



Environment Protection Authority

Climate Change Licensee Requirements Package

Consultation summary

March 2026



A vertical decorative bar on the left side of the page, featuring intricate Aboriginal patterns in shades of blue and white. The patterns include concentric circles, wavy lines, and geometric shapes, typical of traditional Indigenous art.

Acknowledgement of Country

The NSW Environment Protection Authority acknowledges the Traditional Custodians of the land on which we live and work, honours the ancestors and the Elders both past and present and extends that respect to all Aboriginal people.

We recognise Aboriginal peoples' spiritual and cultural connection and inherent right to protect the land, waters, skies and natural resources of NSW. This connection goes deep and has since the Dreaming.

We also acknowledge our Aboriginal and Torres Strait Islander employees who are an integral part of our diverse workforce and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and culture.

Aboriginal artwork by Worimi artist Gerard Black

Contents

Summary	1
What we did.....	1
What we heard.....	2
How we responded	4
General feedback.....	4
Greenhouse gas emissions reporting.....	7
Climate change mitigation and adaptation plans.....	8
Mitigation requirements for NSW coal mines.....	12
What's next	24
Acronyms	25
References	26

Summary

Under the NSW Environment Protection Authority's (EPA) *Climate Change Policy* and *Climate Change Action Plan 2023–26*, the EPA is taking action to help address the risks associated with climate change and to support NSW achieve its legislated greenhouse gas emission reduction targets.¹

In January 2025, the EPA released the *NSW Guide for Large Emitters*, which supports proponents to consider climate change within the NSW planning process.²

Now the EPA is embedding climate change requirements into its licensing and compliance frameworks, and consulted on the following three consultation documents (collectively referred to as the Climate Change Licensee Requirements package):

- *Proposed Climate Change Licensee Requirements* (Licensee Requirements)
- *Climate Change Mitigation and Adaptation Plans - Proposed Mitigation Requirements* (CCMAPs)
- *Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines* (Coal Guide).

The proposed requirements will prompt greenhouse gas mitigation planning across our existing licensees, with a focus on driving onsite abatement at NSW coal mines first. Starting in July 2025, the EPA ran an eight-week public consultation on proposed requirements. This document summarises feedback received during public consultation and outlines how the EPA has responded.

The finalised documents are now available on the EPA website.³

What we did

The EPA undertook public consultation on the Climate Change Licensee Requirements package from 29 July to 7 October 2025, inviting submissions via the *Have Your Say – Climate Change Licensee Requirements* webpage⁴, email and post. During this period, the EPA received 154 submissions, including 127 written submissions and 27 online surveys. These came from individuals, industry and businesses, community and environment groups, local government and Aboriginal people (Figure 1).

¹ NSW EPA 2023a, [Climate Change Policy](#), NSW Environment Protection Authority, Parramatta; NSW EPA 2023b, [Climate Change Action Plan 2023–26](#), NSW Environment Protection Authority, Parramatta

² NSW EPA 2025a, [NSW Guide for Large Emitters: Guidance on how to prepare a greenhouse gas assessment as part of NSW environmental planning processes](#), NSW Environment Protection Authority, Parramatta

³ NSW EPA 2026a [Climate Change Licensee Requirements](#); NSW EPA 2026b, [Emissions Reporting and Climate Change Mitigation and Adaptation Plans: Guidance for environment protection licensees](#); NSW EPA 2026c, [Greenhouse Gas Mitigation Guide for NSW Coal Mines](#), NSW Environment Protection Authority, Parramatta

⁴ NSW EPA, [Have Your Say – Climate Change Licensee Requirements](#), NSW Environment Protection Authority webpage includes a range of documents related to the consultation, including resources referred to in this report

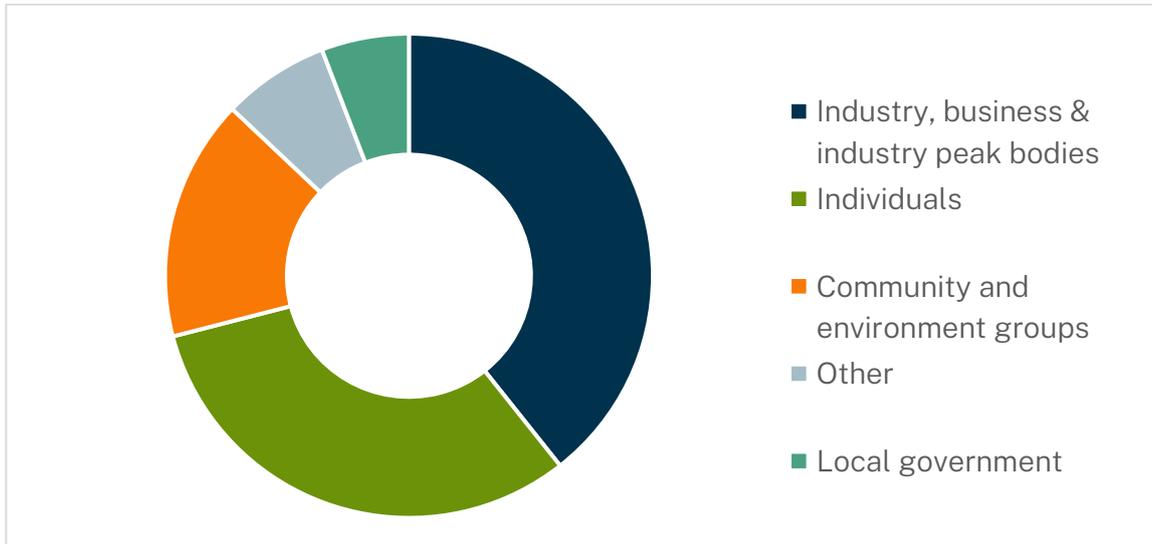


Figure 1 Breakdown of submissions received by submitter groups

In addition to formal public consultation, the EPA undertook targeted engagement to support participation and understanding of the proposed requirements:

- Direct meetings with over 28 stakeholders were held – including local government, businesses and industry peak bodies, community and environment groups, and impacted licensees – to inform them of the consultation process and engage on the proposed approach.
- Two technical workshops on the proposed mitigation requirements for the coal sector were held with coal industry representatives and technology suppliers to discuss feasibility, safety and implementation issues (workshop notes are published on the *Have Your Say* webpage).
- A public webinar on 20 August 2025 provided an overview of the consultation package. The webinar was attended by 146 people. Following the webinar, the presentation materials and responses to the questions asked were made available on the EPA's *Have Your Say* webpage.
- A webinar with local government was held on 30 September 2025.
- During consultation, the EPA engaged with the NSW Youth Advisory Council, the EPA Aboriginal Peoples Knowledge Group, key technology manufacturers and producers, and participated in workshops and industry forums.

What we heard

Submissions reflected a wide range of perspectives on the proposed requirements. While views differed, feedback consistently focused on a small number of common issues.

Submissions from local government, industry, unions, business and industry peak bodies emphasised the importance of aligning requirements with existing Commonwealth frameworks, reducing duplication, and providing clarity and flexibility around reporting, mitigation planning and publication of forward-looking information.

