

Pathways Call for Evidence Submission

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Nic Clyde
NSW Coordinator

14 August 2026

To the NSW Net Zero Commission,

Thank you for the opportunity to submit to the Net Zero Commissions's call for evidence to inform the development of the first NSW-specific set of decarbonisation pathways.

Lock the Gate Alliance is a network of over 120,000 farmers, Traditional Owners, conservationists and community members from across Australia, affected by and concerned about the impacts of coal and unconventional gas mining. We live and work in the communities affected by these industries and undertake research, advocacy and support to protect the environment, cultural heritage and society from harm. Many of our members are regionally-based, and are also experiencing first-hand the consequences of global warming.

This submission focuses on 5 key areas:

1. Governance barriers to decarbonisation and adaptation
2. Case studies to assist the Commission to draw on the knowledge and leadership of First Nations peoples
3. Barriers to decarbonisation in the NSW coal sector
4. Barriers to decarbonisation and opportunities in the fossil gas sector
5. Opportunities and barriers driving effective workforce changes and economic diversification in coal communities.

In regard to the level of decarbonisation ambition to date demonstrated by the NSW Government, we commend its efforts in the electricity generation sector and note emerging momentum to electrify the transport sector. In regard to coal mining and the use of natural gas however, it is clear that the NSW Government has so far failed to 'grasp the nettle'. In this context, we draw the Commission's attention to overarching comment in the Executive Summary of the NSW Productivity and Equality Commission's first paper in their net zero series published in November 2024:

Many decisions that will determine the level of 2050 emissions involve long-lived capital items. Current policy settings are blocking that investment. So, to shape 2050

outcomes, **Australian governments must make decisions as soon as possible.**
Decisions needed include:

- new incentives for private investment in near-zero-emissions manufacturing processes, heavy freight, and passenger transport
- clear signals about how we use natural gas
- decisions about the future of coal mining.

The longer we wait, the more it will cost us to fix the emissions shortfall. The easy decisions have already been made.¹

¹ NSW Productivity and Equality Commission, [Ensuring a cost-effective transition. Achieving net zero, Paper 1, November 2024](#)

Governance barriers to decarbonisation and adaptation

In addition to evidence about policies and technologies, Lock the Gate submits evidence from across our network regarding the governance and processes that form barriers or opportunities to decarbonisation and, equally, adaptation.

Specifically, the concentration of decision-making responsibility away from the regions in various elements of NSW planning and environmental management is a barrier to successful decarbonisation. This may seem counter-intuitive. Indeed, the ostensible reason for centralisation of decision-making responsibility has been to make “better” decisions more efficiently, but this is not borne out by experience. Decisions about coal mining developments, for example, are all deemed by the planning system to be “state-significant” and managed by the central office of the Department of Planning, Housing and Infrastructure in Parramatta. This was not always the case. Previously, local governments determined planning applications for mines and local offices of agencies for water, biodiversity and pollution reviewed and provided advice on applications. The same is now true for large renewable energy developments and critical minerals mines. Centralised decision making creates blockage and backlash, and misses crucial local context that would result in better decisions.

Meaningful public decision-making processes are the most neglected aspect of climate change policy in New South Wales and around Australia. As the National Climate Risk Assessment Technical Report on Governance found “Too many stakeholders remain disconnected from decision making that affects them, leading to inequitable and ineffective governance.” This failure creates barriers and also leads to bad decisions. Creating processes that vest authority in local networks and organisations leads to better and more efficient action because:

- People that are local to the places and people affected by decisions are in a better position to understand the problem and its solutions. They have access to knowledge and expertise unavailable to people at the top of distant hierarchies
- People that are local to the place and people affected by decisions take more and different care in those decisions because they are proximate to those who are affected by them and must be able to explain them first hand
- The breadth and complexity of actions required to decarbonise and adapt to climate change is beyond the capacity of a simple hierarchical structure to undertake: decentralised processes make more action possible
- Decisions made locally have less reaching consequences so when mistakes are made, their effects are less catastrophic
- When people are given the opportunity to take real responsibility for decisions and actions in public policy, they are more likely to compromise, negotiate and reach consensus.

Cattino and Reckian reviewed the evidence for and against the proposition that public participation has a positive impact on ambition in climate policy and confirmed that it has a positive impact on both the transformative potential of adaptation and the ambition for mitigation. Specifically, they identified four conditions under which citizen participation adds tangible values to the decision-making processes for ambitious and transformative outcomes:

1. Recognition of all actors, roles, and portions of the population, in particular the most vulnerable, and of the socio-political context
2. Clear and meaningful engagement in all the stages of the decision-making process
3. Full decision-making power, that is, ability of citizens to steer the climate change planning process
4. Availability of adaptation options and processes that support a logic of welfare instead of safety, or of social rather than human security.²

These problems are only going to get worse as the effects of climate change compound. There will be pressure for “faster” decisions that further alienate the inconvenient citizenry. As the NCRA found, climate change is already straining Australian governance systems:

Governance systems and structures unable to adapt quickly allow climate change impacts to escalate, thereby undermining adaptive capacity and risking systems approaching adaptation limits. Climate change threatens all of the collective goals that the governance system currently explicitly or implicitly directs society towards, including those aiming for clear improvements (e.g. improving Aboriginal and Torres Strait Islander peoples' health outcomes), those aiming to avoid losses (e.g. reducing species losses), and those aiming to merely slow presumed inevitabilities (e.g. extending the life of infrastructure by reducing its rate of degradation).

