

2025 consultation

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11 July 2025

NSW Net Zero Commission
4 Parramatta Square,
12 Darcy Street,
Parramatta NSW 2150

Dear Commissioners

April 2025 Consultation Paper

The Minerals Council of Australia (MCA) representing Australia's minerals exploration, mining and processing industry appreciates the opportunity to provide feedback to the *Consultation paper released April 2025*.

The mining industry recognises the need to reduce emissions globally, nationally and at the sites and facilities driving Australia's resources industry. In June 2020, the MCA and members launched the *Climate Action Plan* as a clear commitment to do the work needed to achieve net zero emissions by 2050 in support of the goals of the Paris Agreement.

MCA member companies continue to invest in research and technical development to better understand the technologies and practices that will be necessary to achieve decarbonisation across the sector.

Feedback

The MCA supports the submission of the NSW Minerals Council and its call for facilities in the safeguard mechanism to be exempt from state-based emissions assessment and regulation.

The changes made in 2023 to the national safeguard mechanism scheme have made it redundant for states to assess project emissions and impose project emissions conditions.

Projects in the safeguard mechanism have their emissions regulated nationally, in accordance with the nation's interim and 2050 net zero targets, and operate within an aggregate emissions budget.

As the NSW Minerals Council note, state assessment and regulation of emissions of facilities in the safeguard mechanism 'is complicating the regulatory framework, creating additional uncertainty, higher costs and greater complexity, with questionable benefits'.

It is critical to understand the following.

Firstly, facilities (and projects destined to be) in the safeguard mechanism will have an emissions baseline determined in accordance with the Clean Energy Regulator. They will be required to operate with net emissions at or below their baseline. If their gross emissions exceed their baseline, they will be required to surrender Australian Carbon Credit Units (ACCUs) as offsets, or Safeguard Mechanism Credits (SMCs) purchased from facilities that have outperformed their baselines.

Secondly, the safeguard mechanism in aggregate operates in accordance with an emissions budget (1,233 million tonnes CO₂-e between 1 July 2020 – 30 June 2030) and therefore requires industrial facilities to keep their emissions below a baseline declining by 4.9 per cent each year until 2030. This baseline reduction rate is a key part of the mechanism's design to ensure Australia meets its nationally determined contribution of a 43 per cent reduction in national emissions by 2030.

Imposing further regulation on such facilities simply adds costs in total, interferes with least cost abatement, and alters the distribution of where the emissions reduction burden is imposed.

In late 2024, the Western Australia government recognised this and agreed to no longer apply conditions to reduce net greenhouse gas emissions. The WA government's expectation is that the WA EPA will not assess emissions where they are regulated by other mechanisms (i.e. the Safeguard Mechanism).

This was a welcomed policy development and should be replicated around Australia with other state and territory governments. It would greatly streamline emissions regulation and support state and national productivity initiatives through simplified project approvals.

Final comments

Australian mining has an important role to play. In FY24, Australia's exports of minerals, metals and energy commodities was worth [\\$405 billion](#) and accounted for 62 per cent of the nation's export revenue.

Over the last decade, the industry has paid [\\$394 billion](#) in taxes and royalties. These contributions support stronger communities by helping to fund hospitals, schools, doctors, nurses, police, teachers and other essential services and infrastructure.

The industry is also critical in supporting regions and communities, including providing 1.1 million jobs in Australia supported by the mining, mining equipment, technology and services sectors.

Government and the mining industry must continue to work together to develop appropriate enabling policy frameworks to achieve net zero goals and maintain Australian industry competitiveness.

The pathway will not be linear for all industries, but great progress is being made across mining.

Achievement of both the national 2030 target and the 2050 net zero target will require close consultation and collaboration with all stakeholders.

The industry seeks change that is manageable, orderly, and establishes an appropriate regulatory framework for industry and the nation to achieve medium- and long-term emissions targets.

We thank you again for the opportunity to comment.

Yours sincerely

A handwritten signature in black ink, appearing to read 'DZ', followed by a long horizontal line extending to the right.

DANIEL ZAVATTIERO
GENERAL MANAGER – CLIMATE AND ENERGY