



Australian Conservation Foundation

Submission to: Draft Climate Change Assessment Requirements and
associated draft Greenhouse Gas Assessment Guide for Large
Emitters

Addressed to: NSW Environment Protection Authority

Submission from: Australian Conservation Foundation
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About the Australian Conservation Foundation

The Australian Conservation Foundation is Australia's national environment organisation. Since 1965, we've protected the nature we all love – our unique wildlife and our beautiful beaches and bush.

Driven by the power of people, we won World Heritage listing for the Great Barrier Reef and Kakadu National Park, and returned precious water to the rivers of the Murray-Darling.

We influence governments and businesses to protect the animals, rivers and reefs close to our hearts and hold decision-makers to account without fear or favour. Everything we do is evidence-based and helps nature and people thrive for generations to come.

We won't give up until Australia's nature is protected and regenerated.

The Australian Conservation Foundation acknowledges that First Nations Peoples of Australia hold unique knowledge and rights inherited from their ancestors and Country and have cared for this country since time immemorial. We pay our respect to First Nations Peoples of Australia, past, present and future. We respect their leadership in caring for Country and support their rights to continue to do so. We recognise that sovereignty was never ceded, and that colonisation was unjust, often violent and continues to adversely impact on First Nations Peoples today. As Australia's national environment organisation, we understand we have a responsibility to help right this historical wrong. We support their authority to speak for Country, right to self-determination and recognise that rightful recognition of and genuine reconciliation with First Nations Peoples is fundamental to protecting nature in Australia. We support First Nations-led campaigns that protect Country and seek win-win outcomes for our environment and for the rights, wellbeing and advancement of First Nations Peoples

To find out more about the Australian Conservation Foundation's work visit www.acf.org.au



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Introduction

ACF congratulates the New South Wales government on the passage of the *Climate Change (Net Zero Future) Act 2023* (Climate Change Act) and welcomes the opportunity to provide feedback on the NSW Environment Protection Authority's (NSW EPA) draft Climate Change Assessment Requirements and draft Guide for Large Emitters (the draft guidelines).

Emissions from the extraction, production and use of fossil fuels makes up about two thirds of global emissions annually and are by far the largest contributor to climate change,¹ leading to the more frequent and severe coral bleaching events, bushfires, floods, extreme heat waves and other climate-fuelled disasters that Australians are experiencing right now. These draft guidelines represent a critical opportunity to keep NSW communities safe from the worst impacts of climate change and develop a robust framework that assesses how new coal and gas proposals will impact NSW's ability to achieve its emission reduction targets.

In Minister Sharpe's own words, "all sectors need to ratchet down their emissions to meet NSW's legislated targets."² The state's current emissions trajectory will leave New South Wales approximately 8.5 million tonnes of carbon dioxide equivalent short in meeting the Government's legislated target to reduce emissions by 50% on 2005 level by 2030. At the same time, the fossil fuel industry is the only sector in NSW that are projected to increase their emissions by the end of the decade.³

ACF urges the NSW government to act to bring the fossil fuel industry in line with the rest of the economy in ratcheting down emissions to meet the state's legislated emissions reduction targets for 2030 and beyond.

¹ [The Australian Conservation Foundation. "Why offsets don't work: new analysis."](#)

² [Ministerial Statement, 20 May 2024. "Updates regarding Net Zero Plan Stage 1: 2020-2030 and previous Implementation Updates."](#)

³ NSW Net Zero Emissions Dashboard. *Actual and projected Program/policy abatement as currently tracking emissions 2023-2030 (Mt CO₂-e).*





Recommendations

Recommendation 1: Develop stronger assessment standard for coal and gas proposals.

In recognition of fossil fuels as the root cause of climate change, standalone assessment standards should be developed for coal and gas approvals that set a clear mandate for phase out.

Recommendation 2: Require proponents of coal mining proposals to estimate methane emissions based on best practice sampling and modelling.

Coal mining proposals should be required to undertake rigorous sampling measurements to accurately estimate the methane content of the coal seam, with all results and analysis made publicly available.

Recommendation 3: Prohibit the use of offsets for any new or expanded coal and gas projects.

Australian land-based offsets fail to deliver the necessary emissions reductions that are required for fossil fuel facilities, and their use should be prohibited for new or expanded coal and gas proposals.

Recommendation 4: Require proponents to assess the environmental impacts of Scope 3 emissions.

Increase the strength of the draft guidelines by requiring the total climate impacts of coal and gas proposals, including downstream emissions, to be assessed.

Recommendation 5: Require proponents to assess the impacts that proposed activities have on the right to a clean, healthy, and sustainable environment.

Require coal and gas proposals to be assessed against all Guiding Principles of the NSW government's Climate Change Act, including the right to a clean, healthy, and sustainable environment.



