assessment by NSW government agencies of impacts of greenhouse gas emissions in applications to approve new or expanded coal mines (March 2026), and a link to the project's Supplementary Report, which discusses the new policy statement 'NSW Coal Industry 2026-50' (May 2026), dated 20 May 2026
- email from Mr Nic Clyde, NSW Coordinator, Lock the Gate Alliance and the document entitled 'Brief for JSC on NZ: FF emissions inquiry', dated 22 May 2026.

5. Inquiry into emissions from fossil fuels

5.1 Public submissions

The committee noted that the following submission was published by the committee clerk under the authorisation of the resolution appointing the committee: submission no. 24a.

5.2 Timeline for the inquiry

Resolved, on the motion of Ms Doyle: That the committee adopt the following timeline for reporting:

- Mid July - report deliberative, with the date to be determined by the Chair in consultation with members
- End of July - report to be tabled.

5.3 Public hearing

Sequence of questions

Resolved on the motion of Mr Griffin: That the allocation of questions to be asked at the hearing be left in the hands of the Chair.

Witnesses, the public and the media were admitted.

The Chair made an opening statement regarding parliamentary privilege and other matters.

The following witness was sworn and examined:

- Ms Georgina Beattie, Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development.

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr Tony Chappel, Chief Executive Officer, NSW Environment Protection Authority (EPA)
- Mr Asela Atapattu, Executive Director Policy Programs and Finance, NSW EPA.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Dr Will Rayward-Smith, Executive Director, Net Zero Commission
- Ms Phoebe Colman, Principal Advisor, Net Zero Commission
- Ms Katerina Kimmorley, Net Zero Commissioner.

Ms Kimmorley tendered the following document:

- Net Zero Commission, various graphs.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 12.30 pm. The public and the media withdrew.

5.4 Tendered documents

Resolved, on the motion of Ms Higginson: That the committee accept and publish the following document(s) tendered during the public hearing:

- Various graphs, tendered by Ms Katerina Kimmorley.

The evidence concluded and the witnesses withdrew.

6. Adjournment

The committee adjourned at 12.31 pm, *sine die*.

Stephen Fujiwara
Committee Clerk

Minutes no. 9
Tuesday 21 July 2026
Joint Standing Committee on Net Zero Future
Room 1254, Parliament House, Sydney at 1.30 pm

1. Members present
Mr Buckingham, *Chair*
Ms Butler, *Deputy Chair* (via videoconference)
Mr Fang
Mr Griffin (via videoconference)
Ms Higginson (via videoconference)
Ms Munro
Mr Murphy (via videoconference)
Mr Regan (via videoconference)

2. Previous minutes
Resolved, on the motion of Ms Munro: That draft minutes no. 8 be confirmed.

3. Inquiry into emissions from fossil fuels

3.1 Answers to questions on notice and supplementary questions
The committee noted that the following answers to questions on notice were published by the committee clerk under the authorisation of the resolution appointing the committee:

- Answers to question on notice from the NSW Department of Climate Change, Energy, the Environment and Water, received on 23 January 2026
- Answers to questions on notice and answers to supplementary questions from the NSW Environment Protection Authority, received on 23 January 2026
- Answers to questions on notice and answers to supplementary questions from the NSW Net Zero Commission, received 15 January 2026.

3.2 Transcript clarification
The committee noted that that the following was previously agreed to via e-mail on 22 June 2026:

- the publication of correspondence received on 18 June 2026 from Mr Asela Atapattu, Executive Director Policy, Programs and Finance, NSW Environment Protection Agency, to the committee, requesting clarification of evidence provided by the Net Zero Commission to the Committee at the public hearing held on 25 May 2026
- the insertion of a footnote on the transcript of the hearing held on 25 May 2026, clarifying the evidence of the Net Zero Commission, as per the correspondence received on 18 June 2026.

3.3 Consideration of Chair's draft report
The Chair submitted his draft report entitled 'Emissions from the fossil fuel sector', which, having been previously circulated, was taken as being read.

Mr Regan moved: That the consideration of the chair's draft report be postponed to a future date, to be determined by the Chair after consultation with members regarding their availability.

Question put.

The committee divided.

