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To NSW Department of Planning
re
Mount Pleasant Mod 8 (DA92/97-Mod-8)
Submission

Climate Change Balmain-Rozelle (CCBR) is an independent community group in inner west Sydney with around 1000 supporters. We campaign to promote local and national action to reduce fossil fuel use, increase the adoption of renewable energy, and head off catastrophic global warming.

Summary

This submission concerns the climate impact.

We contend that the climate impact of the proposal should be viewed in the wider context of all proposed further extraction of thermal coal in NSW. We estimate that if carried through this would eventually cost Australia around \$2.5bn. Other States could make a case for compensation.

We also challenge several statements made in the proponent's Greenhouse Gas Assessment and Mitigation Plan and the contention that the proposal does not need to be referred to the Independent Planning Commission.

Detailed response

Parallel constraints and 'scopes' on emissions

There are, in parallel, both legislated constraints and economic ones.

Legislated constraints only consider scopes 1 and 2

The Paris Agreement commits Australia to limits on Scope 1 and 2 emissions. Likewise, the Federal Safeguard Mechanism imposes limits on these scopes emanating from the facility, while State legislation commits NSW to limits on the totals of those scopes across the State.

Impact assessments of exports should consider half of all scopes

Assessments of the net economic value of a project and its impacts on the populace and the environment through climate change need to consider all three scopes.

It has become routine for proposals to mine thermal coal for export to dismiss consideration of Scope 3 emissions using the "drug dealer's defence" - if we don't supply the coal some other country will. That overlooks a basic element of economic theory: a shortfall lifts the market price; a combination of increased supply and reduced demand then leads to a new equilibrium.

The details depend on the relative elasticities of supply and demand, but those are functions of time. Supply might ramp up sooner, delaying the market shrinkage, with demand declining later.

A notable case is South Korea. Several South Korean companies proposed coal mine developments in NSW - in Bylong Valley¹, the Southern Highlands² and Central Coast³ - over the last decade. All three were defeated by local community opposition. Combined, these projects would have seen Korean companies invest \$3.6 billion in mines producing 13 million tonnes of coal annually. The Korean economy would have been deeply invested in Australian coal mines beyond 2050.

At the COP30 summit in November 2025, South Korea committed to phasing out all unabated coal-fired power plants by 2040⁴. It is hard to imagine their having taken that step had the planned coal mining commitments gone ahead.

On average, the supply and demand adjustments tend eventually to meet halfway, the market volume falling by half of the initial shortfall. It follows that for thermal coal for export, the best guess of the net emissions of the additional supply is half the total across all scopes.

The wider context of NSW proposals

New and extended coal mine proposals in NSW total around a billion tonnes of coal. Most of that is for export, but the December 2025 Net Zero Commission Spotlight report on coal⁵ found that, even for scopes 1 and 2, continued extensions are incompatible with achieving NSW emission reduction targets.

One billion tonnes of thermal coal translates to over two billion tonnes of CO₂. As shown above, approving all of those would lead to about one billion tCO₂e of additional emissions.

Consequences for Australians and Australia's environment

In total, these emissions would cause significant harm

- to the health and biodiversity of areas in which Australia has international obligations: World Heritage sites including the Great Barrier Reef and Ramsar wetlands;
- to agriculture, people and productivity, both directly through heatwaves, drought, fires and floods, and indirectly through altered distributions of pests, diseases and pollinators.

Below, we attempt to quantify these costs.

Climate Sensitivity

Climate sensitivity (ECS) is the number of degrees Celsius that Earth's surface warms for each doubling of atmospheric CO₂.

The IPCC Sixth Assessment Report (AR6) stated⁶ that there is high confidence that the ECS is within the range of 2.5°C to 4°C⁷, with a best estimate of 3°C. However, it now seems that aerosols from shipping exhausts had partially masked this, leading to revised estimates up to 4.5°C⁸. The analysis below uses 4°C.

Atmospheric carbon now

The carbon dioxide content of the atmosphere has reached 3340Gt⁹.

Impact of one additional Gt on temperature

From the above, we can calculate that additional CO₂e will raise Earth's surface temperature at a marginal rate of 4°C x log₂(1+1/3340) = 0.00173°C per Gigatonne.