Developing a robust, science-based approach to assessing emissions from large polluters in New South Wales

Holding proponents of fossil fuel projects accountable to do their fair share

Emissions from the extraction, production and use of fossil fuels makes up about two thirds of global emissions annually and are by far the largest contributor to climate change.⁴

Despite their disproportionate contribution to climate change, coal and gas facilities are not doing their fair share to ratchet down emissions in line with NSW's legislated emissions reduction targets to 2030 and beyond. As the state's electricity, transport, agriculture, waste, industrial, and stationary energy sectors are set to decrease their emissions between now and the end of the decade, emissions from fossil fuel projects in NSW are projected to be higher in 2030 than they are now.⁵ These projections do not account for real fugitive methane emissions, which would likely make emissions from coal and gas facilities an even greater proportion of NSW's total inventory.

There are 19 coal expansions that are currently proposed in NSW. The approval of any of these proposals would increase emissions from the fossil fuel industry – a sector which is already failing to ratchet down domestic emissions – and push NSW's legislated emissions reduction targets further out of reach. Not only would the approval of any of these 19 expansions contradict the NSW government's own climate commitments, but it would also create a greater burden on other sectors of the economy who are already decarbonising to make even steeper emissions cuts.

ACF urges the NSW EPA to amend the draft guidelines to create standalone assessment criteria for coal and gas proposals. In recognition of fossil fuels as the primary driver of climate change, these criteria should be of a higher standard than the rest of the economy and set a clear mandate for the phase out of coal and gas production as the renewable energy transition ramps up.

Recommendation 1: Develop stronger assessment standards for coal and gas proposals.

In recognition of fossil fuels as the root cause of climate change, standalone assessment standards should be developed for coal and gas approvals that set a clear mandate for phase out.

⁴ [The Australian Conservation Foundation. "Why offsets don't work: new analysis."](#)

⁵ NSW Net Zero Emissions Dashboard. *Actual and projected Program/policy abatement as currently tracking emissions 2023-2030 (Mt CO₂-e).*



Determining the true domestic impacts of NSW coal mining

Virtually every independent audit of Australia's emissions shows a discrepancy in reported versus actual emissions from coal and gas projects. The International Energy Agency estimates that methane emissions from the fossil fuel sector is underreported by at least 64%,⁶ and open cut coal mines are likely emitting twice as much methane as they officially disclose.⁷

The Climate Change Authority also identified methane underreporting as an issue in their review of the National Greenhouse and Energy Reporting scheme (NGERs). Current NGERs emissions reporting methodologies utilise factor-based estimates to disclose methane emissions from coal mining. These methodologies are not representative of the actual methane content of the coal seam⁸ and ACF supports the phase out of factor-based methodologies for estimating coal mine methane as soon as higher order methodologies are developed.⁹

Given the overwhelming evidence suggesting that coal mines are disproportionately responsible for Australia's methane underreporting problem, the NSW government has a responsibility to ensure that proponents of coal proposals are developing the most accurate emissions estimates possible.

ACF urges the NSW EPA to amend the draft guidelines to require coal proposals to:

- For open-cut coal proposals, obtain measurements of geotechnical cores to determine the methane content across all the gas bearing strata, combined with field coal gas models, to derive a site-specific emission factor. This modelling and analysis must then be verified by an expert third-party that is independent from the proponent; and
- For underground coal mining proposals, obtain sample measurements and modelling to inform methane emissions estimates for the proposed operations. This modelling and analysis must be verified by an expert third party that is independent from the proponent.¹⁰
- Make all sampling, results, analysis and other information related to methane emissions estimates publicly available as the proposal is assessed.

Recommendation 2: Require proponents of coal mining proposals to estimate methane emissions based on best practice sampling and modelling.

Coal mining proposals should be required to undertake rigorous sampling measurements to accurately estimate the methane content of the coal seam, with all results and analysis made publicly available.

⁶ International Energy Agency. 2024 Global Methane Tracker.

⁷ [The Superpower Institute. Open Methane first results.](#)

⁸ [Climate Change Authority. 2023 NGER Act Review.](#)

⁹ [Australian Conservation Foundation submission to public consultation on National Greenhouse and Energy Reporting \(NGER\) scheme – 2024 proposed updates.](#)

¹⁰ [Ember. Submission to the Lake Vermont Meadowbrook Extension EIS.](#)



Taking a science-based approach to genuine emissions reductions

Numerous investigations have revealed fundamental scientific shortcomings in Australia's land sector offsets, which represent over half of the total offsets that have been created to date.¹¹

The majority of Australian land sector offsets are not able to deliver the genuine emissions reductions that are required to achieve NSW's legislated targets. The activities that underpin land sector offsets, such as tree planting and forest regeneration, are impermanent by design, which means the carbon that is sequestered by these offsets will likely eventually be re-released into the atmosphere. Much of this land-based sequestration would have occurred regardless of whether money was provided by the sale of offsets.¹²

Using the land sector to offset Australia's fossil fuel emissions is fundamentally risky and unscientific. Carbon emitted from coal and gas projects stays in the atmosphere for much longer than the lifespan of an Australian land-based offset, which is, at best, only 100 years. For each tonne of carbon released into the atmosphere, 40% will remain after 100 years, between 20-25% will remain after 1,000 years, and up to 20% will remain after 10,000 years.¹³ Emissions from NSW coal and gas projects will still be impacting the atmosphere hundreds of years – if not centuries – after an Australian land-based offset stops sequestering carbon.