Ayes: Ms Butler, Mr Buckingham, Ms Doyle, Mr Murphy, Mr Regan, Ms Suvaal.

Noes: Mr Fang, Mr Griffin, Ms Higginson, Ms Munro.

Question resolved in the affirmative.

3.4 Timeline for the inquiry

Mr Murphy moved: That the tabling date for the report be deferred.

Question put.

The committee divided.

Ayes: Ms Butler, Mr Buckingham, Ms Doyle, Ms Higginson, Mr Murphy, Mr Regan, Ms Suvaal.

Noes: Mr Fang, Mr Griffin, Ms Munro.

Question resolved in the affirmative.

4. Adjournment

The committee adjourned at 1.55 pm, *sine die.*

Stephen Fujiwara
Committee Clerk

Draft minutes no. 10
Monday 27 July 2026
Joint Standing Committee on Net Zero Future
Room 1043 Parliament House, Sydney at 10.00 am

1. Members present

Mr Buckingham*, Chair*
Ms Butler*, Deputy Chair* (via videoconference)
Ms Doyle (via videoconference)
Mr Fang
Ms Higginson (via videoconference)
Ms Munro (via videoconference)
Mr Murphy
Mr Regan (via videoconference)
Ms Suvaal (via videoconference)
Ms Tesch (via videoconference)

2. Apologies

Mr Buttigieg
Mr Griffin

3. Previous minutes

Resolved, on the motion of Ms Doyle: That draft minutes no. 9 be confirmed.

4. Inquiry into emissions from fossil fuels

4.1 Consideration of Chair's draft report *(previously circulated)*

The Chair submitted his draft report *Emissions from the fossil fuel sector*, which, having been previously circulated, was taken as being read.

Chapter 1

Ms Higginson moved: That the following new paragraph be inserted after paragraph 1.14:

'The employment intensity of the fossil fuel sector is lower than the overall economy at only 1.2 jobs per $1 million in GDP for fossil fuels compared with 7.2 jobs per million across other major sectors.[FOOTNOTE: Dr Jim Standford, The Centre for Future Work at The Australia Institute, *Employment Aspects of the Transition from Fossil Fuels in Australia* (December 2020), p 12.] The full transition to net zero is likely to create more jobs than currently exists in the fossil fuel industry.[FOOTNOTE: Julian McCoy, Dominic Davis, Erin Mayfield and Michael J. Brear, 'Labour implications of the net-zero transition and clean energy exports in Australia' (2024), *Energy Research & Social Science*, p 5.]'

Question put.

The committee divided.

Ayes: Mr Fang, Ms Higginson, Ms Munro.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That the following new paragraph be inserted after paragraph 1.19:

'Section 11 of the *Climate Change (Net Zero Future) Act 2023* requires the Premier and the Minister for Climate Change to ensure New South Wales achieves the targets set out in section 9(1)(c).'

Question put and passed.

Ms Higginson moved: That the following new paragraph be inserted after paragraph 1.29:

'The Net Zero Commission has highlighted that whilst the coal policy includes an expectation that emissions from the coal industry will reduce, it 'is unclear how this be achieved, because coal mine extensions and expansions will still be considered'.[FOOTNOTE: NSW Net Zero Commission, *2026 Annual Progress Report* (July 2026), p 81.] At the time of the release of the statement, no new greenfield coal developments were proposed in New South Wales.'

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Regan, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

Ms Higginson moved: That the following new paragraph be inserted after paragraph 1.29:

'Under current policy settings, New South Wales is not on track to achieve its legislated emissions reductions targets.[FOOTNOTE: Submission 28, NSW Department of Climate Change, Energy, the Environment and Water (DCCEW), p 5.] The Government's 2025 projections of a gap of 10-20 $MtCO_2$ between actual emissions and 2030 targets surpassed its 2024 projections of a 7 Mt gap, meaning New South Wales is getting further away from fulfilling legislated requirements to reduce emissions, not closer.[FOOTNOTE: NSW Net Zero Commission, *2026 Annual Progress Report* (July 2026), p 41.]'

Question put and passed.