Community and environment groups generally supported stronger action on emissions reduction, greater transparency, and earlier implementation of mitigation measures, while also highlighting the importance of accessible information and accountability.

The NSW Youth Advisory Council was broadly supportive of the requirements and holding businesses accountable for their greenhouse gas emissions. They suggested that the requirements be expedited, and that abating greenhouse gas emissions now will be more cost-effective, with the

costs of complying incorporated into business-as-usual expenses. They also suggested ensuring that requirements are enforceable, with strict penalties for non-compliance.

Individuals provided mixed responses, with most supportive of the requirements, while a minority expressed concern about the economic impacts of the requirements on regional businesses and communities. Although these submissions appreciated that the requirements would improve transparency and accountability of companies, most noted that early measures did not drive abatement, which should be prioritised. A minority of submissions wanted a considered and curated transition from coal mining to renewable energy, focused on upskilling workers and the community to alleviate economic consequences when coal mines close.

Aboriginal peoples consulted noted that the impacts of climate change disproportionately affect Aboriginal communities and cultural landscapes. The EPA Aboriginal Peoples Knowledge Group supports the intent of the requirements to improve transparency, accountability and environmental stewardship in high emitting industries. One group spoken to on Dharawal Country in the Illawarra was not supportive of offsetting of greenhouse gas emissions and would prefer onsite abatement, which they considered more reliable and enduring. Groups were not supportive of exemptions and time extensions and considered that mine licensees should take all action possible to reduce their emissions.

A range of stakeholder groups provided feedback about economic and regional impacts, the availability and readiness of mitigation technologies, and the need for appropriate transition planning and support.

The following sections summarise these issues in more detail and how the EPA has responded.

How we responded

General feedback

Why state-based climate-related requirements are needed

What we heard

Some submissions, particularly from licensees who are also covered by Commonwealth frameworks such as the National Greenhouse and Energy Reporting Scheme (NGERS) and Safeguard Mechanism, questioned the need for state-based climate-related requirements. These stakeholders suggested that existing Commonwealth requirements were sufficient and that the state-based requirements would result in duplication or unnecessary regulatory burden.

Environment and community groups emphasised that the mechanisms under the Safeguard Mechanism may not be ambitious enough to drive climate action.

Our response

The EPA recognises the important role of Commonwealth frameworks, including NGERS and the Safeguard Mechanism, in driving national emissions reporting and contributing to Australia's emissions reduction objectives. However, these frameworks serve different purposes and do not replace the need for state-based regulation of licensed activities.

These Commonwealth schemes focus primarily on corporate-level reporting and aggregation of emissions outcomes. They do not require facilities to demonstrate how climate change risks are being managed at the site or activity level, nor do they require planning for onsite abatement. In particular, the Safeguard Mechanism allows compliance through a range of mechanisms, including the purchase of offsets and credits, and does not require facilities to prioritise onsite emissions reduction opportunities.

The EPA's requirements are designed to complement Commonwealth schemes by providing premises-specific transparency about emissions sources, constraints and mitigation pathways within NSW. This approach recognises that effective emissions reduction requires both national policy setting and state-based regulation. Commonwealth frameworks play a critical role in national accounting and market mechanisms, while state-based requirements ensure emissions from licensed activities are appropriately managed within NSW and aligned with the EPA's statutory responsibilities to protect the environment and human health.

Future greenhouse gas emissions limits on licences

What we heard

The EPA flagged that greenhouse gas limits on licences will be considered as a longer-term outcomes-based regulatory tool to support emissions reductions across the economy.

Submissions expressed differing views on the introduction of future greenhouse gas emissions limits through environment protection licences. Some community and environment groups supported the introduction of these limits, particularly for the coal sector, stating that these should

be put in place quickly and are necessary to ensure NSW meets its legislative emissions reduction targets.

Individuals and some industry and business groups expressed conditional support, noting that any emissions limits would need to be proportionate. Industry groups representing hard-to-abate sectors tended to oppose the introduction of licence limits. Their submissions raised concerns about economic impact, carbon leakage, investment certainty, and regulatory duplication with Commonwealth schemes.

Across stakeholder groups, submissions sought clarity on the scope, timing and design of any future emissions limits.

Our response

Greenhouse gas emission limits on licences remain a medium- to long-term regulatory measure the EPA will continue investigating. This reflects the need for limits to be evidence-based, measurable and enforceable, supported by robust emissions data and sector-specific analysis. This staged approach is intended to ensure that future emissions limits, if introduced, are effective in driving real emissions reductions while avoiding unintended consequences for impacted industries. Any greenhouse gas emission limits on licences or sectors will be subject to consultation ahead of implementation.

Specific mitigation actions for licensees

What we heard

Some industry and community and environment groups supported the introduction of mandatory, enforceable, sector-specific mitigation actions, particularly where technologies are proven and emissions reductions are urgent.

A large number of industry groups and local government submissions opposed the introduction of mandated mitigation actions at this stage. Their submissions raised concerns about potential economic impacts, regulatory burden, duplication with Commonwealth schemes, impact on Australian Carbon Credit Unit (ACCU) eligibility, and the risk of overly prescriptive or technology-specific requirements that do not reflect sectoral diversity, operational variability or technological maturity.

Our response

The EPA has taken a staged and risk-based approach to the introduction of specific mitigation actions. At this stage, climate change mitigation and adaptation plans (CCMAPs) have been introduced to provide transparency about planned mitigation pathways and to build a robust evidence base on emissions sources, constraints and opportunities across sectors. This information will support the EPA to assess emissions risks, identify systemic barriers, and determine whether and where additional regulatory action or targeted support may be required over time. The initial focus is on specific mitigation measures for the NSW coal sector, recognising the climate benefits associated with taking early action to reduce fossil methane.

Where specific mitigation actions are introduced in the future, they will be developed progressively on a sector-by-sector basis, taking into account emissions risk, site-specific circumstances, technological maturity and lead times.

The EPA recognises the important role of market-based mechanisms and funding tools, including ACCUs, in supporting decarbonisation. Regulatory requirements will be designed to align with, and not undermine, existing incentives or support mechanisms, recognising that effective emissions reduction is most likely where regulation and incentives operate together.

This approach seeks to balance the need for timely action on emissions with the concerns raised by industry and local government about feasibility, cost and unintended consequences, while retaining the ability to introduce more targeted regulatory measures where evidence demonstrates they are warranted.

Emissions thresholds, boundaries and measurement

What we heard

Submissions sought clarity on how the requirements apply where a licensed premises' emissions fall below 25,000 tonnes of carbon dioxide equivalent (CO₂-e) scope 1 and 2 emissions per year after previously exceeding the threshold. Some submitters noted that planned abatement technologies or operational changes were expected to result in sustained emissions below the threshold and questioned whether continued reporting would be required in those circumstances.

