



Submission to the NSW Environment Protection Authority

Climate Change Licensee Requirements Consultation

Mining and Energy Union, October 2025

The Mining and Energy Union (MEU) represents more than 25,000 members nationally working in Australia's mining and energy industries, predominantly in coal mines and coal-fired power stations.

In New South Wales, our Northern Mining and NSW Energy District represents members working in the coal mines of the state's Northern coalfields and in all NSW coal-fired power stations, and our South Western District represents members working in the state's Southern and Western coalfields. We also represent workers in NSW metalliferous mining through the NSW Mineworkers Alliance, a partnership with the Australian Workers Union.

We welcome the opportunity to provide comment to the NSW Environment Protection Authority (EPA) on their proposals for new climate change licensee requirements, including the Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines.

The coal industry is critically important to the NSW economy, delivering more than \$3 billion in royalties over the 2024-25 financial year,¹ and underpinning important regional economies. In recent years, employment in coal production roles in NSW has been sustained at historical highs above 25,000 workers.² However, the industry also faces significant challenges – mines supplying NSW power stations will be impacted by the closures of Eraring, Bayswater, Vales Point, and Mount Piper (all have announced closure dates between 2027 and 2040), while the net zero targets of key trading partners like Japan, Korea, Taiwan, and China will eventually impact on demand for our high grade thermal coal exports.

An orderly and just transition that protects workers and regional communities would see the NSW coal industry continue to operate into the future on the basis of export coal demand. Premature closure of coal mines due to the environmental and climate policies of governments would be devastating for coal communities across NSW who rely on the industry for employment and economic activity.

NSW's coal industry should do its fair share in helping the state achieve its emissions targets. This is critical for maintaining the industry's social licence and ensuring it operates sustainably and in service of regional communities. The reformed Safeguard Mechanism is already driving lowest-cost emissions reductions and incentivising investment in lower emissions technologies in the coal sector. The introduction of prescriptive requirements that would duplicate federal policy settings, and that are unresponsive to the geological and technical variables facing different mine sites, would overly complicate emissions reduction pathways in the coal sector.

¹ Summary of general government sector revenue and its components, NSW 2025-26 Budget Papers.

² Coal Services, NSW Coal Industry Production Employment Report.

Our concerns with the EPA's proposals are outlined below:

- Duplication of obligations

As, effectively, a cap-and-trade scheme for heavy industry and mining, the federal government's reformed Safeguard Mechanism provides a strong price signal and incentive for emissions reductions in the coal sector. In NSW, coal mines are already investing in emissions reductions technologies in response to these reforms. As a market mechanism for emissions reduction, the Safeguard Mechanism facilitates a lowest-cost approach to compliance, meaning that coal mine operators are able to pursue the technology options (or credits or offsets) that are most suited to their particular geological circumstances and life of mine plan.

The EPA's proposals are duplicative of federal obligations, especially for licence holders with annual emissions above 100,000t CO₂-e who are required to comply with the Safeguard Mechanism. The addition of new layers of emissions regulation makes the pathway to reducing scope 1 emissions unnecessarily complicated – for example, recommending that coal mines preference NSW-based offsetting (when the Safeguard Mechanism supports interstate offsetting), and limiting the ability to count Safeguard Mechanism Credits towards Climate Change Mitigation and Adaptation Plans except as part of a short-term arrangement.³

- Prescriptiveness

The Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines is overly prescriptive and at odds with the need to promote a smooth, efficient, and cost-effective approach to emissions reduction. Government policy should incentivise emissions cuts (as the Safeguard Mechanism does), but it should not prescribe how these emissions cuts are to be achieved.

The 'one-size-fits-all' nature of the Guide prescribes technologies and approaches to mitigation that are simply unfeasible for many mines – be that because of technical or geological factors, or because of how the timeline involved in the development and implementation of a technology compares to the life of mine plan. Indeed, in their report on an earlier version of the Guide, the Independent Expert Review Panel warned that oversimplification of the Guide could lead to an 'overly prescriptive' outcome.⁴ A further risk of an overly prescriptive approach is that it may lack full responsiveness to the potential safety implications of certain technologies in different geological contexts, including VAM technologies.

- Importance of a sensible approach to exemptions

The Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines notes that 'every mine is unique' and therefore proposes to allow coal mine licensees to seek time extensions and exemptions where particular measures are not feasible at their site.⁵ Given the abovementioned concerns around the Guide's prescriptiveness, a sensible approach must be taken when considering exemptions. The EPA should be aware of the strong likelihood that some mines will *genuinely* need exemptions for the majority of proposed measures, especially in the initial period of the Guide's implementation.

³ CCMAF Consultation Draft, p. 17.

⁴ Independent Expert Review Panel Report, April 2025, p. 6.

⁵ Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines, p. vi.

‘Feasibility’ must also be understood broadly, encompassing not just technical feasibility, but also economic feasibility in the context of a mine’s remaining lifespan – i.e., where the timeframe for the development or implementation of a required measure runs so close to the expected closure of a mine that no return on investment or emissions reductions would actually be realised.

Exemptions should not be viewed as letting coal mines ‘off the hook.’ Mines receiving exemptions from the Guide’s requirements continue to face emissions obligations, including compliance with Safeguard Mechanism emissions baselines.

- Need for collaborative approach to future consultation

On top of significant concerns about the feasibility of the requirements being proposed, it is also unclear how or when the Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines will be implemented, and there is no clarity on its enforceability status. The confusion this situation has created underscores the need for greater collaboration by the EPA with industry, unions, and other key stakeholders, to foster more certainty and confidence in the process.

We also strongly encourage the EPA to work alongside unions to understand the safety implications of proposed measures – especially when contemplating the implementation of any requirements for VAM technologies (the EPA has indicated it will be considering outcomes from VAM trials in NSW and Queensland in 2028).⁶

The coal industry will continue to play an important role underpinning the state’s economy for decades to come. The NSW EPA should therefore pursue policy settings that promote low-cost, efficient pathways to emissions reduction in the sector, are not overly prescriptive, and are aligned with federal obligations under the Safeguard Mechanism.

⁶ Ibid., p. v.