Ms Higginson moved: That the following new paragraph be inserted after paragraph 1.36:

'On 23 July 2025, the International Court of Justice issued a unanimous Advisory Opinion confirming that States have international obligations in relation to climate change under treaties such as the Paris Agreement, and that States may attract responsibility under international law for failing to regulate emissions.[FOOTNOTE: Submission 27, Environmental Defenders Office (EDO), p 6.]'

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Regan, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

Ms Higginson moved: That the following new paragraphs be inserted after paragraph 1.45:

'**Legal obligations for environmental impact assessment in coal mining approvals in New South Wales**

In February 2026, the Honourable Justice John Basten KC published a report entitled 'Legal obligations for environmental impact assessment in coal mining approvals in New South Wales' (the Basten Report), which found that under New South Wales' existing statutory framework the NSW Government cannot lawfully approve 'any new coal mines or extensions of existing mines'.[FOOTNOTE: Australian Climate Accountability Report, *Legal obligations for environmental impact assessment in coal mining approvals in New South Wale*s (February 2026), p 39.]

The Basten Report highlights the paramountcy provisions of the *Climate Change (Net Zero Future) Act 2023*, as well as the findings of the Net Zero Commission's 'Spotlight on Coal Report', to find that the Department of Planning, its Minister and Secretary, and consent authorities including the Independent Planning Commission, must act in conformity with the guiding principles of the Act and achieve legislated emissions reductions targets.

The Basten Report found any policy to approve new coal extensions would be legally invalid, with Justice Basten finding 'if, as suggested below, Australia's domestic law incorporates the principles established by the ICJ Advisory Opinion, the State executive cannot avoid those responsibilities by directing its authorities as a matter of policy to ignore those principles. A policy which purported to have that effect would be invalid.'[FOOTNOTE: Legal obligations for environmental impact assessment in coal mining approvals in New South Wales, February 2026, p 25.]

The Report found the Department of Planning's economic assessment guidance, relied upon by the Independent Planning Commission in MACH Energy Australia's Mt Pleasant Coal mine development, misapplies the Paris Agreement and by extension the law in New South Wales, saying 'If relied on by the IPC it puts Australia at risk of internationally unlawful action.'[FOOTNOTE: Legal obligations for environmental impact assessment in coal mining approvals in New South Wales, February 2026, p 22.] The Report further finds that the IPC has been inadequate of its assessment of mining approvals: 'It is no longer lawful, either internationally or domestically, to fail to assess the effects of downstream emissions in a manner that properly reflects their likely effects on the global climate

system...'[FOOTNOTE: Legal obligations for environmental impact assessment in coal mining approvals in New South Wales, February 2026, p 43.]

The Environmental Protection Authority's approach to coal approvals is not lawful, according to the findings in the Basten Report. Justice Basten said:

'No reason is given for the assumption that GHGs from burning NSW coal overseas do not affect the environment in NSW... The EPA's approach is inconsistent with that of the Net Zero Commission's (admittedly later) Spotlight Report, and the (later) ICJ's findings ... The resulting confusion in State Government policies is disturbing. Nevertheless, the legal solution is clear: if the Administration Act imposes such a limited (and scientifically incoherent) remit on the EPA in relation to the planning approval process, it is inconsistent with the Net Zero Act, which states that in the event of inconsistency it prevails.'[FOOTNOTE: Legal obligations for environmental impact assessment in coal mining approvals in New South Wales, February 2026, p 19.]

Ms Doyle moved: That the motion of Ms Higginson be amended by omitting: 'The Environmental Protection Authority's approach to coal approvals is not lawful, according to the findings in the Basten Report.' before 'Justice Basten said'.

Amendment of Ms Doyle put and passed.

Original question of Ms Higginson, as amended, put and passed.

Chapter 2

Ms Higginson moved: That paragraph 2.11 be amended by:

a) inserting 'numerous experts highlighted the inefficacy of VAM abatement at Appin' after 'In contrast,'
b) inserting 'and Lock the Gate[FOOTNOTE: Submission 18, Lock the Gate, p 5.]' after 'The EDF'.

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Regan, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

Ms Higginson moved: That paragraphs 2.12 to 2.27 be omitted:

'**Arguments in favour of on-site emissions abatement**

The committee heard several arguments for increasing investment in on-site emissions abatement in the fossil fuel sector, including:

- the potential for a significant volume of abatement
- the potential for the production of electricity which can be generated from methane that would otherwise be released into the atmosphere
- a lower cost per tonne of emissions abated than in other industries.