Submissions also raised issues relating to emissions boundaries and measurement, including challenges arising from differences between EPA environment protection licence 'premises' boundaries and NGERS 'facility' boundaries. Stakeholders further sought clarification on whether the 25,000 tonnes of CO₂-e threshold is assessed on a gross or net basis.

Our response

The requirements have been updated to clarify that licensed premises that expect their scope 1 and 2 greenhouse gas emissions to fall below 25,000 tonnes of CO₂-e per year over the next three years are not required to meet the requirements. If emissions subsequently exceed this threshold, the requirements will apply. This approach is intended to encourage decarbonisation and onsite abatement by providing regulatory certainty where sustained emissions reductions have been achieved, while ensuring that the threshold continues to be applied consistently based on evidence over time.

The EPA has also clarified how emissions boundaries and measurements are to be applied. In some cases, an NGERS 'facility' may not align exactly with an environment protection licence 'premises'. Where this occurs, the EPA will accept the NGERS report that most closely relates to the licensed premises, accompanied by a brief explanation of any differences in emissions arising from boundary or operational differences.

For the purposes of determining whether a licensed premises meets the 25,000-tonne threshold and for annual emissions reporting, the threshold applies to gross scope 1 and scope 2 emissions.⁵

⁵ Gross emissions not including offsets. Total emissions must be calculated using location-based scope 2 emissions.

Greenhouse gas emissions reporting

Emissions reporting and alignment with Commonwealth requirements

What we heard

Industry sectors and local governments emphasised the importance of aligning the proposed requirements with existing Commonwealth schemes, particularly NGERs, Safeguard Mechanism, and Australian Sustainability Reporting Standards. Submissions also sought clarity on reporting expectations for legacy and non-legacy landfill emissions.

Some licensees queried why the EPA needs annual emissions data that is already provided to the Clean Energy Regulator, referencing additional administrative burden that the EPA's requirements could cause.

Submissions from licensees who do not currently need to report to NGERs sought additional support on methodologies that do not have a prescribed methodology under NGERs.

Our response

The EPA's annual emissions reporting requirements have been amended to align with Clean Energy Regulator reporting requirements. The only additional EPA-specific requirement is for licensees to provide a short explanation of the reasons for any significant year-on-year changes in emissions. This additional information supports the EPA to better understand emissions trends at licensed premises, identify drivers of change, and inform decisions about where regulatory intervention or targeted support may be required.

Emissions reporting to the EPA also ensures the EPA has appropriate access to emissions information needed to fulfil its statutory function, including analysis, publication and regulatory decision-making. To ease the administrative burden on licensees, the EPA is working with the Clean Energy Regulator to establish data-access arrangements.

The reporting requirements for landfills have been clarified to reference that emissions reporting should be consistent with the National Greenhouse and Energy Reporting (Measurement) Determination 2008, which requires emissions calculations for legacy deposits made from 2008 onwards.

The EPA has aligned reporting timeframes with NGERs wherever possible. Licensees may submit the same final emissions data provided to the Clean Energy Regulator. This approach reduces duplication while maintaining consistent, high-quality emissions information.

The revised timeline for reporting is provided in Table 1.

Table 1 Revised timeline for reporting annual emissions data

Tranche	Who it applies to	Annual emissions report	
		Original proposed: first annual emissions report due	Revised: first annual emissions report due
1	Safeguard facilities & coal mines	28 February 2026	31 March 2027
2	Other facilities	28 February 2027	31 March 2027

Future emissions estimates

What we heard

Submissions from businesses and industry peak bodies raised concerns about the CCMAP requirement to publish 10-year future emissions estimates. Reasons included unreliability of long-term forecasts, forecasts can become quickly outdated, and that publishing this information would reveal commercially sensitive information. Some submissions suggested that shorter-term estimates would better support the objectives of mitigation planning and align more closely with existing reporting frameworks.

Community and environment groups supported the proposed requirement as it created transparency of a company's forecasted emissions journey.

Our response

The EPA has removed the requirement to publish 10-year emissions estimates. Instead, licensees will be required to submit five-year emissions estimates directly to the EPA every three years. This approach will reduce the risk of licensees disclosing commercially sensitive information, and recognises the uncertainty associated with long-term estimates while still providing the EPA with forward-looking information to inform regulatory oversight and emissions reduction planning.

The exception to this is licensees that operate electricity firming infrastructure who have entered into a long-term energy service agreement with the Consumer Trustee, who will be required to submit 10-year emissions estimates directly to the EPA every three years.

The timeline for reporting is provided Table 2.

Table 2 Timeline for reporting forward emissions estimates

Tranche	Who it applies to	Forward emissions report due
1	Safeguard facilities & coal mines	31 March 2027
2	Other facilities	31 March 2027

Climate change mitigation and adaptation plans

CCMAP publishing timeframes

What we heard

Submissions from businesses, industry peak bodies and local governments raised concerns about the feasibility of preparing and publishing CCMAPs by October every three years, given other reporting obligations due around the same time.

Our response

Under NGERS, reporters submit data for the previous financial year by 31 October, with final datasets published by the Clean Energy Regulator in February following review and any required amendments.

The EPA has amended CCMAP reporting timeframes. Regular updates to CCMAPs will follow the Clean Energy Regulator reporting cycle as closely as possible. Licensees may update their CCMAP earlier than the required three-year cycle.

The revised timeline for reporting is provided in Table 3.

Table 3 Revised timeline for CCMAP due dates

Tranche	Who it applies to	Climate change mitigation & adaptation plans		
		Original proposed: first CCMAP due	Revised: first CCMAP due	Revised: first CCMAP update due
1	Safeguard facilities & coal mines	31 October 2026	31 March 2027	31 March 2030
2	Other facilities	31 October 2027	31 August 2027	31 March 2030

Emissions goals

What we heard

The draft documents proposed to require licensees to publish emissions reduction goals for 2030, 2035 and 2050. The expectation was that these goals would align with NSW emissions reduction targets (see Box 1), or that licensees would explain how their proposed trajectory nonetheless represents a meaningful contribution to NSW’s emissions reduction objectives and broader decarbonisation efforts.

Box 1: NSW emissions reduction targets

- 50% reduction on 2005 net emissions levels by 30 June 2030
- 70% reduction on 2005 net emissions levels by 30 June 2035
- net zero emissions by 30 June 2050.

Some businesses and industry peak bodies provided feedback that this approach did not sufficiently recognise the operational constraints faced by some sectors. In particular, some stakeholders noted that many licensees are not able to achieve emissions reductions in the short term and are reliant on longer term technological developments to enable future abatement. In this context, stakeholders expressed a preference for greater flexibility in how emissions goals are framed, including the use of intensity-based goals.

Stakeholders also raised concerns that requiring the publication of emissions reduction goals where reductions are not currently feasible could expose licensees to undue risk, including:

- potential regulatory or compliance action or claims of greenwashing if published goals are not met
- increased risk of third-party legal challenges where emissions outcomes do not align with NSW emission reduction targets
- pressure to publish goals that cannot be achieved or reliably forecast, given current technology and investment constraints.

Community and environment groups supported the proposed requirement, stating that published emissions reduction goals not only made decarbonisation journeys more transparent but also created an accountability mechanism for licensees.