In summary, our contribution to evidence on this matter is to ask that the Net Zero Commission consider the means by which the public is informed and involved in decision-making and the relationship between forms of governance and public processes, and the perverse outcomes they are delivering.

An additional comment on governance and policy making on coal and gas in NSW

In regard to recent and current whole-of-government policy making on coal and gas mining, the NSW government has largely excluded the general public and civil society, opting instead for ‘targeted’ rather than ‘open’ process. For example, the consultation process for the Future of Gas Statement review has been somewhat arbitrary and out of step with open consultation being run elsewhere in the NSW and Commonwealth governments on similarly consequential public policy.

² Cattino and Reckien, 2021. “Does public participation lead to more ambitious and transformative local climate change planning?” <https://www.sciencedirect.com/science/article/pii/S1877343521001147>

We note that consultation that features discussion papers, open public submissions and publication of submissions *prior* to finalisation of policy is commonplace. In regard to both the current *Future of Gas Statement* review and the recent review of coal policy that resulted in publication of *NSW Coal Industry 2026–50*, there were no discussion papers and no open public submission consultation processes. Lock the Gate raised this issue with Minister Houssos and DPIRD officials. Their response in regard to the *Future of Gas Statement* review, was to pledge to “provide information on the content and nature of submissions following the release of the document”, however we discount even this statement in light of a similar document remaining unpublished following the release of *NSW Coal Industry 2026–50*.

Further, please note that we believe that the majority of submissions received by DPIRD to date in regard to the *Future of Gas Statement* review, were unsolicited and occurred largely as a result of Lock the Gate Alliance inviting public submissions, when the NSW Government did not. Finally, we note that when Lock the Gate specifically queried whether ‘targeted’ submissions and those received by DPIRD as a result of Lock the Gate’s efforts, would be published, we received this response from DPIRD on 6 August 2026:

Individual submissions provided by stakeholders as part of the review will not be published by the NSW Government.

Case studies to assist the Commission to draw on the knowledge and leadership of First Nations peoples

We thank the Commission for highlighting the importance of drawing on the knowledge and leadership of First Nations peoples in order to help set NSW on a path to effective climate action in its 2026 Progress Report:

First Nations knowledge systems, grounded in millennia of stewardship and responsibility to future generations, provide essential guidance for climate decision-making that considers long-term, cumulative and local impacts. There are opportunities for the NSW Government to better recognise First Nations knowledge and practice in developing its climate change policy.

In regard to the provision of guidance for climate decision-making that considers long-term, cumulative and local impacts, we draw the Commission’s attention to the three brief case studies below. We submit that these case studies are relevant considerations in the context of the Net Zero Commission’s deliberations about how to include First Nations perspectives in the development of decarbonisation pathways for NSW:

1. The first considers a nationally-significant precedent set by Gomeroi people to ensure that climate change is considered as part of the public interest test for resource project assessments and decisions under the Native Title Act.
2. The second examines a failure by the NSW government to meaningfully engage with First Nations people in the review of the NSW Future of Gas Statement, which is

currently underway (and referred to in the note above).

3. The third provides a pathway for NSW DPHI to meaningfully consider a First Nations perspective in regard to a looming decision about a coal mine expansion at Maules Creek in the context of a guiding principle of the Climate Change Act, being that action to address climate change should take into account the knowledge and perspectives of Aboriginal communities.

Gomeroi vs Santos in the Federal Court

Throughout extensive legal proceedings, Gomeroi people have consistently raised objections to development of the Narrabri Gas Project and have set a nationally-significant climate precedent along the way. Gomeroi peoples' principled opposition to an unnecessary gas project is an inspiring example of leadership that provides (or at least should provide) guidance to policy makers about how to safeguard First Nations culture whilst charting a course away from fossil gas and towards electrification.

In May 2025 the [Federal Court](#) emphatically recognised Gomeroi opposition to the Narrabri Gas Project:

[238] The clear and consistent position of the native title party throughout their lengthy engagement with Santos in relation to the Project, is that the Project should not proceed ...

Chronology of Gomeroi opposition to Santos in the National Native Title Tribunal and a nationally-significant precedent regarding the public interest and climate change

September 30, 2020: the NSW Independent Planning Commission (IPC) approved Santos's Narrabri Gas Project (NGP).

2021: after many years of negotiation between Gomeroi people and Santos about whether Gomeroi people would agree to the granting of four petroleum production leases (PPLs) for the project, no agreement was reached and the matter was referred to the National Native Title Tribunal (NNTT) for determination.

19 December 2022: the NNTT handed down its first decision ([2022 NNTTA 74](#)), ruling in favor of Santos.

6 March 2024: the Full Federal Court upheld an appeal by the Gomeroi People, setting aside the 2022 NNTT determination. The decision was the first of its kind because the Court ruled climate change must be part of the public interest test before the NNTT can allow a project to proceed on native title land (Gomeroi People v Santos NSW Pty Ltd and Santos NSW (Narrabri Gas) Pty Ltd [2024] FCAFC 26).

19 May 2025: the NNTT issued its redetermination, again ruling that the petroleum production leases may be granted to Santos. The approval was made subject to 23 conditions including a climate-monitoring ranger program.

