

**Submission  
No 16**

## **INQUIRY INTO 2024 ANNUAL REPORT OF THE NET ZERO COMMISSION**

**Organisation:** Wollar Progress Association

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# **WOLLAR PROGRESS ASSOCIATION**

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Joint Standing Committee on Net Zero Future  
Parliament House  
Macquarie St  
Sydney NSW 2000

Thursday 13 February 2025

## **Submission Inquiry into the 2024 Annual Report of the Net Zero Commission**

### **Introduction**

Wollar Progress Association (WPA) is the representative body for the Wollar community in Mid-Western Regional local government area. We appreciate the opportunity to participate in this Inquiry. Our district is currently dominated by the impacts of coal mining but is also the home of the Wollar Solar Farm and the starting point for the Central West Orana Renewable Energy Zone through hosting the proposed main new sub station connecting the new transmission lines to the grid.

WPA strongly supports the NSW Government approach to contain growth in greenhouse gas (GHG) emissions through the implementation of the *Climate Change (Net Zero Future) Act 2023*. However, we are concerned that there is a disconnect between various NSW Government policies that cause a contradiction in the approach to managing carbon emissions. The ongoing implementation of the NSW Strategic Coal Policy<sup>1</sup>, that allows for coal expansion up to and beyond 2050, while implementing renewable energy zones over some coalfield areas and introducing Future Jobs and Investment Authorities, is counter intuitive and preventing the achievement of the net zero goals.

We are not surprised that the Net Zero Commission 2024 Annual Report found that meeting the 2030, 2035 and 2050 targets is not guaranteed with reference to risks from increasing emissions in the resources sector and a 'sizable pipeline' of extensions and expansions to existing coal mines.

### **Strategic Coal Policy**

The current implementation of the NSW Strategic Coal Policy, put in place by the Coalition Government in 2020, is allowing for ongoing expansion of the coal industry, one of the state's largest sources of GHG emissions. Coal expansion projects lodged with the Department of Planning quote this document as the key policy for consideration by decision makers. Recent examples of this include:

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<sup>1</sup> Department of Regional NSW, 2020. *Strategic Statement on Coal Exploration and Mining in NSW*

Peabody Energy Wilpinjong Coal Mine expansion: ‘The Modification would not substantially change the scale or nature of the Wilpinjong Coal Mine, which would continue to align with the objectives of the *Strategic Statement on Coal Exploration and Mining in NSW* (NSW Government, 2020).’<sup>2</sup>

Yancoal Moolarben Open Cut 3 extension EIS: “The NSW Government’s 2020 *Strategic Statement on Coal Exploration and Mining in NSW* (the Strategic Statement) recognises the importance of coal production to NSW,’<sup>3</sup>

Glencore Ulan West Continued Operations extension: ‘As identified by the NSW Government’s 2020 *Strategic Statement on Coal Exploration and Mining in NSW* (NSW Strategic Statement) coal mining is an important industry for NSW and will continue as such for the next few decades.’<sup>4</sup>

These three large mining operations in the Mudgee Region were the largest producers of coal in 2023 (Moolarben: 14.2 Mt; Ulan: 11.3 Mt; Wilpinjong: 11.2 Mt). The mines are approved to continue producing high levels of coal up to 2038. These companies are seeking expansions into new, undisturbed areas to increase production and life of mine.

Unless the NSW Government conducts a review of the Strategic Coal Policy in the context of the *Climate Change (Net Zero Future) Act 2023* there is no direction for decision-makers in Planning to consider the cumulative impact of each expansion application in terms of increased NSW GHG emissions.

We also note that the Department of Mining, Energy and Geosciences is continuing to roll over coal exploration licences and have recently released a whole new area for exploration in the Muswellbrook district.

**Recommendation 1:** That the Strategic Coal Policy be revoked to limit the expansion of existing coal mining operations and the extension of exploration licences in NSW.

**Recommendation 2:** That the Net Zero Commission be requested to provide specific advice and recommendations on all proposed major coal mine expansions as per s (15) 3 of the *Climate Change (Net Zero Future) Act 2023*

### **Renewable Energy Zones (REZ)**

While considerable public money is being invested in establishing REZ in NSW through EnergyCo, some of these zones contain coalfield areas that are proposing to or have been approved to continue expanding up to 2050.