¹ <https://www.abc.net.au/news/2022-02-10/kepco-bylong-valley-coal-mine/100819162>

² <https://www.abc.net.au/news/2021-08-31/southern-highlands-coal-mine-rejected/100422666>

³ <https://www.abc.net.au/news/2011-03-04/600m-nsw-coal-mine-proposal-scuttled/1967100>

⁴

<https://www.abc.net.au/news/2025-11-18/south-korea-coal-plant-closure-warning-on-australian-exports/106021660>

⁵ <https://www.netzerocommission.nsw.gov.au/publications/coal-mining-emissions-spotlight-report>

⁶ https://en.wikipedia.org/wiki/IPCC_Sixth_Assessment_Report

⁷ https://en.wikipedia.org/wiki/Climate_sensitivity#Measures

⁸ <https://www.tandfonline.com/doi/full/10.1080/00139157.2025.2434494#abstract>

⁹ https://en.wikipedia.org/wiki/Carbon_dioxide_in_the_atmosphere_of_Earth

Impacts of the temperature rise on the Reef, for example

The consensus is that a 1.5°C rise is now unavoidable. Going to a 2.0°C rise will pretty much destroy the reef¹⁰.

A rise of 0.00173°C is 0.35% of the additional rise to go from 1.5°C to 2.0°C. Since the GBR has an area of 348700km², we can think of that as meaning that each additional GtCO₂e destroys, on average, 1200km².

Proposal	Scope	Mt CO2e	°C warming	% of 0.5°C	km ² GBR destroyed
Mt Pleasant mod 8	1+2	1.91	0.000003	0.0007%	2
	3	137.58	0.000238	0.0475%	166
	half of total	69.75	0.000120	0.0241%	84
NSW total of proposals	half of 3	1000	0.001728	0.3455%	1,205

Economic impacts

We assess these using published estimates of the Social Cost of Carbon (SCC). The table below shows three of the most frequently cited recent estimates¹¹.

Study	Year	USD/tCO ₂		
		low	mid	high
US Environmental Protection Agency ¹²	2023		190	
Moore FC et al. ¹³	2024	97		369
Bilal A, Känzig DR ¹⁴	2026	1200		

Adjusting for inflation, these suggest a cost of at least AUD500/t¹⁵ in 2026 AUD.

While it is most appropriate to consider the worldwide impact, we can also estimate more local impacts using GDP ratios:

World GDP = 60 x Australian GDP = 200 x NSW GDP

Proposal	Scope	Mt CO2e	Social cost in \$m		
			World	Australia	NSW
Mt Pleasant mod 8	1+2	1.91	957	16	5

¹⁰

<https://www.theguardian.com/environment/2021/nov/30/confronting-great-barrier-reef-faces-frequent-extreme-cor-al-bleaching-at-2c-heating-research-finds>

¹¹ The quoted dollar amounts are as stated in the publication, not in today's \$s

¹² <https://www.rff.org/publications/explainers/social-cost-carbon-101/>

¹³ <https://www.pnas.org/doi/10.1073/pnas.2410733121>

¹⁴ <https://www.nber.org/papers/w32450>

¹⁵ Bearing in mind that the earlier estimates of SCC were made in ignorance of the extent to which pollution had led to underestimates of climate sensitivity.

	3	137.58	68,790	1,147	344
	<i>half of total</i>	<i>69.75</i>	<i>34,873</i>	<i>581</i>	<i>174</i>
NSW total of proposals	half of 3	1000	500,000	8,333	2,500

\$174m makes a substantial dent in the net value of Mod 8 to NSW, while \$581m largely neutralises its value to Australia.

A critique of the project's Greenhouse Gas Assessment and Mitigation Plan¹⁶

We draw attention to and challenge certain dubious arguments advanced in the Greenhouse Gas discussion in the proposal.

“2.2.3 Mitigation

“MACH also notes that ROM Coal is listed in Schedule 2 of the Safeguard Rule as a ‘trade exposed production variable’. However, a conservative approach has been adopted herein to assessing greenhouse gas emissions such that no adjustment has been made for trade-exposed production (despite the fact that the Modification's ROM coal production may be trade-exposed and that MACH may seek a determination to that effect from the CER in due course should the Modification be approved).”