16 June 2025: Gomeroi people filed their [second appeal](#) in the Federal Court against Santos. Grounds for the second appeal include whether the NNTT failed to consider relevant considerations including the effects of Scope 3 emissions and also whether there is likely to be a gas supply shortfall in future that would justify the Narrabri Gas Project in the first place. As at 13 August 2026, a decision on the second appeal is pending.

In their 19 May 2025 judgement on whether the Narrabri Gas Project was in the public interest, the Native Title Tribunal noted that neither Santos nor the NSW Government (who are party to these proceedings) challenged Gomeroi's *"expert evidence going to health, environmental, and ecological risks and adverse direct and indirect impacts of the Project."*

- Evidence that climate change *"has caused, and is likely to continue to cause, widespread damage to ecosystems ... was not contested by the other parties."*
- Evidence that *"Aboriginal people, including the Gomeroi people, are more vulnerable than other Australians to the impacts of climate change"* was not contested.
- Evidence that 107 listed threatened species found in the Pilliga *"are 'highly vulnerable' to climate change impacts"* was not contested.
- On the science, the Tribunal found there was *"a broad consensus between the experts for Gomeroi and Santos ... regarding the current climate science."* According to the Tribunal, the NSW Government *"did not lodge its own evidence on this issue or contest these aspects of the evidence."*³

NSW Government failure to meaningfully engage with First Nations people in the current review of the NSW Future of Gas Statement

On 29 April 2026 the NSW government announced an end to a 12 year gas exploration ban in the far west Bancannia and Pondie Range Troughs. The announcement was made to the media alongside quotes from the oil and gas industry association Australian Energy Producers amongst others, whereas Traditional Owners (see Figure 1 below) and other affected community members who had previously fought off fracking in the region were left to learn about the decision from the media. This is disastrous stakeholder management but also telling about which stakeholders the NSW Government is prioritising in this process.

³ Santos NSW Pty Ltd and Another v Gomeroi People and Another [2025] NNTTA 12 (19 May 2025)

Figure 1. Mutawintji LALC Public Notice from 14 April 2021



Mutawintji Local Aboriginal Land Council

PUBLIC NOTICE

THIS IS TO ADVISE ALL COMMUNITY MEMBERS THAT THE
MUTAWINTJI LOCAL ABORIGINAL LAND COUNCIL CEO HAS
SUBMITTED FEEDBACK TO THE PRELIMINARY REGIONAL ISSUES ASSESSMENT
RELATING TO EXPLORATION OF PROSPECTIVE CONVENTIONAL AND/OR TIGHT GAS
RESOURCE WAS TO OCCUR IN THE BANCANNIA, PONDIE RANGE, NECKABROO AND
YATHONG-IVANHOE TROUGHS AFTER EXTENSIVE CONSULTATION
WITH THE BOARD, ELDERS AND WIDER COMMUNITY.

**IT WAS A UNANIMOUS DECISION.
THERE WAS NO SUPPORT FOR THIS ACTIVITY GIVEN BY
MUTAWINTJI LOCAL ABORIGINAL LAND COUNCIL AND TRADITIONAL OWNERS
IN OUR CEOs RESPONSE.**

Kelly McPherson CEO
Mutawintji Local Aboriginal Land Council

As we understand the issue, the Barkandji people of far-western NSW were not included at all in the 'targeted' consultations conducted to date for the Future of Gas Statement review.

In regard to the Narrabri Gas Project, we understand that the Gomeroi Applicant Group did make a written submission, but this occurred as a result of civil society advocacy. We do not believe that any Gomeroi people were on the list of groups 'targeted' by DPIRD for consultation, despite their obvious stake in policy development on this issue.

Gomeroi opposition to the Maules Creek Continuation Project provides valuable guidance in regard to a First Nations perspective on coal sector decarbonisation

NTSCORP acts for the Gomeroi People native title applicant. On 7 August 2025, NTSCORP lodged a [formal objection](#) to the Maules Creek Continuation Project with NSW DPHI.

The Gomeroi Applicant considers that every fraction of a tonne of emissions produced by the Project will warm the planet and will materially contribute to catastrophic climate change impacts globally and in the Maules Creek region. These impacts will hinder the ability of Gomeroi People to exercise their native title rights and interests on their Country.

The Gomeroi Applicant strongly objects to the approval of the project for the following reasons:

(a) The material contribution that the Project makes to climate change through the production of greenhouse gas emissions will disrupt the balance between Gomeroi and Country, because bush tucker and significant animals will disappear, connection to Country will be lost, and the mental health and social, emotional and cultural wellbeing of Gomeroi People will be impacted.

(b) The Project will threaten existing waterways which in turn threatens the vital cultural and spiritual connection of Gomeroi People to their Country.⁴

NTSCORP's submission on the Maules Creek Continuation Project is a resource that we recommend to the Commission.

Barriers to decarbonisation in the NSW coal sector

NSW is getting further away from meeting emissions targets, not closer

In the 'Guided questions' section under the 'Policies and market mechanisms' heading, the NZC asks: "what are the drivers and risks to reaching NSW's interim targets in 2030 and 2035, and net zero by 2050?"

