

2025 consultation

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11 July 2024

NSW Net Zero Commission

Climate Action Network Australia (CANA) welcomes the opportunity to participate in the Net Zero Commission's climate change and adaptation advice to the NSW Government. CANA is a member-based organisation made up of over 170 climate-focused civil society organisations advocating for a fair Australia, free of climate pollution, where people and nature are protected from dangerous climate change.

In recognition of the threats posed by climate change, both the Federal Government and the NSW Government have set emissions reduction targets which have been enshrined into law. At the NSW state level, the emissions reduction targets (50% by 2030 and 70% by 2035) are legislated as part of the *Climate Change (Net Zero Future) Act 2023*. The goal is to reach net zero emissions by 2050.

The Intergovernmental Panel on Climate Change has made it clear that there is no more room for new or expanded fossil fuel projects if the world is to meet the 1.5°C safe threshold.¹ This is also noted in the NSW Productivity and Equality Commission report - for NSW to meet its climate targets, “a clear deadline for decommissioning thermal coal mining for exports” needs to be developed.² Despite the climate science, the NSW Government continues to support fossil fuels.

Currently, there are over 40 coal mines operating in the state. Many of these are seeking to extend their operations beyond 2040. Just one proposed coal mine - the Yancoal and Glencore Hunter Valley Operations will produce an estimated 1.2 billion tonnes of indirect emissions over its lifetime.³ Not only does the pollution from these fossil fuel projects impact NSW communities and nature. Further, as home to the world's largest coal port, the State's fossil fuel exports are also putting communities at risk around the world.

Fugitive methane emissions from coal mines and LNG operations is an additional concern. As a potent greenhouse gas (80 times more potent than carbon dioxide),⁴ methane emissions severely undermine NSW's ability to genuinely reduce emissions. To make matters worse, methane emissions are under-reported and abatement is slow even though methane abatement technology is readily available. The issue of fugitive methane emissions has been acknowledged by NSW Environment Minister Penny Sharpe as a “*big problem*” which will impact the state's ability to meet emissions reduction targets.⁵

The NSW Government's continued support for fossil fuels is a significant cause for concern given that climate change is already having an impact on the people of NSW. For example, the recent floods in the mid-north coast of NSW affected 50,000 people,

¹ [The Guardian](#) (2023)

² [NSW Government Productivity and Equality Commission](#) (2024)

³ [The Guardian](#) (2024)

⁴ [The Conversation](#) (2025)

⁵ [NSW Government Budget Estimates Transcript](#) (2024)

leading to over 6000 insurance claims. The Insurance Council of Australia has referred to this flooding event as an “insurance catastrophe”.^{6,7} Further, analysis by the Insurance Council of Australia has found that climate disasters such as floods, bushfires and droughts are costing Australian households \$4 billion annually.⁸

The increased frequency and severity of repeated disasters is putting significant economic, emotional and mental pressure on NSW residents. It also places significant pressure on the NSW State budget, taking much needed funds away from other areas such as social housing, health-care, education and active transport.⁹ As such, it is important for NSW to invest in climate adaptation and resilience programs. This is noted in the most recent report by the Climate Change Authority, which found that “every dollar invested in reducing climate risks can save up to \$11 in recovery costs”.¹⁰

Aside from a genuine plan to rapidly phase out fossil fuels in NSW, the Government also needs to accelerate the deployment of large-scale and household scale renewable energy technology. While there is strong support in communities in renewable energy zones for clean energy (70% according to a 2024 study), the transition is often disruptive and ad hoc.¹¹ This indicates the need for the NSW State Government to play a more intentioned, coordinating role to support communities. Further, this role needs to be holistic as benefits from the energy transition needs to be shared among the community, including First Nations Traditional Owners on whose lands these projects are sited.

The proper sharing of benefits will help to build trust and strengthen the social licence of renewables in communities across NSW. These benefits need to go beyond communities that host energy projects as well as deliver good outcomes for nature. For this to happen in a meaningful way, the community needs to be at the heart of decision making and collaboration and the principles of free, informed and prior consent needs to be embedded in the consultation framework.

CANA strongly supports the implementation of a just transition framework for NSW communities that centres equity, human rights, co-benefits and a holistic approach to managing the shift in energy from fossil fuels to renewables. Ignoring these principles will continue to undermine efforts to decarbonise the NSW, negatively impact the economy and undermine the social licence of the transition.

As part of this consultation, CANA makes the following recommendations;

1. Develop a clear and rapid phase out plan for fossil fuels in NSW that is consistent with 1.5°C aligned goals. As an interim measure, a moratorium should be placed on new approvals and expansions until a phase out plan (with an end date) has been developed;
2. Mandate immediately the use of already available, methane abatement technology for underground coal mines in NSW;
3. As a priority, develop an emissions budget for NSW that is consistent with 1.5°C for each of the sectors of the State economy. This budget should be periodically updated and reported against;
4. Set an ambitious trajectory to achieving net zero by the middle of next decade, not 2050;
5. Develop a long-term and holistic transition plan for NSW to provide certainty to communities, while maximising genuine social, economic, environmental and cultural benefits;

⁶ [The Conversation](#) (2025)

⁷ [Insurance Council of Australia](#) (2025)

⁸ [Climate Change Authority](#) (2025)

⁹ [Sydney Morning Herald](#) (2025)

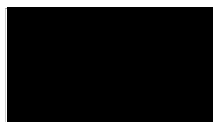
¹⁰ [Climate Change Authority](#) (2025)

¹¹ [Farmers for Climate Action](#) (2024)

6. Embed principles of human rights, free informed prior consent, climate justice and energy equity in the transition plan to ensure that no one is left behind as the energy transition takes place;
7. Fund local energy hubs in NSW to support communities with the transition so that they can access information and benefit support scheme(s);
8. Fund and fast-track renewable energy projects that set a high standard for community engagement, co-design, including First Nations consultation, benefit sharing and the delivery of good biodiversity outcomes;
9. Scale up First Nations-led, nature-based solutions as a mechanism to rehabilitate and revitalise landscapes, increase community adaptation;
10. Develop a plan for the decommissioning of energy infrastructure and the recycling of critical minerals and raw materials which can be used to develop renewable energy assets;
11. Increase investment in community-led climate change resilience and adaptation programs.

We welcome the opportunity to continue to work with the NSW Net Zero Commission to deliver urgent, genuine and material outcomes for the communities of NSW in terms of action on climate change and adaptation.

Sincerely,



Strategist - Climate and Energy, Policy and Politics
Climate Action Network Australia