

04 August 2025

# **Submission - Maules Creek Continuation Project**

Australasian Centre for Corporate Responsibility

Submitted online via the NSW Planning Portal, 04 August 2025  
On behalf of the Australasian Centre for Corporate Responsibility

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To Whom It May Concern,

The Australasian Centre for Corporate Responsibility (ACCR) is pleased to make this submission to the NSW Department of Planning, Housing and Infrastructure (DPHI) for the Maules Creek Continuation Project exhibition process.

ACCR is a shareholder advocacy and research organisation. We use shareholder strategy to enable investors to escalate engagements with heavy-emitting companies in their portfolios and provide research and analysis for institutional capital seeking long term value in a zero-emissions economy.

Our research is published at: <https://www.accr.org.au/research/>.

Our submission to this consultation focuses on the Appendix K of the Environmental Impact Statement (EIS), the Economic Assessment (EA) prepared by ANALYTECON Pty Ltd in March 2025.

ACCR would be happy to meet with the DPHI and discuss our response and recommendations, if helpful.

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# Response

ACCR recommends that emissions costs in the Maules Creek Continuation Project cost-benefit analysis (CBA) are assessed using the current Treasury guidelines (TPG23-08), which accounts for available abatement options and the state's legislated emissions reduction targets. The existing project CBA, contained within the Environmental Impact Statement (EIS) submitted by the project proponent, relies on outdated assessment guidelines (TPP17-03). These guidelines have been superseded and do not consider legislated targets.

The existing project CBA states that there is a net benefit to NSW of \$1,078 million. When TPG23-08 is used to assess the project, and the full scope of emissions costs from this proposed project are properly accounted for in relation to NSW legislated targets, the project represents a *net cost* to the NSW community.

The current Treasury guidelines (TPG23-08) should also be applied consistently across all projects assessed by DPHI to ensure alignment with current policy.

The Maules Creek coal mine, an open-cut operation near Narrabri in NSW, is currently approved to operate until 2034 with a run-of-mine extraction capacity of 13 Mtpa. Whitehaven Coal, through its subsidiary Maules Creek Coal Pty Ltd, is seeking a new development approval to extend operations by 10 years (2035–2044) and increase the approved extraction capacity to 14 Mtpa.<sup>1</sup>

As part of the EIS, ANALYTECON Pty Ltd has prepared an Economic Assessment (EA), including a CBA of the project's net impact on to the NSW community. This EA follows the Guidelines for the Economic Assessment of Mining and Coal Seam Gas Proposals (2015) and associated Technical Notes (2018).<sup>2</sup> The CBA has valued greenhouse gas emissions using NSW Treasury's TPP17-03 Guide to Cost-Benefit Analysis, in accordance with those guidelines.<sup>3</sup>

The TPP17-03 NSW Treasury Guidelines were current in 2018<sup>4</sup> but were superseded in 2023 by *TPG23-08 NSW Government Guide to Cost-Benefit Analysis*.<sup>5</sup> Whereas TPP17-03 suggested market carbon prices or social cost estimates be used for valuing emissions, TPG23-08 (read in conjunction with TPG24-34<sup>6</sup>) requires a NSW-specific Marginal Abatement Cost (MAC) and aligns emissions valuation with the state's legislated emissions targets. This change has significant implications for CBAs, including for this project.

For example, the Maules Creek Continuation Project CBA (using non-current guidelines) applies a central carbon price based on Australian Carbon Credit Unit (ACCU) forecasts,<sup>7</sup> rising to \$60 per tCO<sub>2</sub>e by 2030,<sup>8</sup> and then assumes continued escalation in line with historical trends. These cost estimates are apportioned to NSW using the ratio of NSW to global population. This approach effectively spreads the cost of NSW's own emissions across the entire global population, understating the true costs for the state and disregarding NSW's legislated emissions reduction targets. Under the MAC approach outlined in TPG23-08, emissions costs rise from \$130 per tCO<sub>2</sub>e in 2024 to \$164 per tCO<sub>2</sub>e in 2030 and \$350 per tCO<sub>2</sub>e in 2045.<sup>9</sup> These costs are specific to NSW and cannot be apportioned further.

TPG23-08 also mandates that emissions occurring in NSW are included in the CBA, regardless of their position in the value chain. The current project CBA, however, accounts only for the incremental scope 1 exceedances above the Safeguard Mechanism (SGM) baseline and scope 2 emissions.<sup>10</sup> Under the SGM, compliance can be achieved using credits generated interstate which does not affect NSW's emissions inventory or progress toward state targets. Consequently, the current project CBA does not account for a significant share of emissions occurring in NSW that are relevant to achieving

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<sup>1</sup> AnalytEcon (for Whitehaven Coal), [Maules Creek Continuation Project Environmental Impact Statement \(Appendix K: Economic Assessment\)](#), p. 1.