In regard to this prompt, we note the NZC's ongoing concerns about the incompatibility of coal expansions with meeting targets. In this context, we draw the Commission's attention to point 1.32 of the NSW Parliament's Joint Standing Committee (JSC) on Net Zero Future, '[Emissions from the fossil fuel sector](#)', August 2026 report. Commenting on the latest emissions projections from NSW DCCEEW, the JSC found that "under current policy settings", NSW "is getting further away from fulfilling legislated requirements to reduce emissions, not closer."

Risk 1: the NSW coal industry avoids independent assessment and determination, which is significantly more likely to result in coal expansion and extension approvals which are not compatible with the Climate Change Act.

If the NSW IPC aligns its coal mine determinations (starting with the HVO Continuation Project) with Finding 4 of the NZC's Spotlight Report - that continued expansions to coal mining in NSW are not consistent with the Climate Change Act - our view is that the industry will increasingly avoid the IPC by seeking modifications that are assessed and determined by NSW DPHI.

Lock the Gate's analysis of coal determinations in NSW (dating back to the beginning of the century), reveals that the NSW Department of Planning has never refused a coal mine modification application that sought approval to mine additional ROM coal. Notably, this is certainly true since the commencement of the Climate Change (Net Zero Future) Act. NSW DPHI has approved 100% of the 10 coal mine modifications assessed since the Act commenced, permitting the extraction of an additional 179 Mt of ROM coal and release of 410 Mt CO₂-e of greenhouse gas emissions between now and 2036. Of this pollution, 7.1 Mt CO₂-e will be released in NSW.

Relevantly, following the Court of Appeal's quashing of approval of the Mount Pleasant Optimisation Project last year, the owner of that mine lodged an application to modify its current consent to enable the mining of 68 million tonnes of coal and release of 1.5 million

⁴ NTSCORP, 7 August 2025, submission on Maules Creek Continuation Project (Application Number SSD-63428218), available on the NSW DPHI Major Projects website here: <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SUB-90384706%2120250808T051913.791+GMT>

tonnes of greenhouse gas emissions between now and 2035. Emissions from the mine will rise year on year between now and 2030 as will emissions intensity. Mt Pleasant Mod 8 was approved on 14 August 2026 as this submission was being finalised.

A brief history of the politics of 'independent assessment' and the modification pathway

Prior to the last state election, in March 2023, Member for Cessnock Clayton Barr, on behalf of NSW Labor promised that "[n]ew coal mine projects must be subject to an independent approval process".⁵

In May 2023, Minister for Natural Resources, Courtney Houssos made the following [statement](#) in the NSW Parliament:

"On the issue of coal projects ... I speak on behalf of the Government and as Minister for Natural Resources when I state that we support an independent assessment of resources projects. We do not believe the assessment of those projects should be in the hands of politicians. We took that position to the election and we continue to hold that position in government. We support an independent assessment process that involves environmental assessment and also allows communities to have their say."

In November 2023, Minister Houssos [reiterated](#) that:

"[f]rom a whole-of-government approach, we would say that we support an independent assessment of planning of all resources projects. In relation to any expansion of existing coalmines or new coalmines, they would have to go through that independent process ...".

Minister Scully made a similar claim in a letter to Lock the Gate dated 29 May 2025. Minister Scully stated that:

"resource proposals are all assessed by the Independent Planning Commission (IPC) and its public meeting and hearing processes provide an additional opportunity for the community and other stakeholders to provide submissions and other feedback during its assessment process".

In regard to implementing the policy intent of these statements, we note that the NSW Government declined the opportunity to amend the relevant SEPP to send coal modifications to the IPC when they published NSW Coal Industry 2026–50. We also note that subsequently, government members of the Joint Standing Committee (JSC) on Net Zero Future voted against the following motion on 27 July 2026:

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.⁶

⁵ Written policy platform response to Lock the Gate from NSW Labor, March 2023 'Survey Response - Lock The Gate - March 2023'

⁶ Joint Standing Committee (JSC) on Net Zero Future, 'Emissions from the fossil fuel sector', August 2026, pg 75

Risk 2: no commitment to review coal policy in light of deteriorating emissions outlook

One of the clear risks to reaching NSW's interim targets in 2030 and 2035 is a failure to date by the NSW Government to commit to reviewing its coal policy - NSW Coal Industry 2026–50 - in light of updated modelling on the Net Zero Dashboard. This applies both to ongoing approval of coal mine extensions and expansions, as well as limited effort to abate Scope 1 emissions onsite at NSW coal mines. In regard to the latter point, we note coal mine 'covered emissions' regulated under the Safeguard Mechanism in NSW in FY25 increased by ~3%.

New information, including NSW DCCEE's updated GHG modelling, available to the NSW government offers policy makers an opportunity to reset coal policy to - as NSW DPHI Secretary put it in her [22 July 2026 letter](#) to the Commission - ensure consistency between the planning system and the Net Zero Future Act.

Scope 3: export coal - phase out is the only decarbonisation pathway

There is no meaningful 'decarbonisation pathway' for Scope 3 emissions from exported coal other than to remove coal from the energy system and leave it in the ground.

NSW DPHI regularly implies that exporting NSW coal to signatories of the Paris Agreement is in and of itself an abatement strategy. Lock the Gate Alliance commissioned Rohan Nanthakumar to write a legal opinion (August 2026) on the application of the International Court of Justice's Advisory Opinion on the Obligation of States in respect of Climate Change (ICJ AO). In that opinion (available on the NSW IPC's HVO submissions web page), Mr Nanthakumar writes:

Neither the UNFCCC nor the Paris Agreement "regulates" emissions at all, in the sense in which that word is used in a domestic statutory context. The Paris Agreement has no regulatory power over State parties: it establishes goals, frameworks and processes in common, and requires parties to determine their own contribution to those goals.