These arguments are explored in the following sections.

The potential for significant volume of on-site abatement

The committee heard that there is a large amount of direct emissions abatement that can be achieved on-site at mining operations, without huge expense.

In particular, Common Capital highlighted that current on-site emissions from New South Wales coal mines were reported as 9.7 million tonnes of carbon dioxide equivalents ($MtCO_2$-e). Common Capital provided broad estimates to illustrate the scope of potential on-site emissions abatement:

- 5.1 MtCO2-e could be abated on-site at mines cost effectively across New South Wales, based on current emissions profiles. This would be equivalent to 53 per cent of the state's emissions from coal mines.
- Deploying enhanced drainage and RTO systems at the nine largest emitting underground mines has the potential to reduce up to 80 per cent of fugitive emissions at each mine.

The EPA acknowledged that the use of emissions abatement technology is in its early stages in the New South Wales mining sector. However, Mr Tony Chappell, stated that the sector can become 'world leaders in sustainability performance', in the same way that the sector has achieved world-leading safety performance.

The potential to use captured gas to create electricity

The committee heard that it is possible to capture fugitive methane on-site and use it to generate electricity, to either meet the needs of the mining operation or to provide electricity to the local community.

Mr Scott Barker, Managing Director, Carbon Logica, gave evidence that the organisation owns and operates three electricity generation projects powered by mine waste gases in the Bown Basin in Queensland and that they are seeking to develop similar technology in New South Wales. By way of example, Carbon Logica provided production figures for the following specific projects:

- a 5-megawatt coal mine waste gas (CMWG) project near Moranbah, Queensland, with plans to expand to 20 megawatts
- a 13-megawatt project at Moranbah power station.

Carbon Logica estimated that their CMWG projects across Queensland and New South Wales could deliver 1,000,000 tonnes of carbon dioxide equivalent (tCO_2-e) in annual abatement.

The Institute for Energy Economics and Financial Analysis noted a 'gas to electricity' project in Queensland that will capture fugitive emissions from an open-cut coal mine. The project is expected to capture coal seam methane at the South Walker Creek coal mine and convert it into electricity, powering a 20 MW gas-fired power station for 15 years, and 'entirely offset' the mine's electricity requirements.

The committee received evidence regarding similar projects in New South Wales, such as the West Cliff Ventilation Air Methane Project which ran from 2007 to 2017. The project reportedly generated 6 megawatts of electricity, and reduced greenhouse gas emissions by 2 million tonnes of carbon dioxide equivalents (CO_2-e).

Relatively low costs of abatement

The committee heard that, while costs to establish on-site emissions abatement may initially be high, the costs per unit of greenhouse gases abated is low, and lower than unit costs in other industries.

Common Capital stated that independent studies have found that the technologies for abatement of coalmine methane are 'very low cost, at scale', and that the average cost may be below $30 a tonne for many mines.

The Climate Council similarly put to the committee that 20 per cent of coal methane emissions could be abated with 'negative cost', that is, creating new revenue stream for the businesses.

Common Capital analysed the marginal cost of abatement across various industries and suggested that reducing coal fugitive emissions is significantly cheaper than the cost of abatement in other parts of the economy including electricity generation, agriculture and industrial processes (Figure 2).

Figure 2 Potential for near-term emissions abatement across NSW sectors

	Coal fugitives	Electricity	Transport	Agriculture	IPPU	Stationary energy*	Waste	LULUCF
Annual emissions	10 Mt	45 Mt	25 Mt	20 Mt	15 Mt	15 Mt	5 Mt	-20 Mt
Marginal cost ($/t) of additional abatement	<$20	>$150	<$0	>$150	>$100	>$50	<$20	<$20
Projected emissions change to 2030	+23%	-54%	+2%	-18%	-17%	-32%	-14%	+11%
Readiness of abatement solutions	High	High	High	Low	Low	Med.	High	High
Emissions per site	High	High	Low	Low	High	Med.	Med.	Low

Darker blue indicates stronger potential for emissions reduction in 2030. Underlying sources and calculations are explained in Appendix 1. * Stationary energy excludes the energy industries subsector, primarily composed of stationary emissions at coal mines.