Several submissions from a range of stakeholders sought clarity on how emissions goals were intended to operate and how they would be assessed, particularly in relation to making a meaningful contribution to NSW’s emissions reduction targets.

Our response

The EPA's intention in requiring CCMAPs is to improve transparency about how licensees are planning to manage and decarbonise their operations over time, and to provide the EPA with better information to understand emissions trajectories, identify barriers and determine where regulatory intervention or targeted support may be most effective.

To better align with this intent, the EPA revised the emissions goals requirement – rather than requiring emissions 'reduction' goals, licensees are now required to publish 'emissions goals' for their licensed premises for 2030, 2035 and 2050. Any additional interim goals are optional and may be expressed using alternative approaches, including intensity-based goals.

Licensees will still be expected to have goals that are broadly consistent with the NSW emissions reduction trajectory. However, we recognise that different sectors will have varying levels of technology available to decarbonise in the short, medium and long term. If the projected emissions trajectory does not align with the overall NSW net zero emissions trajectory, the licensee must explain why. We recognise that emissions reduction trajectories may be 'lumpy' and may depend on the implementation or availability of cost-effective technologies across different time horizons.

This approach is intended to support credible and transparent disclosure and ensures the requirements remain practical across a diverse range of licensees. Where the EPA is concerned that not enough action is being taken to reduce emissions, the EPA will develop targeted mitigation requirements that can be implemented as conditions on individual licences or across sectors.

Future mitigation actions

What we heard

The CCMAPs document proposed that licensees identify and commit to mitigation measures that they will implement over the next 10 years.

Submissions from businesses and industry peak bodies noted that internal business financial planning generally operates in shorter-term cycles. Concerns were also raised that many potential decarbonisation opportunities are not yet commercially viable or proven, making it difficult for licensees to commit to mitigation actions over a 10-year horizon without firm investment decisions or certainty about the availability and performance of future technologies.

Some submissions noted that licensees may be reluctant to publicly commit to mitigation measures in advance, given uncertainty around the technical feasibility, timing and cost of technologies, and concerns that publishing mitigation plans ahead of internal financial commitments could expose them to allegations of greenwashing.

Our response

The EPA has amended the CCMAPs document to accommodate the need for transparency with the dynamic reality of changing and emerging mitigation technologies. Licensees will be required to describe the mitigation actions they intend to take over the next five years, instead of over 10 years. Licensees can describe the opportunities they will investigate or assess in the longer term (six to 10 years). This approach recognises the evolving nature of technologies and markets while maintaining visibility of each licensee's decarbonisation pathway.

Preparing one CCMAP for multiple facilities or premises

What we heard

Most submissions supported greater flexibility in how CCMAPs are prepared, particularly for organisations operating multiple facilities or holding multiple environment protection licences. Many noted that preparing and publishing separate plans can be resource-intensive, especially for smaller operators. Some submissions also highlighted that the EPA already accepts alternative reports in certain circumstances and suggested a similar approach for CCMAPs.

Our response

The EPA has updated the CCMAPs document to clarify that a single CCMAP may be prepared for multiple licensed premises within NSW where they are part of the same corporate entity. This approach enables organisations to set emissions goals across a suite of premises and focus resources where emissions reductions can be most effectively achieved.

The document has also been amended to allow for local government joint organisations or a local council to prepare a CCMAP on behalf of multiple councils for their licensed premises.

Where a licensee submits one CCMAP for multiple premises, including across councils, the CCMAP must still include premises-specific data on:

- the current quantities of emissions
- the current and planned mitigation measures.

Offsets

What we heard

Submissions raised concerns over wording around the topic of offsets – some wanted clarity on the preference of offsets generated in NSW, and others noted a difference in how the EPA defined an offset compared to the Commonwealth.

Other submissions noted their opposition to licensees relying on offsets, with a preference for onsite abatement. Concerns were raised that publishing detailed offset strategies could distort the offset market or require disclosure of commercially sensitive information.

Our response

All offsets included in a CCMAP must be from an Australian-based project, with a preference for offsets generated in NSW. Offsets generated outside of NSW do not count towards the NSW emissions reduction inventory. This approach recognises that offsets may form part of a broader mitigation strategy for hard-to-abate emissions, while maintaining alignment with regulatory objectives and transparency expectations.

The EPA acknowledges that publishing detailed offset strategies may disclose commercially sensitive information. To address these risks, the EPA has refined the CCMAPs requirements so that licensees are not required to publicly disclose commercially sensitive details of their offset strategies. Instead, licensees will be expected to outline their high-level approach to the use of offsets.

Additional support and guidance

What we heard

Some submissions sought more support and information to help them comply with the requirements. This included requests for templates or examples of a CCMAP, more information about funding and grants, additional data and directions on estimation methodologies.

Our response

The EPA is providing additional guidance and practical support to assist licensees in meeting the requirements. This includes publishing information on the available funding grants and communicating this information directly to licensees.

Local government joint organisations are now eligible to access the funding to support the development of a combined CCMAP covering multiple licensed premises over more than one local government area. The EPA will also develop a CCMAP template, to be piloted initially with councils and joint organisations, with further details to be released. In parallel, the EPA has worked with the High Emitting Industries Fund to ensure joint organisations can access relevant funding to support implementation.

Mitigation requirements for NSW coal mines

Need for EPA regulation in addition to the Safeguard Mechanism

What we heard

The EPA heard varying perspectives on the need for additional regulatory intervention to drive onsite emissions reductions at NSW coal mines.

The prevailing sentiment from the mining sector was that additional intervention beyond the Safeguard Mechanism is not required to drive emissions reductions aligned to NSW targets. Coal mine licensees and representative groups submitted that the Safeguard Mechanism will drive the adoption of feasible onsite abatement opportunities and that the EPA's proposals add duplication and administrative complexity. Some industry submissions suggested that NSW Government modelling shows the industry is already on track to reduce emissions in line with the state's legislated target of a net 50% reduction in emissions by 2030.

Other submissions supported the need for EPA regulatory intervention to drive onsite abatement. Environment groups were supportive of regulatory intervention to drive onsite abatement but were concerned at the timelines for mitigation actions proposed in the Coal Guide. These submissions argued the timelines were too slow, and do not recognise the urgent need to reduce emissions and reduce methane by 75% by 2030 to slow the rate of global warming during a critical window.

The EPA Aboriginal Peoples Knowledge Group supports the implementation of regulatory requirements aimed at reducing major sources of onsite emissions and the timing proposed in the Coal Guide. They discouraged extensions or delays beyond these timeframes in recognition of the importance of timely action.

Feedback from the finance sector that invests in metallurgical coal emphasised that methane poses an investment risk and supported measures to provide clarity on government expectations for methane measurement and mitigation. They argued this will help mitigate regulatory risk and

protect portfolio value for both the coal mining and steel industries as well as the banks and investors that finance them.