Scope 1: additional regulatory measures will be required to achieve measurable on-site abatement

We agree with the Commission that policy settings under the Safeguard Mechanism 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. We also agree that additional regulatory measures will be required to achieve measurable on-site abatement.

Scope 1: diesel emissions

Fuel combustion emissions rose 162 per cent between 2005 and 2023

We note that the EPA removed a proposed timetable to replace diesel with low carbon fuels in its final Mitigation Guide for coal mining when it was finalised earlier this year. We also note the concerns raised by the Commission⁷ that this is a 'particular concern' given fuel combustion emissions rose 162 per cent between 2005 and 2023 in New South Wales.

Fuel tax credits act as a disincentive to electrify the NSW coal industry

[Analysis](#)⁸ commissioned by Lock the Gate Alliance and conducted by ERI of 45 proposed coal mining projects across the country found that of the projects studied in NSW, 13 proposed coal projects with published greenhouse gas assessments would use approximately 6 billion litres of diesel and receive \$3.2 billion in tax credits. More than half of this would go to the staggeringly large Hunter Valley Operations Continuation Project owned by Glencore and Yancoal.

Liebherr says electrified haul trucks at NSW coal mines not available “until well into the end of the next decade”

Brian Boitano is Executive General Manager at Liebherr Australia. He gave evidence on day 2 of the HVO public hearing on 16 July 2026 (see transcript [here](#)). NSW IPC HVO Panel Commissioner Chilcott asked Mr Boitano - whose company provides equipment and services to HVO - if he “could provide any insights to us that might be relevant to the future of HVO in relation to bringing electrification of machinery into operations”?

Mr Boitano told the IPC that the coal sector “does not lend itself extremely well to the electrification of haul trucks and even in some sense the electrification of other equipment”. Mr Boitano said that “the electrification of fleets is not front and centre” in the NSW coal sector “principally because of the geology on the east coast”. When asked specifically about when Liebherr could “envisage electrification becoming a practical possibility for operations such as HVO”, Mr Boitano replied:

Today, if you were to look at the few mines in the world that are really just trialling equipment. Today there are roughly two or three mining trucks out of many thousand in Australia that are trial trucks. And those are really at the early, early stages of testing large scale battery technology, dynamic charging to try to figure out how to run 240 to 360 tonne trucks under load with massive 20 to 30 tonne batteries. That technology is going to take several years to prove itself out. We are a hundred plus years working with diesel engines. We are in the infancy of working with complex battery electric technology. I would not foresee anyone in the industry, be that here in NSW or in Queensland, I would not see fully validated scaled battery electric or electrified technology and haul trucks available well into the end of the next decade.

⁷ As outlined in the Joint Standing Committee (JSC) on Net Zero Future, ‘[Emissions from the fossil fuel sector](#)’, August 2026 report, point 2.51

⁸ Energy and Resource Insights, June 2026, Quick Facts: Diesel consumption of proposed coal projects, <https://www.energyresourceinsights.com/reports/260603-diesel-consumption-of-proposed-coal-projects.pdf>

Reduced production will be required to meet GHG targets

We note that the JSC Committee (Aug 2026 fossil fuel emissions inquiry) “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.”

In NSW, with no requirement from the NSW EPA for low carbon fuels and poor prospects for electrification (at least according to one heavy equipment supplier to HVO), the Resources SEPP requires consent authorities for new projects to consider reduced production as the only remaining practicable condition available to ensure there is onsite abatement of these emissions. This measure should also be required at existing operations going forward to ensure that coal mines reduce onsite diesel emissions in line with their obligation to contribute to GHG targets. Reducing coal production directly reduces greenhouse gas emissions and is available as an abatement measure.

Scope 1: fugitive emissions

The 2021 *Global Methane Assessment* found that least-cost scenarios for limiting warming to 1.5°C require methane emissions reductions of about 60% from fossil fuels by 2030.⁹ How much methane the world emits in the next few years is particularly important in determining whether or when global average temperatures reach 1.5° C above the long-term average. The use of offsets that consist of long-lead carbon dioxide removal to compensate for the immediate release of methane creates considerable risk of temperature goals being breached. This poses the risk that tipping points will also be breached due to these mismatching timeframes, with flow-on implications for the ability of the land sector to retain stored carbon.

Overshooting 1.5°C of global warming raises the risk of triggering irreversible tipping events. Dr Penny Sackett (see submission to the NSW IPC re HVO) asserts that each 0.1°C of warming adds to the risk of passing these tipping points [208d]. She cautions at [44] that “the more quickly emissions are brought and held to zero, the lower the peak global heating temperature will be.” This is consistent with the principles set out in section 8 of the *Climate Change (Net Zero Future) Act 2023*, which stress that action to address climate change “should be taken as early as possible to minimise the cost and adverse impacts of climate change” and should be taken in a way that “considers the economic risks of delaying action to address climate change.”