<sup>2</sup> AnalytEcon (for Whitehaven Coal), [Maules Creek Continuation Project Environmental Impact Statement \(Appendix K: Economic Assessment\)](#), p. 2.

<sup>3</sup> NSW Department of Planning and Environment (2018), [Technical Notes supporting the Guidelines for the Economic Assessment of Mining and Coal Seam Gas Proposals](#), p.48.

<sup>4</sup> NSW Treasury, [TPP17-03 NSW Government Guide to Cost-Benefit Analysis](#).

<sup>5</sup> NSW Treasury, [TPG23-08 NSW Government Guide to Cost-Benefit Analysis](#).

<sup>6</sup> NSW Treasury, [TPG24-34 Carbon emissions in the Investment Framework](#).

<sup>7</sup> Department of Climate Change, Energy, the Environment and Water, [Australia's emissions projections 2023](#), p. 33

<sup>8</sup> Real 2024 AU\$ per ACCU, inferred from [Australia's emissions projections 2023](#) (p. 33)

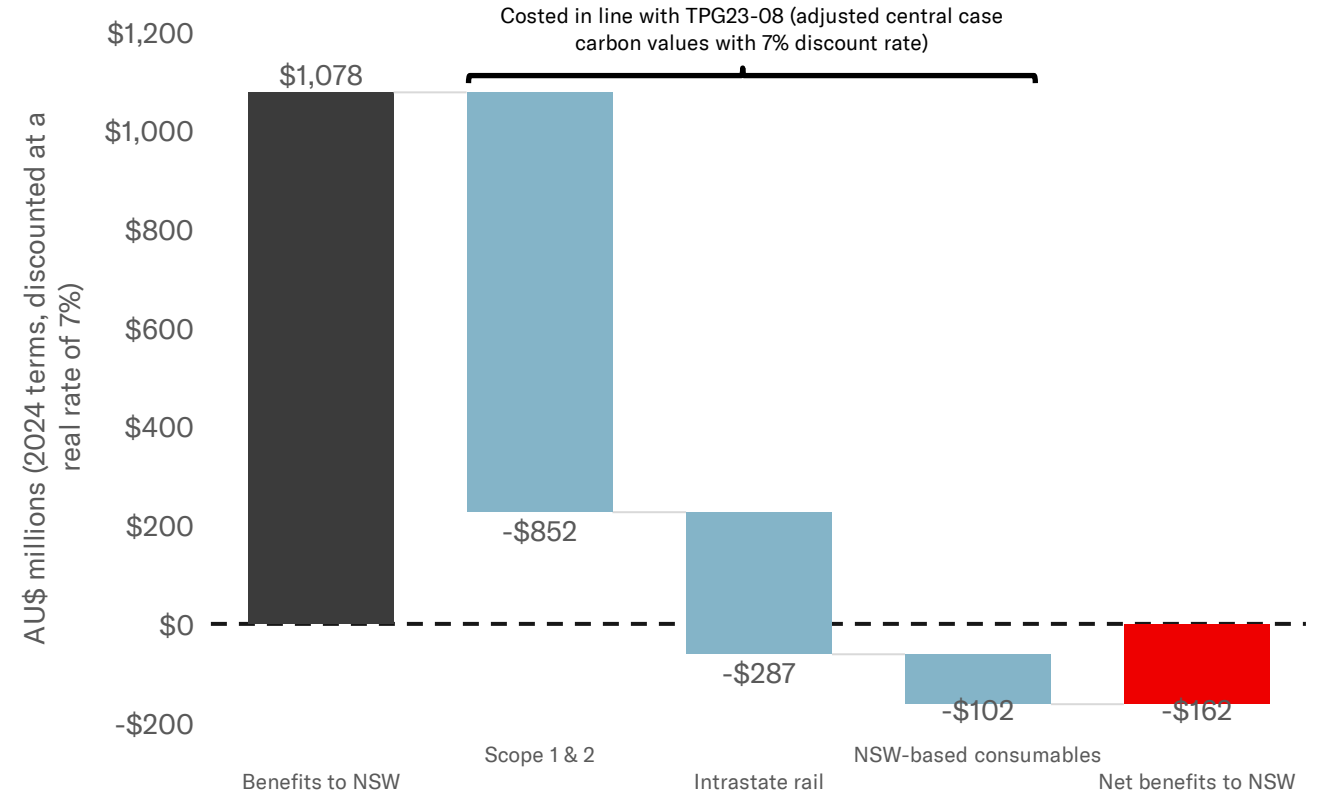
<sup>9</sup> Deloitte Touche Tohmatsu (for NSW Government), [NSW Carbon Values Final Report \(2024\)](#), pp. 9-10. Central case values are real FY24 currency and discounted by 5%.