To paraphrase, the reader is asked to assume MACH will, nobly, not seek trade-exposed (EITE) status, yet may very well do so. The importance of this point is that it qualifies the next statement:

“The reforms apply a decline rate to a facility's baseline so that baselines are reduced predictably and progressively over time (initially 4.9% per annum until the end of FY 2030)”

That is only part of the story. If the facility fails to average a 4.9% decline rate and successfully applies for EITE status then its required decline rate is eased. Worse, the easing automatically applies to the next two years and there is no subsequent pressure to recover lost ground. The facility continues to enjoy a higher emissions cap evermore. It can even be shown¹⁷ that this creates an incentive for a facility to delay emissions reduction measures initially.

Further, the Safeguard Mechanism does not provide a guarantee that each facility will reduce its emissions at the required rate. A facility operator may determine that it is cheaper to buy credits.

“3.5.1 Scope 1 Emissions

“MACH notes that the CCA's recent advice to the Commonwealth Government on targets for the 2035 NDC (CCA, 2025) indicates that Safeguard Mechanism decline rates may be further tightened from 2030”

Irrelevant. Maybe they will be, maybe they will not, and the mine's emissions may or may not be reduced accordingly.

“... the resources sector is the only emitting sector which had an average reported emission reduction rate of approximately 2% per annum between 2005 and 2022, consistent with the average decline rate required to meet the NSW net zero target between 2005 and 2030.”

¹⁶

<https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=DA92/97-MOD-8%2120251212T053418.507%20GMT>

¹⁷

https://docs.google.com/document/d/1-p1UmE9HzPbvp-GowolK_fil8plvldEU/view#heading=h.7x3xsptgiwz

That is also irrelevant. There is no expectation that sectors should all decarbonise at the same rate. Decarbonisation of power generation is relatively easy, so that sector needs to decarbonise much faster than the industry average.

“Due to ...the gradual transition from a site-specific factor to the full industry average) for the Mount Pleasant Operation, the facility baseline is projected to increase over the short term”

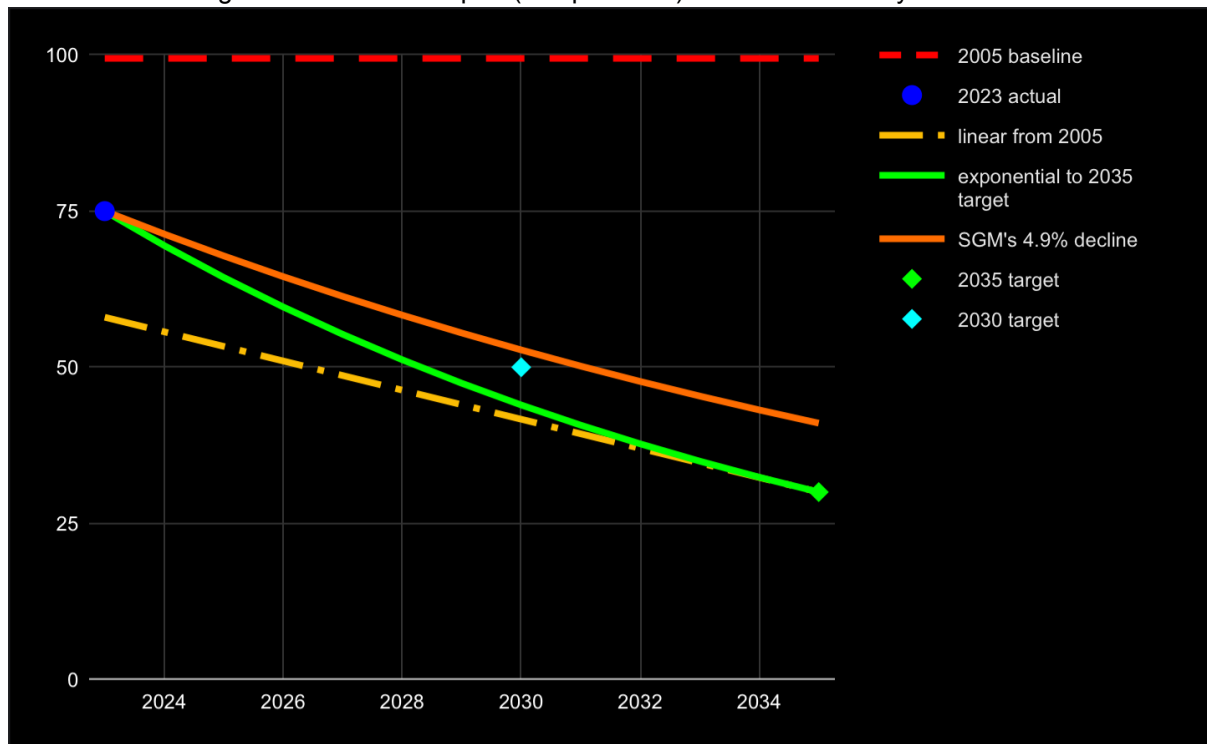
Indeed - another reason not to infer that the mine's emissions will decline at 4.9%.