The Net Zero Commission's *Coal Mining Emissions Spotlight* report found that additional regulatory measures will be required to achieve measurable onsite abatement in order to support NSW's emissions reduction targets. Its feedback on the EPA's proposed requirements also supported regulation.⁶

Our response

The EPA acknowledges the need for industry and investment certainty about methane mitigation measures and timely abatement aligned with legislated targets.

It is the EPA's view that current policy settings under the Commonwealth Safeguard Mechanism are unlikely to deliver strong enough signals to progress onsite abatement with sufficient urgency to achieve the legislated targets within the *Climate Change (Net Zero Future) Act 2023*. As the Safeguard Mechanism places no limits on the purchase of offsets, onsite methane abatement will result in climate benefits in a much shorter time frame than the Safeguard Mechanism. Less than half of the available ACCUs are for abatement (that is, reducing emissions). Most are for carbon dioxide sequestration (that is, taking carbon dioxide out of the atmosphere through plant respiration) and there is limited visibility of methane avoidance credit quantities.⁷ The EPA's requirements for the coal sector support the application of the mitigation hierarchy, which means reducing emissions onsite first as much as possible before relying on offsets. The EPA recognises that the coal mining sector will need some level of offsets to help meet net zero commitments. However, offsets should not be relied on if onsite emissions reduction options exist.

Drainage and the flaring and utilisation of drainage gas

What we heard

The EPA sought feedback on a proposal that all active underground mines located outside of the Western coalfields, and which emit greater than 25,000 tonnes of CO₂-e scope 1 emissions per year, install gas drainage with flaring and/or utilisation by 2027.

The EPA also sought feedback on the feasibility of a similar requirement for surface mines.

Underground mines

At least six mines in NSW either currently flare or utilise their drainage gas, or have plans to do so. Three mining companies noted in their submissions that it would not be possible for them to comply with the requirements due to insufficient gas compositions or concentrations which can vary over the life of the mine. Some mining companies noted that they had recorded elevated levels of carbon dioxide in pre-drainage gas which would in turn impact the viability of flaring.

⁶ Net Zero Commission 2025, [Coal Mining Emissions Spotlight Report: December 2025](#), Net Zero Commission

⁷ Clean Energy Regulator 2025a, [Quarterly Carbon Market Report \(September 2025\)](#), Clean Energy Regulator, Australian Government

Surface mines

Some mining sector submissions noted that drainage and flaring at surface mines were subject to significant technological constraints, primarily due to the relatively low concentrations of methane in surface mines compared to underground mines.

Conversely a significant number of submissions (49) urged the EPA to consider more ambitious action including an expedited timeline for delivery and mandating drainage and flaring requirements for open cut coal mines, reiterating that this was advised by the EPA's expert panel.

Our response

Underground mines

The EPA has sought to balance the need for genuine emissions reduction whilst weighing up the technological and financial feasibility of implementing mitigation technology. To recognise that destroying drainage gas through flaring may not be technically feasible at all underground coal mines, we have amended the requirement to be more specific.

Published coal mine methane flaring guidance indicates that flares generally require methane concentrations of at least 20–30% by volume⁸ for stable, standalone operation. Therefore, drained gas with methane content below 30% by volume cannot be practically flared. The EPA has amended the requirement for flaring or utilisation technology to be implemented where the methane contained in drainage gas is above 30%. To better align with NGERS reporting thresholds under NGERS legislation⁹, the threshold is now greater than or equal to 25,000 tonnes of CO₂-e per year and includes scope 1 and 2 emissions.

This requirement only applies to mines where drainage is carried out. Mines located within the Western coalfields would be excluded from this requirement due to the limited gas in the coal and limited drainage needed for safe operation.

Surface mines

We understand that some stakeholders have strong objections to the lack of requirements for flaring and utilisation for surface mines. It remains unclear how many surface mines in NSW have methane concentrations high enough to make flaring feasible. More work needs to be done to determine the precise methane concentrations of NSW surface mines before the EPA can consider whether a similar mandate to that for underground coal mines is appropriate. We encourage the operators of surface coal mines to explore the technological feasibility of gas drainage and flaring at their site. Bengalla mine has conducted studies into different gas extraction techniques including using horizontal in-pit drilling.¹⁰ Investigating mandates for flaring of drainage gas at surface mines will be a priority for the EPA in the coming years.

⁸ United Nations Economic Commission for Europe 2024, [Best Practice Guidance for Ventilation Air Methane](#), UN Economic and Social Council, Geneva

⁹ 'NGERS legislation' is Australian Government legislation administered by the Clean Energy Regulator, including *National Greenhouse and Energy Reporting Act 2007*, National Greenhouse and Energy Reporting Regulation 2008 and National Greenhouse and Energy Reporting (Measurement) Determination 2008.

¹⁰ New Hope Group 2024, [Sustainability Report 2024](#), New Hope Group, Brisbane

Methane leaks have been detected and managed

What we heard

The EPA's proposed requirements relating to capping and sealing of old workings received minimal feedback from industry. Some submissions stated that sealing in underground mines is standard industry practice and were concerned that including this as a mitigation measure misrepresents existing efforts by industry to decarbonise.

Consultation with one expert noted that coal mine licensees can identify leaks at minimal cost through a ventilation survey.

Some stakeholders argued for faster action to bring forward the requirement for the detection of methane leaks.

Our response

Advice received from the EPA's expert panel noted that sealing of old mine workings and checking existing seals for leaks represents a cost-effective mitigation measure for coal mine licensees. The draft Coal Guide stipulated that all active operational underground mines that emit more than 100,000 tonnes of CO₂-e per year (scope 1) will be required to ensure that methane leaks have been detected and are managed through resealing or ventilation balance methods by 2027.

Given the potential scale of emissions that can be abated through the sealing of old workings, along with the advanced and cost-effective nature of the technology, the EPA has broadened this requirement to now include all mines that emit greater than or equal to 25,000 tonnes of CO₂-e per year (scope 1 and 2), which also aligns with NGERs reporting thresholds under NGERs legislation.

Ventilation air methane abatement requirements for underground mines

What we heard

The EPA's proposed ventilation air methane (VAM) abatement mandate received the most feedback from submitters.

Community and environment groups were concerned that the EPA's proposed timeline of 2030 will not require VAM abatement this decade at many of the state's largest emitting mines despite the fact regenerative thermal oxidation (RTO) technology has been proven and implemented overseas. Suggestions on amendments to the proposed VAM abatement mandates from these submissions included:

- VAM abatement be mandated at highest emitting underground mines from 2027 and at other underground mines from mid-2028
- a 75% reduction in fugitive methane emissions from the coal sector can be achieved by 2035 with the deployment of RTO systems across six high emitting underground mines in NSW by 2032.

The coal mining sector raised concerns that regenerative thermal oxidisers have not been proven to be implemented and safely operated in a NSW underground coal mining context. In addition, the sector's view was that the technology has not been proven to have self-sustaining operations at methane concentrations below 0.2–0.4%, and most mines in NSW operate at or below these levels. When the methane concentration drops below 0.2% an additional fuel source is required, which negates much of the emissions reduction benefit. The coal mining sector have stated that they are

awaiting the outcome of regenerative thermal oxidiser trials at NSW coal mines before they look at installing them at other mines across the state. The outcome of the trials at NSW coal mines will not be available until 2027–28 so many coal mining companies considered it may be unrealistic and unachievable to comply with the proposed 2030 date.