Source: Common Capital, Closing NSW's Emissions Gap – coal sector near-term abatement opportunities (Report, December 2025), p 24.

Common Capital suggested that reducing direct emissions 'by 80 per cent at NSW's six most emissions-intensive coal mines could deliver 4.9 mtCO_2-e of abatement by 2030 with minimal or even positive profit impacts'.

Barriers to introducing on-site abatement technology

In addition to receiving evidence on the arguments in favour of investing in on-site abatement, the committee heard that there are potential barriers to development, including:

- higher costs for early adopters and substantial up-front costs to establish abatement infrastructure
- the need to test and develop systems for specific geological conditions and mining safety practices in Australia.

These barriers will be examined in the section to follow.'

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Mr Fang, Ms Munro, Mr Regan, Ms Suvaal, Ms Tesch.

Noes: Ms Higginson.

Question resolved in the negative.

Ms Higginson moved: That the following new paragraph be inserted after 2.45:

'Lock the Gate Alliance noted that 'NSW EPA does not anticipate that it will be in a position to declare whether commercial VAM abatement systems are safe until 2028... If a system is operational in 2027, five years will have elapsed between grant funding and delivery of a system capable of abating 2% of VAM emissions. This does not inspire confidence that the NSW EPA will be able to ensure build out of multiple VAM abatement systems across multiple underground mines...'[FOOTNOTE: Submission 18, Lock the Gate, p 5.]'

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Regan, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

Ms Higginson moved: That paragraph 2.76 be amended by:

a) omitting 'Some organisations suggested' before 'Approvals'
b) inserting 'and to comply with the law in New South Wales [FOOTNOTE: See Submission 16, The Climate Council, p 6; Submission 27, Environmental Defenders Office, p 7.]' after 'over time'.

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Regan, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

Mr Murphy joined the meeting.

Mr Fang moved: That paragraph 2.110 be amended by:

a) omitting 'sizeable' before 'contribution to the state's greenhouse gas emissions.'
b) omitting 'Throughout this inquiry, it was clear that the community expects the mining industry to do its fair share of emissions reduction, and not rely on offsets to continue business as usual.'

Question put.

The committee divided.

Ayes: Mr Fang.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Mr Fang moved: That paragraph 2.111 be amended by:

a) omitting 'substantial' before 'potential for on-site abatement'
b) omitting 'a key priority in' and inserting instead 'considered for'.

Question put.

The committee divided.

Ayes: Mr Fang.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That paragraph 2.112 be omitted: 'The committee commends the government and industry for developing the demonstration trial of a commercial scale Ventilation Air Methane abatement project at Appin. We also understand that large scale systems have been operating for some years in other jurisdictions.' and inserting instead:

> 'Whilst mitigating VAM is a critical part of the transition away from fossil fuels, concerns around its safety and efficiency, as well as the practical barriers to its widespread use, mean the only true way to reduce emissions from the fossil fuel sector is to reduce the production of coal.'

Question put.

The committee divided.

Ayes: Mr Fang, Ms Higginson, Ms Munro.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That paragraphs 2.113-2.114 be omitted:

> 'It is important to note that the NSW Environment Protection Authority (EPA) released its *Greenhouse Gas Mitigation Guide for NSW Coal Mines* in March 2026. The guide includes a number of on-site abatement requirements for coal mines. The committee is encouraged by this development, particularly given the evidence that the Australian Government Safeguard Mechanism has not effectively incentivised mining operators to implement on-site abatement.
>
> The committee recommends that the NSW Government make any approvals for new coal mining projects and modifications contingent on compliance with the EPA's guide. We further recommend that the NSW Government should also require existing coal mine licensees to implement on-site abatement in accordance with the guide.'

Question put.

The committee divided.

Ayes: Ms Higginson.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Mr Fang, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Mr Fang moved: That paragraph 2.114 be omitted:

> The committee recommends that the NSW Government make any approvals for new coal mining projects and modifications contingent on compliance with the EPA's guide. We further recommend that the NSW Government should also require existing coal mine licensees to implement on-site abatement in accordance with the guide.'

Question put.