“... as shown on Figure 10. ... when considered over the whole of the relevant periods between 2005 and 2030 (2% per annum), 2030 and 2035 (4% per annum) and 2035 and 2050 (2% per annum) the annual emission reduction rates are generally comparable to, or lower than, the reformed Safeguard Mechanism decline rates”

Not so. Although a straight line from the 2005 baseline emissions to the 50% reduction by 2030 target is a simple rate of 2% p.a. there are two flaws in that reasoning:

1. By 2023, NSW emissions were only 25% below the 2005 baseline;
2. Since cutting emissions gets progressively harder, it is appropriate to use a compound rate, as with the Safeguard's 4.9%.

To hit the 2030 target we need a 5.6% p.a. (compounded) cut for the seven years from 2023.



The SGM's 4.9% p.a. compound reduction from 2023 (orange line) narrowly misses the 2030 NSW target (light blue diamond). To hit the 2035 target (green diamond) it needs to be a 7.35% annual reduction (green line).

“3.5.3 Scope 3 Emissions

“... The proposed peak annual financial year production rate of the Modification of approximately 8.6 Mt of product coal represents approximately 0.099% of the current estimated annual global coal demand.”

Presumably this is intended to imply that the Scope 3 emissions are trivial, but many individual coal projects could argue the same way. That is why current NSW proposals need to be considered as a whole.

Referral needed to the Independent Planning Commission

MACH seeks to avoid referral of the proposal to the IPC by arguing that only very minor changes are needed to the consent:

“This Modification Report has demonstrated that MACH could continue to operate the Mount Pleasant Operation (as modified) in accordance with existing criteria and performance measures in Development Consent DA 92/97 and the existing environmental management framework with only very minor augmentation of the existing Development Consent DA 92/97 conditions.”¹⁸

Specifically, the changes needed are given as (new old)

Mining Operations

5. The Applicant may carry out mining operations on the site until ~~31~~ **22** December ~~2026~~ **2032**.

6. The Applicant must not extract more than ~~10.5~~ **12.5** million tonnes of ROM coal from the site in a calendar year.

:

8. The Applicant must ensure that train movements at the site (ie arrival or dispatch) do not exceed:

(a) a maximum of 18 per day; or

(b) ~~8~~ **6** per day, averaged over each calendar year.

These are all incremental changes. Even if such a change is small in itself, successive increments add up. There has been a trend in NSW towards more modest proposals for coal mine extensions and continuations, apparently to minimise scrutiny.

Further, any one of the existing constraints may already be at the limit acceptable to the IPC. Moreover, they could be beyond what would be permitted now, given the increased awareness of the threat from climate change and changing attitudes more generally.

Recommendation

The proposal should be rejected in its entirety, not just in itself but as the first step in ceasing all further approvals of thermal coal mining expansion in NSW. That step has to be taken sooner or later and the sooner the better.

If the Planning Department does not see fit to reject the proposal itself, the Department is duty bound to refer it to the IPC.

Submission prepared by Derek Bolton
on behalf of the CCBR Committee

5 March 2026

¹⁸

<https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=DA92/97-MOD-8%2120260217T011256.355%20GMT>