The Central West Orana REZ defined area contains both the large Ulan and Moolarben coal mines that are proposing to expand, as is the neighbouring Wilpinjong Mine. The mining industry is competing for labour, accommodation and services in a very restricted market. The construction of the transmission lines and associated renewable generators are under threat

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<sup>2</sup> Peabody Energy, February 2024. Scoping letter for proposed mine extension

<sup>3</sup> Yancoal 2022. Moolarben Coal Complex OC3 Extension Project Executive Summary p ES-21

<sup>4</sup> Glencore, September 2024. Ulan West Continued Operations Scoping Report

from lack of construction workers. The jobs argument is no longer a valid reason for coal mine and GHG emission expansion in a REZ.

The Hunter-Central Coast REZ covers the main section of the coalfield areas in this region. Many of the coal mines are seeking expansion approval at the same time that the NSW Government is conducting an Inquiry into final landform opportunities in the Hunter. There appears to be a complete disconnect between investing in renewable energy to reduce emissions in NSW while continuing to approve larger coal mining projects.

### **Future Jobs and Investment Authorities**

The establishment of legal entities to conduct a transition away from reliance on the fossil fuel industry is a positive step. There is an enormous demand for employees to construct the REZ infrastructure, implement demand management and household efficiencies and continue the roll out of roof-top solar, storage batteries and other green technologies.

The continued expansion of coal mines is counter intuitive to the problem of competition in the labour market and to the attraction of investment in new, diverse industries in coal mining regions. The new Authorities should work with the Net Zero Commissions and REZ implementation to assist in the reduction of GHG emissions in a rapid transition away from coal.

Wollar district is a prime position to start the transition away from coal in the Mudgee Region. The current approval for the Wilpinjong Coal Mine includes a wind down in production from this year, thus immediately freeing up some workforce.

The Social Impact Management Plan approved for the current Wilpinjong Extension Project states:

*'Operational employment at WCM is expected to decline from 2025 from a workforce of approximately 564 personnel, to approximately 360 personnel in 2032, and then to 149 personnel for the twelve months prior to the mine's closure in December 2033, upon which employment will cease, with the exception of a small number of personnel overseeing the decommissioning process.'*<sup>5</sup>

Wollar has a large number of vacant house blocks for providing new housing to alleviate the accommodation crisis in the region and to encourage the repopulation of the district. This can be achieved at the same time as the reduction of GHG emissions and the construction of renewable energy sources.

The Wollar Solar Farm is applying to build a larger storage battery on site, the nearby Goulburn River Solar Farm has been approved, and construction of the new substation at Wollar and new transmission lines for the Central West Orana REZ is due to commence.

The Future Jobs and Investment Authorities, once established, should focus on the immediate opportunities for emissions reduction and renewable energy construction.

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<sup>5</sup> Peabody, 2022. Wilpinjong Coal Social Impact Management Plan p 19  
[https://www.peabodyenergy.com/Peabody/media/MediaLibrary/Operations/Australia%20Mining/New%20South%20Wales%20Mining/Wilpinjong%20Mine/WI-ENV-MNP-0047\\_SIMP-V3-0.pdf](https://www.peabodyenergy.com/Peabody/media/MediaLibrary/Operations/Australia%20Mining/New%20South%20Wales%20Mining/Wilpinjong%20Mine/WI-ENV-MNP-0047_SIMP-V3-0.pdf)

## **Cost of Climate Change**

Any benefit from royalties from coal production is already outweighed by the cost of increasing damage to infrastructure and communities through extreme weather events. The economics of producing more coal for longer in the context of net zero targets does not stack up.

The Net Zero Commission has identified that all other sectors in the economy would need to make great emission reductions to meet targets if extended or expanded fossil fuel projects continue to increase GHG emissions.

Other sectors, such as agriculture, are already bearing the costs of climate change driven extreme weather events. Food security is an important consideration for the future, as well as health and well-being of communities.

**Recommendation 3:** That the NSW Government request a specific, dedicated report by the Net Zero Commission on the risks that coal and gas expansions pose to NSW climate targets.

**Recommendation 4:** That the Net Zero Commission provide advice on a coal sector target to drive emissions reduction in the coal industry.

**Recommendation 5:** That approvals of new coal expansion be paused until all advice from the Net Zero Commission is received.

## **Conclusion**

WPA trusts that members of this Joint Standing Committee will take into consideration the recommendations we have made in this submission. There are many positive opportunities for new, clean energy industries and job creation that will assist the work of the Net Zero Commission and enable NSW to meet emission reduction targets.

Yours sincerely

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