Ayes: Mr Fang, Ms Higginson.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Mr Fang moved: That paragraph 2.115 be omitted:

> 'The committee is encouraged by the detailed consultation work that the NSW EPA and the NSW Net Zero Commission have been doing to assist the New South Wales resources industry towards meeting legislated net zero targets. However, the committee heard widespread concern about the pipeline of planning approvals for coalmine extensions or expansions, and understands responsibility for approvals sits with the Department of Planning, Housing and Infrastructure. The committee recommends that the government should direct the Department of Planning, Housing and Infrastructure to consult attentively with the Net Zero Commission and the EPA in relation to best practice for mine expansions and extensions.'

Question put.

The committee divided.

Ayes: Mr Fang.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That paragraph 2.115 be omitted: 'The committee is encouraged by the detailed consultation work that the NSW EPA and the NSW Net Zero Commission have been doing to assist the New South Wales resources industry towards meeting legislated net zero targets. However, the committee heard widespread concern about the pipeline of planning approvals for coalmine extensions or expansions, and understands responsibility for approvals sits with the Department of Planning, Housing and Infrastructure. The committee recommends that the government should direct the Department of Planning, Housing and Infrastructure to consult attentively with the Net Zero Commission and the EPA in relation to best practice for mine expansions and extensions', and the following new paragraph be inserted instead:

> 'The Government should ensure all applications for coal mine extensions are referred to the Independent Planning Commission. The Independent Planning Commission must comply with the law by assessing the effects of downstream emissions generated by coal approvals on the global climate.'

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Higginson.

Noes: Ms Butler, Ms Doyle, Mr Fang, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Mr Fang moved: That Recommendation 1 be omitted:

'That the NSW Government:

- make any approvals for new coal mining projects and modifications contingent on compliance with the NSW Environment Protection Authority's *Greenhouse Gas Mitigation Guide for NSW Coal Mines*
- require existing coal mine licensees to implement on-site abatement in accordance with the guide
- require the Department of Planning, Housing and Infrastructure to consult attentively with the NSW EPA and Net Zero Commission regarding the pipeline of proposed coal mine extensions and expansions.'

Question put.

The committee divided.

Ayes: Mr Fang.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That Recommendation 1 be amended by inserting 'and the recommendations of the independent Net Zero Commission' after '*Greenhouse Gas Mitigation Guide for NSW Coal Mines*'.

Ms Munro moved: That the motion of Ms Higginson be amended by inserting 'consider' before 'the recommendations of the independent Net Zero Commission'.

Amendment of Ms Munro put and passed.

Original question of Ms Higginson, as amended, put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

Ms Higginson moved: That paragraph 2.116 be amended by omitting 'In particular, early adopters of the technology may face higher costs. The committee understands that the High Emitting Industries grant is a mechanism through which industry has been able to seek support for on-site abatement. It was not clear to the committee whether there has been significant interest in the grant by the resources sector, given we heard a strong need for further incentives, particularly for early adopters.' and inserting instead:

'There is insufficient evidence to suggest abatement measures can be a substitute for a reduction in coal production and a transition to renewable energy as a means of emissions reductions.'

Question put.

The committee divided.

Ayes: Ms Higginson.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Mr Fang, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That paragraph 2.117 be omitted:

> 'The committee therefore recommends that the NSW Government examine why existing grants, such as the High Emitting Industries grant, may not have effectively incentivised coal mine operators to adopt on-site abatement technologies, and consider adjusting grant settings accordingly.'

Question put.

The committee divided.

Ayes: Ms Higginson.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Mr Fang, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That Recommendation 2 be amended by omitting: 'examine why existing grants, such as the High Emitting Industries grant, may not have effectively incentivised coal mine operators to adopt on-site abatement technologies, and consider adjusting grant settings accordingly.' and inserting instead:

> 'consider ways to reduce coal production where cumulative implementation of scope 1 emissions abatement methods fail to align with legislated emissions reductions targets.'

Ms Munro moved: That the question of Ms Higginson be amended by not omitting 'examine why existing grants, such as the High Emitting Industries grant, may not have effectively incentivised coal mine operators to adopt on-site abatement technologies, and consider adjusting grant settings accordingly' and inserting 'and consider ways to reduce coal production where cumulative implementation of scope 1 emissions abatement methods fail to align with legislated emissions reductions targets.'