When the EPA released its *Climate Change Action Plan 2023-2026* in January 2023, the Plan committed to ongoing regulation of short-lived climate pollutants like methane through its licences and, within two years, sectoral emissions reduction targets and greenhouse gas limits on pollution licenses. We note that as at August 2026, there is not yet any regulation of

⁹ UNEP (2022) Global Methane Assessment. 2022 Global baseline: Summary for Policy-makers https://www.ccacoalition.org/sites/default/files/resources//2022_Methane-baseline-summary_0.pdf

methane through EPLs, no sectoral emissions reduction target for coal mine methane and no greenhouse gas limits on pollution licenses.

In addition, we note that the NSW EPA's Greenhouse Gas Mitigation Guide for NSW Coal Mines will be the primary driver of EPL requirements for Scope 1 emissions at coal mines and that this Guide does not require abatement of fugitive emissions at open cut mines. Whilst reforms are slightly more promising for underground mines, we remain concerned that the rollout of VAM abatement technology may be compromised. NSW EPA does not anticipate that it will be in a position to declare whether commercial VAM abatement systems are safe until 2028. The much vaunted pilot VAM abatement trial at Appin was awarded \$15M of public money in November 2021. If that 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 at this mine. 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 on a schedule consistent with urgent action to reduce methane emissions.

Rapidly reducing methane is one of three priority areas where rapid emissions reductions could help keep the 2030 and 2035 targets within reach identified by the Net Zero Commission in its 2026 Annual Report.

Scope 2: electricity emissions

Regulators in NSW have largely given up on abating Scope 2 emissions from the coal sector. The current approach is to largely require no abatement and simply allow mine owners to wait for the grid to decarbonise. Whilst Scope 2 emissions from coal mining are a lesser issue when compared to Scope 3 and Scope 1 emissions respectively, they are a category where abatement is readily achievable. Slow or no progress in regard to abatement of these emissions is an indicator of a systemic abatement problem in the sector.

Offsets and Safeguard Mechanism Credits are a distraction

In summary, we make three brief points about offsets and SMCs.

1. Safeguard Mechanism Credits are an internal compliance unit for the Safeguard Mechanism and are not offsets, as clearly stated by the Clean Energy Regulator and the NSW EPA.¹⁰ For this reason, they cannot be relied upon as a substitute for decarbonisation.
2. Decarbonisation pathways for coal mining cannot rely upon ACCUs. As Dr Fergus Green stated in his expert submission to the NSW IPC on the HVO Continuation Project:

When fossil fuels are extracted and burned, a large fraction lasts in the atmosphere for thousands of years. For a carbon credit to be of high integrity—and certainly for it to be used as a carbon offset for actual

¹⁰ Clean Energy Regulator website, "SMCs aren't offsets" <https://cer.gov.au/schemes/safeguard-mechanism/safeguard-mechanism-credit-units>); EPA Large Emitters Guide, "It is important to note that SMCs are not carbon offsets..."

emissions—it must remove and store carbon for the same amount of time. Neither avoidance credits nor vegetation-based removal credits—which predominate in Australia’s ACCU Scheme—are capable of achieving that outcome.¹¹

3. In regard to methane emissions attributable to coal mining in NSW and decarbonisation, we draw the Commission’s attention to the NSW EPA CEO, Tony Chappel’s comments to a recent inquiry in the NSW parliament into fossil fuel emissions, as reported by the Joint Standing Committee in their inquiry report:

2.98 Following expert consultation undertaken by the NSW EPA, 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 biogenic¹⁵³ 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.

For further information in regard to the consideration of offsets and SMCs in the Commission’s deliberations on decarbonisation pathways, we recommend Dr Penny Sackett’s submission on the HVO Continuation Project regarding climate change and greenhouse gas emissions, which should be online on the NSW IPC’s website from next week.

A failure to date to establish clear public reporting of coal sector emissions in NSW is a barrier to decarbonisation

Lock the Gate has been raising the issue of poor or no public reporting of coal sector emissions in NSW for many years now (see for example Emeritus Professor Ian Lowe’s July 2021 report [here](#)). Take for example the Metropolitan coal mine, which is applying to extend its mine right now. We know from data reported to the Clean Energy Regulator that this is a high-emitting mine (currently the 3rd highest emitting coal mine in NSW). In Professor Lowe’s 2021 report, he makes the observation that “[w]hile mining companies are required to report on their GHG emissions to the Clean Energy Regulator (CER) in Canberra, they are not required to report their emissions to the NSW Government (although some choose to do so voluntarily)”. Metropolitan published its [2025 Annual Review](#) in March, 2026. There is no information about Scope 1 emissions in this document at all.

Lock the Gate is calling for the NSW EPA to fix this problem by committing to publish the Scope 1 data they will be collecting, starting from 31 March 2027 which is the date by which their Licensees will be required to provide an annual emissions report. To

¹¹ Dr Fergus Green, Associate Professor in the Department of Political Science and School of Public Policy, University College London and an Honorary Senior Fellow at the Melbourne Law School, University of Melbourne, submission to the NSW IPC on the HVO Continuation Project, available on the NSW IPC website.

date, the NSW EPA has not been able to clarify if this data will remain in-house or if it will be published. With limited or in some cases no access to emissions reporting data across the coal sector in NSW, it is difficult for civil society to monitor progress in this sector and advocate for reform where abatement is inadequate or non-existent.