The coal mining sector also raised concerns that regenerative thermal oxidisers may not be financially feasible for some mines as each mine has unique circumstances that affect feasibility of implementing certain technologies.

Mine operators noted that major capital investment decisions are assessed against the remaining time of the development consent even if the theoretical mine life is longer than the development consent.

The cost of investing in offsets is much lower than regenerative thermal oxidisers at some mines. Mining companies raised concerns about the need to open up consents in order to seek approval to install VAM abatement.

The coal mining sector and unions have suggested that the EPA needs to work with Resources NSW to overcome safety issues and publish safety guidance for coal mine operators. The Net Zero Commission also encouraged the EPA to work with the safety regulator. The sector has also raised further concerns that the EPA requirements duplicate and do not complement the requirements of the Safeguard Mechanism, which does not require the implementation of regenerative thermal oxidisers at coal mines.

Our response

The EPA recognises that the implementation of VAM abatement technologies, such as regenerative thermal oxidisers, is complex and requires significant resources to implement. However, VAM abatement has the most significant potential to reduce greenhouse gas emissions across the coal sector.

The EPA has confirmed with technology suppliers that regenerative thermal oxidisers are technically self-sustaining in their operation at methane levels of 0.20% and above and will guarantee this through contractual arrangements.¹¹ While there are none operating at this level in NSW mines, there is a trial being undertaken in Wales (United Kingdom) under a similar safety context that will help provide additional data to support the implementation of VAM abatement at NSW mines.

Given that 80% of fugitive emissions come from underground mines, the EPA is progressing with a VAM abatement requirement. However, the implementation timeframes have been amended to target the highest emitting mines first and ensure that mine licensees do not wait until the outcome of the Appin trial before any site-specific analysis is undertaken.

This will ensure there is sufficient time for mine licensees, and capacity within the market to support the implementation of VAM abatement before the requirements come into place. In certain circumstances it is possible for RTO units to be installed without development consent and assessed under Part 5 of the *Environmental Planning and Assessment Act 1979*. If a licence variation is required,

¹¹ NSW EPA 2025b, [Responses to pre-workshop questions – ventilation air methane suppliers](#), NSW Environment Protection Authority, Parramatta

the licensee would prepare information that addresses the matters in section 45 of the *Protection of the Environment Operations Act 1997*.

Any mine licensees seeking planning approval to operate after 2030 will be required to abate 75% of VAM emissions from 2034, provided the VAM concentration is consistently greater than 0.20%. This ensures that any new approvals are only granted on the basis that adequate abatement will occur. Further information on the type of information required, including information on gas characterisation work, is included in the final *Greenhouse Gas Mitigation Guide for Coal Mines*.¹²

A summary of the revised requirements is in Table 4.

Table 4 Summary of revised requirements

VAM abatement requirements	Implementation phasing
<p>VAM abatement must be installed at operating underground mines if:</p> <ul style="list-style-type: none"> • the mine has consistently greater than 0.20% VAM concentration, and <ul style="list-style-type: none"> – is operating after 2030, and – is located outside of the Western coalfields, and – emits $\geq 100,000$ t CO₂-e/year scope 1 	<p>Underground mines that emit ≥ 1 million tonnes (Mt) CO₂-e/year must:</p> <ul style="list-style-type: none"> • have VAM abatement in place on at least one shaft by 1 July 2030, and • abate at least 75% of VAM emissions annually^(a) from 1 July 2032. <hr/> <p>Underground mines that emit < 1 Mt CO₂-e/year must:</p> <ul style="list-style-type: none"> • have VAM abatement in place on at least one shaft by 1 July 2032, and • abate at least 75% of VAM emissions annually^(a) from 1 July 2034.

(a) Note this is not cumulative. Year is financial year.

The EPA will review these requirements regularly to take account of the outcome of the Appin and Wales trials, and any advances in regenerative catalytic oxidation that may bring down the operational threshold for VAM abatement.

Continuous emissions monitoring for underground coal mines

What we heard

The EPA proposed mandating continuous monitoring of methane from underground mine ventilation. Submissions from mining companies were not in favour of mandating continuous emissions monitoring from upcast ventilation shafts at Safeguard underground coal mines.

One company noted that continuous methane concentration monitoring in ventilation air is relatively common in industry, whereas continuous flow monitoring of ventilation air can be problematic to achieve and maintain, and flow rates are typically much less variable. They recommended a hybrid approach where methane concentrations are monitored continuously, and ventilation flow rates are monitored intermittently.

Other mining companies noted it would be expensive to install and operate, and there would be no improvement in the emissions estimates by requiring continuous monitoring from their operations. This was cited as particularly the case for mines with very low methane levels in their ventilation air.

¹² NSW EPA 2026c, [Greenhouse Gas Mitigation Guide for NSW Coal Mines](#)

These submitters were also concerned that the proposal would be inconsistent with the Commonwealth NGERs methodologies.

One company expressed concern that the EPA has not prepared a cost-benefit analysis to inform the policy settings which would include the requirement of mandating continuous emissions monitoring.

Environmental and community groups supported a requirement for continuous monitoring of emissions, and some considered the requirement should extend to the Western coalfields, to non-Safeguard mines, and mines expected to close within two years.

Our response

Methane concentrations in ventilation air are highly variable. Currently, under NGERs, mining companies have the option to do periodic or continuous emissions monitoring to estimate their fugitive methane emissions. Accuracy is defined by the Clean Energy Regulator as neither over- nor under-estimating the true values at a 95% confidence interval.¹³

Effective management of VAM requires accurate monitoring because of the very low methane concentrations. The EPA understands that many mine licensees have already implemented continuous, accurate monitoring of methane concentrations in ventilation air for safety reasons. However, there may be other mines emitting large amounts of greenhouse gas emissions where upgrades to infrastructure, to enable more frequent or continuous monitoring of emissions, would reduce uncertainty associated with VAM emissions and provide a higher level of confidence in VAM emissions measurement data. Upgrading of such infrastructure was a recommendation of the CSIRO.¹⁴ The EPA will work with individual licensees and place specific emissions measurement requirements on environment protection licences where warranted. Accurate data will be needed for mine operators to demonstrate which EPA coal mine requirements apply or not. This is discussed further in the EPA's *Greenhouse Gas Mitigation Guide for NSW Coal Mines*.¹⁵

Low carbon liquid fuels mandates

What we heard

Environment groups, fuel suppliers and many individuals broadly supported the introduction of low carbon fuel mandates, with some supporting the introduction of an earlier, lower target, that is 2.5% of fuel used at coal mines be a low carbon alternative to diesel by 2027. Others considered the proposal unambitious with low resultant abatement.