Amendment of Ms Munro put and passed.

Original question of Ms Higginson, as amended, put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

Ms Higginson moved: That paragraphs 2.120-2.121 and Recommendation 4 be omitted:

> 'The committee heard that successful waste gas to electricity generation projects have been established in the Bowen Basin in Queensland.
>
> There is an opportunity for the NSW Government to encourage the industry in New South Wales to develop similar projects. The committee therefore recommends the NSW Government consider the policy and regulatory settings required to encourage implementation of waste gas to electricity projects, looking to successful projects in Queensland as examples.
>
> **Recommendation 4**

That the NSW Government consider the policy and regulatory settings required to encourage implementation of waste gas to electricity projects, looking to successful projects in Queensland as examples.'

Question put.

The committee divided.

Ayes: Ms Higginson.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Mr Fang, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That the following new paragraph be inserted after paragraph 2.124:

'The committee notes with concern that Method 2 allows coal corporations discretion as to how they measure and model emissions, with analysis suggesting there has been a 76 per cent fall in self-reported emissions per unit of coal in New South Wales, pointing towards a method which the fossil fuel industry is abusing to justify the continuation of high-emitting practices.'

Ms Butler moved: That the question of Ms Higginson be amended by omitting ', pointing towards a method which the fossil fuel industry is abusing to justify the continuation of high-emitting practices' after 'New South Wales'.

Amendment of Ms Butler put and passed.

Original question of Ms Higginson, as amended, put.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Murphy, Mr Regan, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

Mr Regan left the meeting.

Mr Fang moved: That paragraph 2.126 be omitted:

'Finally, the committee heard community concerns about the mining industry's sponsorship of educational institutions and public advertising campaigns. Of particular concern to the committee is the ability for mining interests to influence curatorial decisions or the design of education materials. The committee recommends that the NSW Government consider assessing limitations that placed on fossil fuel advertising or sponsorship agreements, with particular attention to public buildings, transport assets and educational institutions.'

Question put.

The committee divided.

Ayes: Mr Fang, Ms Munro.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Mr Murphy, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Mr Fang moved: That the following new paragraph be inserted after 2.126:

'The committee notes, the NSW coal industry directly employs more than 23,000 people and contributed $2.7 billion in royalties to the state in 2025, which helped fund essential services right across New South Wales. The committee commends Minister Courtney Houssos's commitment to secure the future of coal mining, and coal mining communities in New South Wales, as stated in the NSW Coal Industry 2026–50 strategy.'

Mr Buckingham moved that the motion of Mr Fang be amended by omitting: 'The committee commends Minister Courtney Houssos's commitment to secure the future of coal mining, and coal mining communities in New South Wales, as stated in the NSW Coal Industry 2026–50 strategy.'

Amendment of Mr Buckingham put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Ms Munro, Mr Murphy, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

Original question of Mr Fang, as amended, put.

Ayes: Mr Fang, Ms Munro.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Mr Murphy, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Mr Fang moved: That Recommendation 6 be omitted:

'That the NSW Government consider assessing limitations that can be placed on fossil fuel advertising or sponsorship agreements, with particular attention to public buildings, transport assets and educational institutions.'

Question put.

The committee divided.

Ayes: Mr Fang, Ms Munro.

Noes: Mr Buckingham, Ms Butler, Ms Doyle, Ms Higginson, Mr Murphy, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Doyle left the meeting.

Ms Higginson moved: That the following new recommendation be inserted after Recommendation 6:

'**Recommendation X**

That the NSW Government accept the finding of the Net Zero Commission that 'Continued extensions or expansions to coal mining in New South Wales are not consistent with emissions reduction targets in the Climate Change Act or the Paris Agreements temperature goals it gives effect to' if the latest 2025 Net Zero Dashboard modelling update confirms that New South Wales is still not on track to meet its legislated emissions reduction targets.'

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Higginson.

Noes: Ms Butler, Mr Fang, Ms Munro, Mr Murphy, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That the following new recommendation be inserted after Recommendation 6:

'**Recommendation X**

That the NSW Government consider requiring consent authorities to give significant weight to the impacts of scope 1 and 2 emissions on achieving legislated emissions reductions targets, and to give significant weight to the local impacts of scope 3 emissions when evaluating proposals for fossil fuel developments.'