Emissions from the extraction, production and use of fossil fuels are the least able to be effectively offset by land-sector offsets such as tree planting and forest regeneration. Even offsets of the highest integrity are still at risk of being lost in more frequent and severe bushfires, drought, floods and other climate-change fuelled disasters.

ACF is concerned that allowing fossil fuel companies to offset their emissions – particularly using land-based offsets – will give rise to new coal and gas production that derails the NSW and Australian governments' ability to meet their legislated climate commitments. ACF urges the NSW EPA to prohibit new, expanded or extended coal and gas facilities to offset their emissions.

Recommendation 3: Prohibit the use of offsets for any new or expanded coal and gas projects.

Australian land-based offsets fail to deliver the necessary emissions reductions that are required for fossil fuel facilities, and their use should be prohibited for new or expanded coal and gas proposals.

¹¹ [Australian Conservation Foundation. *Set and forget: How offsets under national environmental law drive habitat destruction.*](#)

¹² Australian Conservation Foundation.

¹³ Australian Conservation Foundation.



Assessing the total climate harm of NSW coal and gas proposals

ACF welcomes the NSW EPA's decision to require proponents to estimate the Scope 3 emissions of their proposals. Reporting of Scope 3 emissions allows businesses, investors, governments and civil society to understand the total environmental impact of a proponent's supply chain and is becoming increasingly important in Australia and internationally.

The downstream emissions from the burning of fossil fuels extracted from NSW greatly contributes to climate change. In 2020 it was estimated that emissions from coal mined in NSW were greater than the emissions of the United Kingdom or France and nearly four times greater than NSW's domestic emissions.¹⁴ Since then, concern about the downstream emissions impacts of NSW coal has grown, with proposals such as Hunter Valley Operations Continuation Project expected to alone produce lifecycle emissions equivalent to more than eight times NSW's annual emissions¹⁵.

Regardless of which country the coal and gas extracted in NSW is burned in, these downstream emissions contribute to global temperature rise, further increasing the impacts of climate change and biodiversity loss that NSW is currently experiencing. This position is consistent with a number of Guiding Principles in the NSW Climate Change Act, including that action to address climate change should "be taken as early as possible to minimise the cost and adverse impacts of climate change", consider "the economic risks of delaying action to address climate change", account for "the need to reduce the risk climate change poses to the survival of all species" and "take into account the impact on animals."

ACF urges the NSW EPA to amend the draft guidelines to require the cumulative total climate impacts of coal and gas proposals, including Scope 3 emissions, to be assessed. This would give the NSW government greater control over the cumulative emissions that are enabled by state approval decisions.

Recommendation 4: Require proponents to assess the environmental impacts of Scope 3 emissions

Increase the strength of the draft guidelines by requiring the total climate impacts of coal and gas proposals, including downstream emissions, to be assessed.

¹⁴ [The Australia Institute. *Enough Scope: Coal mines, scope 3 emissions and NSW climate policy.*](#)

¹⁵ [Environmental Defenders Office. "Hunter Environment Lobby asks Federal Court to overturn key decision in assessment of massive HVO mine expansion."](#)



Protecting the human rights of all Australians

Having clean air to breathe, safe water to drink, and healthy food to eat are fundamental to the right to life and require the protection and preservation of nature¹⁶. The basic human rights of all Australians are dependent on a healthy natural environment, which is under threat due to climate change and biodiversity loss driven by the extraction, production and use of fossil fuels.

ACF congratulates the New South Wales government on recognising the United Nations' landmark resolution that affirmed the right to a healthy environment by enshrining this right as a Guiding Principle in the Climate Change Act. This basic human right must be reflected in the assessment of fossil fuel proposals that will contribute to further climate change and biodiversity loss.

ACF urges the NSW EPA to amend the draft guidelines to require coal and gas proponents to conduct a detailed assessment of their proposal against all Guiding Principles outlined in the Climate Change Act, including the right to a clean, healthy and sustainable environment.

Recommendation 5: Require proponents to assess the impacts that that proposed activities have on the right to a clean, healthy, and sustainable environment.

Require coal and gas proposals to be assessed against all Guiding Principles of the NSW government's Climate Change Act, including the right to a clean, healthy and sustainable environment.

¹⁶ [Hon Justice Brian Preston. *The right to a clean, healthy and sustainable environment: how to make it operational and effective*.](#)