Barriers to decarbonisation and opportunities in the fossil gas sector

Economy-wide opportunities to reduce NSW fossil gas consumption

Fossil gas contributes around 6 million tCO₂e¹² to NSW greenhouse emissions per annum. Getting the NSW energy system, buildings and industry off gas presents a substantial emissions reduction opportunity, along with numerous additional co-benefits for communities and business. This is why Lock the Gate commissioned Springmount Advisory in early 2026¹³ to model how the NSW Government could deliver significant reductions in gas consumption across all end uses in the economy through the deployment of proven technologies at speed and scale. This analysis found that 74% of gas use in NSW has a commercially available alternative today. It also found that an ambitious, achievable and affordable gas reduction strategy could deliver a 52% cut in gas use by 2035, reducing NSW gas demand by 64.4PJ per year, which equates to 3.3 million tCO₂-e. We discuss the key findings of this analysis by sector below and have also included additional, relevant resources that we recommend for the Commission's consideration.

Industry

Reducing the exposure of the NSW manufacturing sector to volatile gas prices through electrification will help to protect jobs, enhance the competitiveness of the sector and lower greenhouse gas emissions. Springmount Advisory estimates that 46% of manufacturing/industrial gas use in NSW can be electrified with commercially available technologies. However this can only be achieved with clear targets and support. Recommended resources on the barriers and policy opportunity for electrification of the NSW manufacturing sector include:

- Electrifying the missing middle – Scaling electrification in Australia for small to medium industrial gas customers Common Capital, March 2026¹⁴
- Future Proofing NSW Small to Medium Sized Industry: A Decarbonisation Roadmap, DETA Consulting, February 2026¹⁵

¹² Australian Energy Statistics and National Greenhouse Account Workbook

¹³ 2035 gas reduction target for NSW, Springmount Advisory, March 2026 accessible here https://assets.nationbuilder.com/lockthegate/pages/26118/attachments/original/1773960563/LtG_NS_W_gas_use_reduction_target_2026_long_form_public.pdf?1773960563

¹⁴ <https://commoncapital.com.au/publication/electrifying-the-missing-middle-scaling-electrification-in-australia-for-small-to-medium-industrial-gas-customers/>

¹⁵ https://assets.nationbuilder.com/natureorg/pages/3227/attachments/original/1770350913/AU-26093-R_PT-001-R3.0_Future_Proofing_NSW_Industry_UPDATED.pdf?1770350913

Built environment

Households

Efficient, electric homes present immense well-being and cost of living benefits to the community. The LTGA-commissioned Springmount Advisory modelling¹⁶ has determined that a 100% household electrification target by 2040 is achievable for NSW, leading to a 1.6Mt CO₂-e decrease in annual emissions. We recommend the Roadmap for efficient and electric homes¹⁷ prepared by the NSW Justice and Equity Centre as an essential resource that details what policy action is required from governments and decision-makers to upgrade Australian homes, and how to co-ordinate and prioritise these actions.

Commercial buildings

Springmount Advisory's analysis recommends a commercial building gas use reduction target of 0.81 PJ per annum, which would:

- reduce gas demand by 8.9PJ by 2035
- deliver almost complete electrification of the sector by 2043, along with an annual emissions reduction of ~700,000 tCO₂-e

This reduction pathway is consistent with the Energy Efficiency Council's 2026 Commercial Buildings Electrification Roadmap,¹⁸ which we recommend for the Net Zero Commission's consideration.

Decommissioning the gas distribution network

We also recommend the Net Zero Commission consider the opportunity and policies needed for an orderly and fair transition of the gas network. Along with being necessary due to increasing electrification rates across NSW homes and businesses, fewer operating gas pipelines in the NSW distribution network will help to reduce methane emissions across the state.¹⁹ We recommend the commission considers the following resources on this subject:

- Power Move: Fair and affordable electrification for Australian households and small businesses, Energy Consumers Australia, April 2026²⁰
- Managing the decline of gas in Australia, Chapter 4, Grattan Institute, May 2026²¹

¹⁶ See slide 13 *2035 gas reduction target for NSW*, Springmount Advisory, March 2026 accessible here

https://assets.nationbuilder.com/lockthegate/pages/26118/attachments/original/1773960563/LtG_NS_W_gas_use_reduction_target_2026_long_form_public.pdf?1773960563

¹⁷

<https://jec.org.au/wp-content/uploads/jec-publications/12344/JEC-Roadmap-for-Efficient-and-Electric-Homes.pdf>

¹⁸ <https://eec.org.au/wp-content/uploads/2026/01/CBERP-final-report-digital-Jan-26.pdf>

¹⁹

<https://www.jemena.com.au/siteassets/asset-folder/documents/document-centre/gas/2025-2030-jgn-access-arrangement-information/jgn---rp---att-5.3---picarro---20250115---public.pdf>

²⁰ <https://energyconsumersaustralia.com.au/our-work/research/power-move>

²¹ <https://grattan.edu.au/wp-content/uploads/2026/05/Grattan-Institute-2026-Out-of-Gas-Report.pdf>

- Roadmap for Efficient and Electric Homes, Section 7.3 Enabling Fair and Efficient Gas Retirement, NSW Justice and Equity Centre, May 2025²²