Some bioenergy suppliers suggested there may be broader benefits to a mandate, including economic benefits for regional development and growth, strengthening the mining sector's energy resilience, and reducing reliance on imported fuels.

Key feedback from mining representatives was that the requirements are inequitable as mining is not the largest user of diesel and the EPA is singling out one industry. They submitted that because

¹³ Clean Energy Regulator 2025b, [Estimating Emissions And Energy From Coal Mining](#), Clean Energy Regulator, National Greenhouse and Energy Reporting, Australian Government, Canberra

¹⁴ NSW EPA 2025c, [Improving Measurement of Fugitive Methane Emissions](#), NSW Environment Protection Authority, Parramatta

¹⁵ NSW EPA 2026c, [Greenhouse Gas Mitigation Guide for NSW Coal Mines](#)

the cost of abatement is much higher than the prices of ACCUs, most mine licensees will seek an exemption on the grounds of financial feasibility.

Some mining companies questioned the sector's capacity to supply the quantities required, feedstock availability and complexity with fuel supply chains in the mining sector, which often involves delivery to remote locations and use of joint or third-party terminals. They also questioned the limits on the use of biodiesel in large mining equipment and impacts on warranties. However, this is not substantiated by feedback received from equipment manufacturers or established Australian fuel standards for biodiesel blends of 5% and 20%. Feedback received from equipment manufacturers indicated no impact to warranties for blending up to 20% in the majority of equipment. Other low carbon fuels can also be used where biodiesel is not preferred and in combination to meet higher percentage requirements.

Our response

The EPA has removed the requirements for low carbon fuels for the coal mining sector as part of this proposal. The EPA will review these requirements following the release of the new NSW Net Zero Plan to 2035.

The EPA acknowledges that onsite abatement options such as low carbon fuels come at a much higher cost per tonne of abatement than offsets provided through ACCUs. The evidence received through the public consultation process indicates that increasing demand for low carbon fuels through a mandate imposed on the mining sector is unlikely to reduce the cost of low carbon fuels, given the feedstocks are global commodities driven by global prices. In addition, the Safeguard Cost Containment measure places a cap on the price associated with abatement for Safeguard facilities that will always be lower than the cost of abatement for low carbon fuels. As a result, it is unlikely that the Safeguard Mechanism will ever incentivise investment in low carbon fuels.

For this reason, additional intervention beyond the Safeguard is likely to be needed to drive reduction in diesel emissions at coal mines. Higher diesel prices can incentivise a faster move towards hybrid or electric equipment subject to the technologies being available.

Evidence gathered during the consultation indicated that existing surplus biodiesel capacity on the east coast could meet the proposed 2030 requirements. It also showed that sufficient NSW and Australian feedstocks would be available to support the proposed 2035 and 2040 fuel mandates as further production capacity comes online.

The EPA is of the view that while low carbon fuel mandates for the coal mining sector may be warranted to help drive onsite emissions reductions of diesel emissions, consideration of these mandates is better progressed following an economy-wide analysis for low carbon liquid fuel mandates. Therefore, the requirement has been removed from the Coal Guide.

Low emissions mining vehicles and equipment

What we heard

In our consultation, the EPA sought feedback on a requirement to electrify mining machinery and vehicles from 2040, moving to 100% electrification of large mining machinery and vehicles by 2050.

Many environment groups and individuals suggested the EPA change the requirements to reflect a faster and more ambitious schedule for electrification of vehicles at coal mines and require a shift to renewable energy use at mine sites.

Submissions from mining companies noted there are substantial technical, commercial and operational barriers, including grid capacity constraints, charging infrastructure and performance limitations for heavy off-road vehicles. Grid capacity is a major constraint, with some sites requiring up to 200 megawatts for vehicle electrification. Charging downtime, battery lifecycle and high voltage workforce limitations add complexity. Some mining companies noted that they have faced pressure to reduce electrical power use from the grid during peak times and have also been approached to curtail productive mining and participate in demand response schemes to support grid stability.

The EPA consulted with vehicle and engine suppliers and mining representatives who noted that while tethered electric excavators are commercially available, battery trucks and dozers of the size needed for coal mining are still in development. Hybrid options for large mining vehicles offer the operational flexibility needed by coal mine licensees as well as emissions reduction opportunities, however, they require further development and prototype trials before they will be ready to become commercially available.

Our response

In response to limited technological availability and grid capacity constraints the EPA has removed the electrification requirements from the Coal Guide. The EPA will periodically review this position as battery and hybrid technology improves.

Exemptions framework and outcomes-based regulation

What we heard

The EPA consulted on a proposal that if it was not feasible for a mine to implement one of the proposed prescriptive mitigation measures, it could seek to be exempt by providing a pre-feasibility assessment. The EPA proposed that the pre-feasibility assessment should consider technical, logistical and financial feasibility.

There was general opposition to an exemptions framework from varying stakeholder perspectives.

The coal mining sector noted that the majority of mining licensees will likely apply for exemptions, either because of technical feasibility or because the cost of onsite abatement would be higher than achieving the same level of abatement by investing in offsets.

Mining companies requested clarity on the exemption processes and raised concerns that pre-feasibility assessments are costly, and noted the feasibility of a proposal can be determined without undertaking a detailed pre-feasibility assessment.

Community and environmental groups were largely opposed to exemptions as their view was that most mine licensees would apply for exemptions and the exemptions framework undermined the EPA's proposed regulatory approach. There was also significant opposition to the EPA considering the financial issues as criteria for granting an exemption. Community and environment groups requested that if a technology was technically feasible then mine licensees should be required to implement the requirements.

Community and environment groups requested strict limits be placed on coal mine licences to prohibit the unabated release of methane from underground mines and that emissions limits should be placed on all coal mine licences. They also agreed with the expert panel report that states it will be difficult to reduce emissions from the coal sector without limits.

The Net Zero Commission's feedback to the EPA on the Coal Guide and a submission from a vehicle supplier also suggested that rather than a prescriptive mandate, the EPA should implement clear emissions reduction targets while allowing industry the flexibility to innovate and develop site-specific solutions tailored to individual mine characteristics, geological conditions and regional factors. The NSW Minerals Council submission suggested that a better approach would be for licensees to justify their site-specific mitigation approach in the proposed CCMAPs.

Our response

In response to stakeholder opposition to the exemptions process, the EPA has removed it and narrowed the requirements to only apply to mines where the requirements are technically feasible. This means that mine licensees will not need to undertake a pre-feasibility assessment or apply for exemptions on the basis of technical viability.

We have also implemented an outcomes-based approach as an alternative to the proposed prescriptive abatement requirements. Any mine captured by the VAM drainage and flaring requirements may implement alternative onsite (scope 1) abatement to achieve an equivalent level of abatement at their mine site, or another coal mine in NSW not subject to the requirements, instead of meeting the requirement. This allows mine licensees the flexibility to tailor their onsite abatement to their individual circumstances and direct funding to the most cost-effective abatement, while giving assurance that the same level of greenhouse gas mitigation will occur across the sector. Since the requirement provides flexibility for abatement to occur at any coal mine, it may be necessary to work with other mine operators to reach the level of abatement prescribed. Licensees will need to provide evidence to substantiate the effectiveness of the alternative abatement in their CCMAPs.

