

30 October 2025

NSW Department of Planning and Environment
RE: Wilpinjong Coal mine MOD 3 - Pit 8 Extension
Attention: Cherie Colyer-Morris

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Dear Ms Colyer-Morris and team,

I am writing on behalf of The Australia Institute, to object to the Wilpinjong coal mine, Pit 8 Extension proposal.



We object to the proposal on the following points:

- In order to address climate change and achieve the goals of the Paris Agreement, no new fossil fuel projects should be developed. This is the view of the International Energy Agency, the UNFCCC and countless climate scientists.
- The economic assessment of the project by consultants AnalytEcon (Modification application Appendix L) significantly understates the environmental costs of the project, stating “The NSW share of incremental social damage costs of the modification is estimated at around \$13,000 in NPV terms.” (p19) Under the NSW net zero legislation, the NSW Net Zero Commission has written:

*The Commission is concerned about the risks to the state's targets from increased emissions in the resources sector...**Any emissions increases associated with extended or expanded projects would require all other sectors to make greater emissions reductions if the state is to meet its emissions reduction targets.** The emissions increases pose a major challenge for the state's regulatory arrangements.¹ (bold added)*

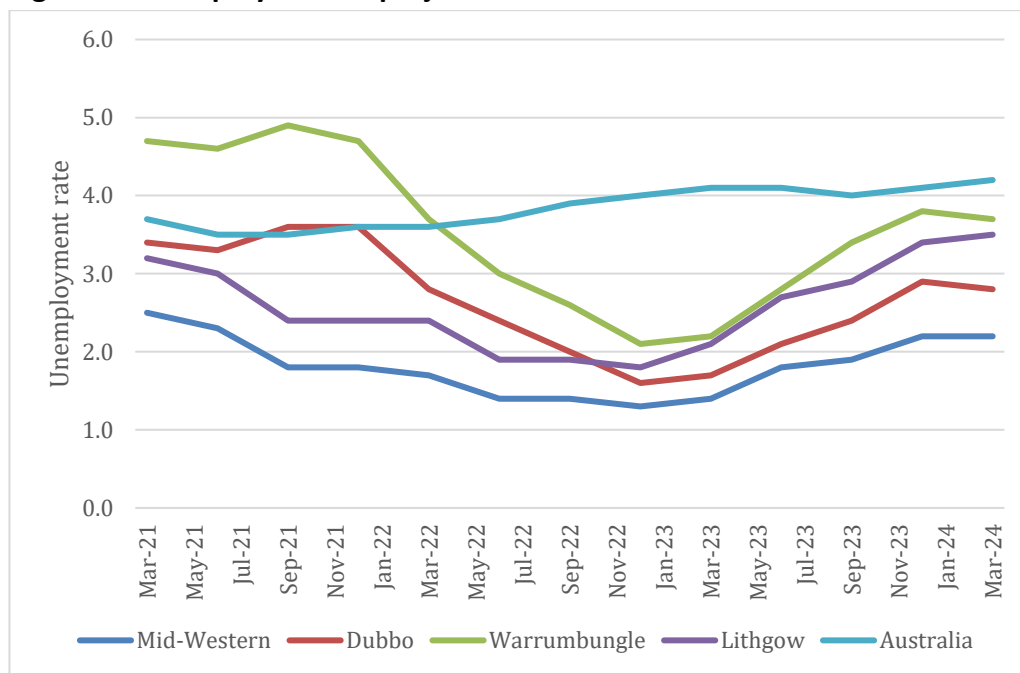
With emissions constrained, new emissions need to be abated by some other part of the community. The direct emissions of the mine impose an abatement cost that is incurred by the rest of the state community. NSW Treasury has provided guidance on abatement costs in the state.² Applying Treasury's 2030 abatement cost of \$164/t to the additional 200,000 tonnes of direct emissions estimated by AnalytEcon (p19) gives a cost of abatement of \$32.8 million. While climate damage valuation is difficult and subjective, it is clear that AnalytEcon have heavily understated this cost.

¹ NSW Net Zero Commission (2024) *Annual report*, p12,
<https://www.netzerocommission.nsw.gov.au/2024-annual-report>

² NSW Treasury (2025) *Carbon emissions in the Investment Framework*,
<https://www.nsw.gov.au/departments-and-agencies/nsw-treasury/documents-library/tpg24-34>

- AnalytEcon estimate that the net producer surplus of the project is negative \$123 million (p14). This means that the proposal loses money for the proponents. Clearly, such a project would only be undertaken for strategic rather than financial reasons. It appears that this proposal is simply a first step towards a much larger expansion proposal. For both direct climate reasons and in order to reduce abatement costs elsewhere in the NSW community, such an expansion should not occur.
- AnalytEcon place considerable emphasis on the potential for the project to provide local employment and demand for local services. The analysts ignore that the Mid Western Local Government Area has some of the lowest unemployment in the country or in the surrounding regions, as shown in Figure 1 below:

Figure 1: Unemployment in project area and Australia



Source: Small Area Labour Markets, [SALM Smoothed LGA Datafiles \(ASGS 2025\) – June quarter 2025 - Department of Employment and Workplace Relations, Australian Government](#)

In this context, the project will compete with other projects for workers and other supplies, rather than providing jobs for unemployed locals and demand for underutilized local services.

For these reasons, we oppose the project on environmental and economic grounds.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rod Campbell', enclosed within a light gray rectangular border.

Rod Campbell
Research Director
The Australia Institute