Electricity and energy

The role of gas in the electricity grid is shrinking thanks in large part to large and small scale batteries, with the Australian Energy Market Operator's recent Quarterly Energy Dynamics for the quarter ending 30 June 2026 finding that "gas-fired generation dropped 30% to its lowest Q2 average since 2003."²³ This trend is a fantastic development for NSW electricity consumers and for NSW emissions, with zero carbon alternatives displacing the role of fossil fuels in the grid. However a slow buildout of renewable energy to displace coal coupled with growth in data centre electricity demand threaten to reverse these gains. Lock the Gate is supportive of the Net Zero Commission's view that "data centres should fund new renewable energy generation commensurate with their demand, ensuring genuine additionality" and we recommend the following resource to inform policies and planning in order to ensure that expensive gas continues to play a shrinking role in the NSW electricity system:

- Gas-fired electricity generation is a bridge, not a destination, NEXA Advisory, October 2025²⁴

Resources

Currently there are no fossil gas production and processing activities in NSW however the NSW Government does remain committed to the CO₂-intensive Narrabri Gas Project²⁵ and it recently called for expressions of interest for petroleum exploration licences to drill in the Bancannia Trough and the Pondie Range Trough.²⁶ Any new gas extraction and processing activities within NSW will increase the state's emissions and reverse gains achieved through electrification and other decarbonisation efforts. The superior alternative that is far more consistent with the state's legislated emissions reduction targets is for the NSW government to pursue economy-wide efforts to reduce gas demand.

Opportunities and barriers driving effective workforce changes and economic diversification in coal communities

Lock the Gate remains concerned about the NSW Government's 'demand-led' approach to coal policy in NSW. This is a policy approach that in general, leaves the fate of workers, their families and coal communities in the hands of coal companies whose first allegiance is to their shareholders.

The NSW [government's media release](#) announcing *NSW Coal Industry 2026-50* says "[i]t

²²

<https://jec.org.au/wp-content/uploads/jec-publications/12344/JEC-Roadmap-for-Efficient-and-Electric-Homes.pdf>

²³ <https://www.aemo.com.au/newsroom/media-release/qed-q2-2026>

²⁴ <https://nexaadvisory.com.au/gas-fired-electricity-generation-is-a-bridge-not-a-destination/>

²⁵ https://www.lockthegate.org.au/narrabri_gas_project

²⁶

<https://www.resources.nsw.gov.au/mining-and-exploration/expressions-of-interest/petroleum-exploration-2026>

ensures certainty for workers and trading partners by providing an ongoing path to extend existing operations to meet demand ...”. Ongoing approvals however, do not provide any certainty in regard to how long demand will persist. As the NSW Premier [said last year](#) in regard to NSW’s coal export customers: “they’ve all indicated to us, over different time horizons, in different ways, they’ll be buying less of it in the future to the point where they don’t buy any of it at all.”

Analysis published by Climate Resource (December 2025) of coal demand in Australia’s key markets “indicates that by 2035, thermal coal exports could fall by 64% or more, and metallurgical coal exports could drop by 28% or more in these scenarios.”²⁷ A coal demand forecast, prepared for Yancoal by Wood Mackenzie in November 2025 ([Moolarben Extension Market Analysis](#)), found that:

- In their Net Zero Scenario (associated with a 1.5°C warming trajectory), Australian thermal coal exports **decline by 55% by 2035**. They say “[t]hermal coal prices would fall immediately in the Net Zero Scenario, with less mines required to meet declining demand” and that “as the price falls, higher cost mines will be forced to exit the market as margins decline.”
- In their Country Pledges Scenario (associated with a 2°C warming trajectory), Australian thermal coal exports **decline by 50% by 2035**.

A [research note from IEEFA](#) (April 2026) suggested earlier this year that Hunter Valley coal producers have reduced their contracted volumes on the Hunter Valley Coal railway network by 40% to 2034, highlighting the impact of shrinking thermal coal demand. This reduction creates a supply-chain cost ‘death spiral’ as lower volumes drive increases in transport costs, placing further pressure on the economics of remaining mines.

Here in NSW, demand for thermal coal for our power stations is likely to decline significantly over the next 7 years to 2033, by which time 3 of NSW’s 4 remaining coal-fired power stations are due to close (assuming this occurs as planned, demand would decline from 20.8 Mt in FY24 to ~3.2 Mt or less by 2033).²⁸

Credible forecasts of a structural decline in coal demand strongly suggest that the NSW Government should adopt a proactive approach to economic diversification in coal communities versus the largely passive approach to date. The NSW Government should also prioritise getting its Future Jobs and Investment Authority bill through the NSW Parliament.

²⁷ Climate Resource, December 2025, [Australia’s coal outlook in a warming world - Insights from integrated assessment models](#)

²⁸ In 2023-24, 20.8 Mt of coal was sold to NSW power stations (NSW Parliament research report, Sept 2025). NSW Coal Industry, 2026–50 says that “[t]hree of NSW’s 4 remaining coal-fired power stations are due to close by 2033. The last coal-fired power station to close in NSW will be Mount Piper. In 2024 Mount Piper burnt 3,232,903 Mt of coal. That means that demand for NSW coal from NSW power stations would drop by ~84% over the next 7 years to 2033 (from 20.8 Mt in FY24 to ~3.2 Mt or less from 2033 to 2040).

For authoritative guidance on community-led economic diversification and ecologically sensitive post mining land use in the Hunter Valley, Lock the Gate recommends Hunter Renewal's submission to this consultation to the Commission.