As outlined in the consultation material, the EPA has not set greenhouse gas limits for each of the coal mines as further work is required before such limits could be set and enforced. However, this outcome-based approach does provide an abatement goal and then allows the licensee to determine how to meet that goal.

The EPA expects that all coal mine proposals seeking extensions or modifications through the planning system commit to avoiding and/or abating material greenhouse gas emissions onsite. Any proposals that do not will be considered to have not adequately addressed the expectations set out in the *NSW Guide for Large Emitters*.¹⁶ The EPA will be supportive of longer consent durations for proposals that do commit to material onsite abatement. This is because any new greenhouse gas emissions proposals should be adequately factoring in abatement in their economic analyses when seeking planning approval.

¹⁶ NSW EPA 2025a, [NSW Guide for Large Emitters: Guidance on how to prepare a greenhouse gas assessment as part of NSW environmental planning processes](#)

Scope 1 minor sources

Scope 1 emissions: the release of greenhouse gases into the atmosphere as a direct result of activities occurring within a responsible entity's control (or geographic boundary).¹⁷ Scope 1 emissions are sometimes referred to as direct emissions. Examples of scope 1 'minor sources' include petrol combustion, ammonium nitrate fuel oil combustion, oils and greases, and sulfur hexafluoride.

What we heard

Submissions from the coal mining sector noted that scope 1 minor sources are insignificant and difficult for mine licensees to abate. These submissions state that where abatement options are available and cost effective, they are being implemented.

Our response

The EPA recognises that scope 1 minor sources are challenging to abate and comprise a very small proportion of emissions from a coal mine. Guidance on abating scope 1 minor sources of emissions has been retained in the final mitigation guide for coal mines for completeness.

Scope 2 emissions

Scope 2 emissions: the release of greenhouse gases into the atmosphere from the consumption of electricity, heating, cooling or steam that is generated outside of a responsible entity's control (or geographic boundary).¹⁸ Scope 2 emissions are sometimes referred to as 'indirect' emissions arising from the indirect consumption of an energy commodity.

What we heard

Submissions from the coal mining sector noted that the grid in NSW is on a decarbonisation trajectory (which is out of the control of mine licensees) and renewables are becoming increasingly cost effective. Many mine licensees have already installed or are planning to install onsite renewables.

Submissions from community and environment representatives were concerned that the reference to 'wherever practicable' is vague and unenforceable and may result in little or no abatement. They also raised concerns in relation to the lack of firm requirements for scope 2 emissions reductions from coal mines as they are the easiest emissions to abate. There are concerns that requirements for all high energy users are too late and there should be a requirement of 85% renewables by 2030. It was also suggested that specific guides should be developed for all sectors in reducing scope 2 emissions beyond the installation of renewables, including energy efficiency, energy management systems, demand management and others.

¹⁷ CCA 2026, [Climate Change Authority Glossary](#), accessed 1 February 2026.

¹⁸ CCA 2026, [Climate Change Authority Glossary](#), accessed 1 February 2026.

Our response

The EPA will not place hard requirements on coal mine licensees to reduce scope 2 emissions given the decarbonisation of the grid and licensees are already looking at ways to reduce energy costs through reducing emissions intensity, improving efficiency and installing onsite power generation where feasible.

The EPA will be developing guidance for large energy users to reduce scope 2 emissions.

Scope 3 emissions

Scope 3 emissions: greenhouse gases emitted as a consequence of a responsible entity's activities (other than scope 2 emissions) but beyond the responsible entity's control or geographic boundary.¹⁹ Some examples are extraction and production of purchased materials, transportation of purchased fuels, use of sold products and services, and flying on a commercial airline by a person from another business.

What we heard

Community and environment representatives raised concerns that scope 3 emissions are very large for coal mines due to the nature of the end use of coal. There are concerns that the Coal Guide does not drive abatement of scope 3 emissions from coal mines. It was suggested that recent court decisions indicate that downstream emissions are within the scope of development applications and should be considered in the guide.

Submissions from the coal mining sector suggested that abatement of scope 3 emission is very challenging because they are outside of the operational control of the mine licensee. There were also suggestions that it is inequitable for the EPA to require the coal mining industry to reduce scope 3 emissions and not place the same requirements on other sectors.

Our response

The EPA's priority is reducing scope 1 emissions.

The EPA recognises the importance of abating scope 3 emissions from all sectors and it would be inequitable to require the coal mining industry, and not other sectors, to reduce scope 3 emissions. The EPA recognises that scope 3 emissions from coal mining are significant but are out of the operational control of the mine and as such they are challenging to abate.

We do, however, acknowledge that combustion of fossil fuels anywhere in the world does impact the climate system in NSW. The use of global commodities is beyond any individual jurisdiction and is primarily governed by regulatory architecture in the jurisdiction in which these commodities are used, as well as international agreements.

Guidance on abating scope 3 emissions was included in the draft Coal Guide and no further amendments were made to the scope 3 emissions section of the guide. The EPA will continue to review the regulatory requirements over time.

¹⁹ CCA 2026, [Climate Change Authority Glossary](#), accessed 1 February 2026.

What's next

We would like to thank all respondents for their feedback. Your feedback has helped inform the final requirements and guidance. The requirements for emissions reporting, emissions forecasts and CCMAPs will be implemented through an amendment to the Protection of the Environment Operations (General) Regulation 2022. The EPA will continue to implement the actions of the *Climate Change Action Plan 2023–26*.

The greenhouse gas mitigation requirements for coal mines will be implemented through both an amendment to the mine's licence where only a few mines meet the requirement criteria, or via regulation where a larger number of mines meet the criteria.

The EPA will continue to review the latest developments in VAM abatement technology and large mining low emissions vehicles. The EPA will also be looking at low carbon liquid fuels across the NSW economy as well as future guidance for large energy users to reduce scope 2 emissions.

The finalised [climate change licensee requirements](#) documents are now available on the EPA website²⁰:

- *Climate Change Licensee Requirements*
- *Emissions Reporting and Climate Change Mitigation and Adaptation Plans: Guidance for environment protection licensees*
- *Greenhouse Gas Mitigation Guide for NSW Coal Mines*.

²⁰ NSW EPA 2026a, [Climate Change Licensee Requirements](#); NSW EPA 2026b, [Emissions Reporting and Climate Change Mitigation and Adaptation Plans: Guidance for environment protection licensees](#); NSW EPA 2026c, [Greenhouse Gas Mitigation Guide for NSW Coal Mines](#)

Acronyms

Table 5 Acronyms used in this report

Term	Explanation
ACCU	Australian Carbon Credit Unit
CCMAP	Climate change mitigation and adaptation plans
CO₂-e	Carbon dioxide equivalent
EPA	Environment Protection Authority
NGERS	National Greenhouse and Energy Reporting Scheme
RTO	Regenerative thermal oxidation
VAM	Ventilation air methane

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