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Higginson, Ms Munro.

Noes: Ms Butler, Mr Fang, Mr Murphy, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Ms Higginson moved: That the following new recommendation be inserted after Recommendation 6:

'**Recommendation X**

That the NSW Government consider amending State Environmental Planning Policy 2011 to ensure proposed coal expansions facilitated by modifications to State Significant Development Consents are determined by the Independent Planning Commission.'

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Higginson, Ms Munro.

Noes: Ms Butler, Mr Fang, Mr Murphy, Ms Suvaal, Ms Tesch.

Question resolved in the negative.

Mr Murphy moved: That:

The draft report as amended be the report of the committee and that the committee present the report to the House;

The transcripts of evidence, submissions, tabled documents, answers to questions on notice and supplementary questions, and correspondence relating to the inquiry be tabled in the House with the report;

Upon tabling, all unpublished attachments to submissions be kept confidential by the committee;

Upon tabling, all unpublished transcripts of evidence, submissions, tabled documents, answers to questions on notice and supplementary questions, and correspondence relating to the inquiry, be published by the committee, except for those documents kept confidential by resolution of the committee;

The committee secretariat correct any typographical, grammatical and formatting errors prior to tabling;

The committee secretariat be authorised to update any committee comments where necessary to reflect changes to recommendations or new recommendations resolved by the committee;

Dissenting statements be provided to the secretariat within 24 hours after receipt of the draft minutes of the meeting;

The secretariat is tabling the report at 12 pm on Monday 3 August;

The Chair to advise the secretariat and members if they intend to hold a press conference, and if so, the date and time.

Question put.

The committee divided.

Ayes: Mr Buckingham, Ms Butler, Ms Higginson, Ms Munro, Mr Murphy, Ms Suvaal, Ms Tesch.

Noes: Mr Fang.

Question resolved in the affirmative.

5. Next meeting

The committee adjourned at 11.20 am, *sine die.*

Stephen Fujiwara
Committee Clerk

Appendix 4 Dissenting statement

Hon Wes Fang MLC, The Nationals

It is my strong personal view, that this report as delivered by the Joint Standing Committee on Net Zero Future, demonstrates how the ideological makeup of the Members of the NSW Parliament's Legislative Assembly and Legislative Council who comprising the committee, lacks the desired diversity in order to rigorously test and examine this matter, as well as the conduct of the NSW Net Zero Commission when it comes to their delivery of work.

I think it is a reasonable proposition to assert, that the vast majority of the Parliamentarians who comprise the committee, all come from a left-wing or moderate ideology, regardless of which political party they may represent. It is my contention, I am the only member who would generally be considered a conservative; which often results in my voice being the only one who does not simply fawn and congratulate the Net Zero Commission, but rather challenges them, not only on their position and work, but their conduct as body providing advice to the NSW Government.

Indeed, it was incredible that the NSW Labor members on the committee, voted against the inclusion of a statement made by the Hon. Courtney Houssos, who is the current Minister for Natural Resources in this NSW Labor Government. Minister Houssos recently used the NSW Coal Industry 2026-2050 strategy document to indicate that coal mining in NSW remains secure. The tension between the Left and Right factions within NSW Labor is clearly on display and demonstrates why a greater diversity in the membership of this committee needs to be a priority. I look forward to Minister Houssos's response to this report and what she says to NSW's natural resource industry about the message the members of her Government are sending, by backing this report.

It was also concerning to observe the Net Zero Commission, when releasing their Coal Mining Emissions Spotlight Report on the morning of the committee's first hearing for this matter, sought to leak it to the media prior to its release, yet sought fit to withhold it from the industry bodies who were appearing in the first sessions. For a body who claims they are independent and apolitical, this machiavellian-type conduct would suggest they are nothing more than taxpayer funded activist group, who have no interest in engaging constructively with NSW industries on matters which impact their work.

This report should be viewed through the prism of being simply a grab-bag of unattainable and unrealistic wish-list items, from a collective group of the Parliament's most left wing members and the Government's taxpayer funded activist group.