<sup>10</sup> AnalytEcon (for Whitehaven Coal), [Maules Creek Continuation Project Environmental Impact Statement \(Appendix K: Economic Assessment\)](#), pp. 46, 76-76.

legislated state targets. In addition, other relevant sources, such as intrastate rail and upstream supplier emissions<sup>11</sup> are also excluded. When considering all emissions occurring in NSW, the emissions are 4.81 MtCO<sub>2</sub>e, which is more than three times greater than the 1.4 MtCO<sub>2</sub>e included in the CBA. Applying the full scope of NSW emissions using the MAC method ensures CBAs reflect the cost of meeting the state’s reduction commitments.

When the full scope of emissions costs is properly accounted for, in relation to NSW legislated targets, the project’s net benefit to NSW shifts from \$1,078 million<sup>12</sup> to a **net cost** of \$162 million to the NSW community (see chart). The Maules Creek CBA estimates emissions costs at \$0.08 million, with a reported range of \$0.04 million to \$151 million.<sup>13</sup> ACCR’s application of TPG23-08<sup>14</sup> to the full scope of relevant NSW emissions from the Maules Creek Continuation Project results in an estimated \$1,235 million in emissions costs. This includes \$852 million for Scope 1 and 2 emissions, \$287 million from intrastate rail and \$102 million from NSW-based consumables.<sup>15</sup>

The Maules Creek Continuation Project represents a net cost to the NSW community when all relevant NSW emissions are assessed under current policies



<sup>11</sup> TPG23-08, read alongside TPG24-34, requires all emissions occurring within NSW to be included in the CBA. However, the current CBA accounts only for Scope 1 and 2 emissions at the mine site (as per the GHG Assessment Report, pp. 92-97). Emissions from intrastate rail and NSW-based consumables should also be included as they are NSW-based emissions.

AnalytEcon (for Whitehaven Coal), [Maules Creek Continuation Project Environmental Impact Statement \(Appendix K: Economic Assessment\)](#), p. 27 and Resource Strategies (for Whitehaven Coal), [Maules Creek Continuation Project Environmental Impact Statement \(Appendix J: Greenhouse Gas Assessment\)](#), pp. 92-97.

<sup>12</sup> AnalytEcon (for Whitehaven Coal), [Maules Creek Continuation Project Environmental Impact Statement \(Appendix K: Economic Assessment\)](#), p. 46.

<sup>13</sup> AnalytEcon (for Whitehaven Coal), [Maules Creek Continuation Project Environmental Impact Statement \(Appendix K: Economic Assessment\)](#), pp. 30-31, 77. The costs vary with the underlying carbon prices and the apportionment approach (NSW-to-global population, NSW-to-global GDP, NSW-to-Australian GDP, or no apportionment). This range, however, only accounts for incremental exceedances above the SGM baselines and Scope 2 emissions, and does not factor in full scope of NSW emissions or prices required to meet NSW’s legislated targets.

<sup>14</sup> The NSW Treasury calculates carbon costs using a 5% discount rate, consistent with the updated social discount rate. However, since the CBA was conducted at a 7% discount rate, we have adjusted the carbon costs accordingly to ensure a like-for-like comparison. We used the central case pricing scenario.

<sup>15</sup> AnalytEcon (for Whitehaven Coal), [Maules Creek Continuation Project Environmental Impact Statement \(Appendix K: Economic Assessment\)](#), p. 20. 53 per cent of operating expenditures will be directed to NSW-based suppliers over the project’s lifetime. In the absence of detailed data on the location of consumable-related emissions, NSW consumables emissions have been proportionally allocated based on this 53 per cent share of operating expenditures. A more granular emissions analysis could provide a more accurate estimate.

NSW Environment Minister Penny Sharpe has requested that the DPHI and Independent Planning Commission (IPC) have regard to these NSW legislated emissions reduction targets in assessment and decision making under the planning system.<sup>16</sup> A recent court ruling confirms that s 4.15(1)(b) of the EPA Act, which states that a development application must consider the likely environmental, social and economic impacts in the locality, requires a consideration of the causal relationship between the Project and its specific effects on the locality of the development.<sup>17</sup>

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<sup>16</sup> The Hon Penny Sharpe MLC, 2024, [NSW Net Zero - Letter from Penny Sharpe MLC](#).

<sup>17</sup> Denman Aberdeen Muswellbrook Scone Healthy Environment Group Inc v MACH Energy Australia Pty Ltd [2025] NSWCA 163  
<https://www.caselaw.nsw.gov.au/decision/198358b0f4e9e10f2b50c718>