

**Submission  
No 64**

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

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# Joint Standing Committee on Net Zero Future Inquiry into the first report of the NSW Net Zero Commission (NZC)

## Submission

I congratulate the NZ Commission on its work and its first Annual Report, at such a critical time. The world has just experienced its hottest year on record, and sadly there is little hope that the direction of global heating will be reversed without urgent, drastic action.

I appreciate that the Commission has drawn attention to the serious problem that NSW is not on track to meet its emissions reductions targets:

*... unless faster and more significant progress is made, the target for 2030 will not be achieved, the 2035 target could be out of reach, and the challenge of meeting net zero by 2050 may become more difficult.*

This lag has been recognised by the Environment Minister, but it is a matter that all members of the NSW Parliament, and all Ministers of the Government, should have in mind as they consider both legislation and projects proposed.

I comment and make recommendations in three areas:

- Coal mining
- Building sector
- Transport

Thank you for this opportunity.

Angela Michaelis

14 February, 2024

## Coal Mining

The Commission notes that it is:

*concerned about the risks to the state's targets from increased emissions in the resources sector.*

Emissions from the resources sector are in large part from coal mining – although should the Narrabri Gas Project proceed, fugitive methane emissions from extraction and transport would become a new problem.

My particular concern is the ongoing approval of coal mining expansions, as I am aware that there are about 20 applications and two have already been approved by the existing government. Some of these applications would extend coal mining to as late as 2049!

As well as the CO<sub>2</sub> contribution to greenhouse gases when such coal is burnt, the contribution of fugitive methane to NSW emissions is predicted to grow - the only sector so predicted to expand.

### Recommendation

**That the Joint Standing Committee on Net Zero Future request the NZ Commission to produce a specific, dedicated report on the risks that coal and gas expansions pose to NSW climate targets.**

This should be completed by June 2025 due to the urgency of this issue and the pipeline of applications that could potentially be approved.

### Recommendation

**That approvals of new coal mining expansions, including modifications, be paused until the Commission has presented its report.**

### Recommendation

**That the Commission should be asked to provide specific advice and make recommendations on all proposed major coal mine expansions in NSW, as per s15 (3) of the *NSW Climate Change (Net Zero Future) Act 2023* .**

### Recommendation

**That a sectoral greenhouse gas emissions target for the coal sector be introduced to drive reductions.**

Currently approvals are done on a mine-by-mine basis, which does not recognise that the combined emissions from the sector are considerable (up to 14% in 2019) , and are effectively at the expense of other sectors. This transfers the burden of change to other areas, when it is fossil fuel burning that is the chief contributor to the climate crisis.

### Recommendation

**That the Committee ask the Minister for Natural Resources to address the risk to the NSW emissions targets in any reformulated *Strategic Statement on Coal*.**

This could be done through a Regulation under the *Climate Change (Net Zero Future) Act 2023* to place a duty on key planning decision-makers to meet the 2030 and 2035 climate change targets and restrict downstream emissions.

## Building sector

The Commission raises concerns about the built environment sector, in which emissions grew by 91% from 2005 to 2022. The Report states:

*more decisive action is required.*

In 2022, the direct emissions of the built environment accounted for 7.7 Mt CO<sub>2</sub>-e or 6% of NSW emissions. The NZC says that the “largest source of direct emissions is the onsite use of fossil fuels” including “using gas for hot water, heating and cooking in homes, commercial and public buildings.” This is a sector where “significant abatement is possible and the technologies to decarbonise the sector are already commercially available.”

### Recommendation

**That the Commission investigate the potential to reduce emissions by ceasing new gas connections in new homes and significant renovations.**

Various LGAs in NSW have already adopted this policy, but a statewide "ban" would ensure the problem does not get worse as we rapidly expand our housing stock.

## Transport

The Committee found that

*Transport is the second-highest emitting sector in NSW, with road transport responsible for 87% of these emissions.*

While the freight sector certainly deserves attention, energy efficiency of as well as continued or growing reliance on private vehicles for urban transport should also be examined.

### Recommendation

**That the Committee endorse steps by state and local government to use further price signals to encourage low-carbon vehicles, avoiding carveouts for particular types of high emissions vehicle.**

These could include costs of NSW vehicle registration, toll charges and parking charges. These schemes are already in place in comparable OECD jurisdictions.