

NSW Coal Industry 2026–50



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Top row (l to r): Coal miners finishing shift, Myuna Colliery; Small business, Central West.

Bottom row (l to r): Resources Regulator worker inspecting mine rehabilitation progress, Kandos; Coal vessel loading, Newcastle. Source: ymgerman – stock.adobe.com; Steel production, Port Kembla Steelworks. Source: Dean Lewins, AAP.

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Acknowledgement of Country

The NSW Government acknowledges Australia's First Nations peoples as the Traditional Custodians of Country throughout New South Wales and recognises and respects their continuing connections to lands, waters and communities.

The NSW Government pays respect to Elders past and present and to all First Nations peoples, and recognises the continuation of diverse cultural, spiritual and educational practices.



Minister's foreword



Coal mining is a high-value industry in NSW, currently employing about 23,800 people directly and contributing \$2.7 billion in royalties in 2025. It sustains many regional communities and helps fund essential services right across NSW. Coal remains one of NSW's top exports by value, with \$23.4 billion generated in exports during 2025, serving 21 trading partners globally.

Coal has a long history in NSW and will continue to make an important contribution to the state's growth and prosperity. This long history is due to the stable regulatory environment created to support the lengthy time horizons of coal investment.

The role of coal is evolving in response to a global shift away from coal-fired power generation to meet net zero targets by 2050. The state's remaining coal-fired power stations are scheduled to be retired and replaced by renewable electricity by 2040.

Not every country has the good fortune of abundant access to the range of energy resources that NSW has. Thermal coal is expected to play a continuing crucial role in global energy use into the 2040s and 2050s. Some of Australia's key trading partners require access to NSW coal to ensure their energy security, although these partners also have their own net zero targets.

Demand for the state's metallurgical coal is expected to remain strong in support of Australia's sovereign steelmaking capability. Over the long term, global demand for coal is expected to decline as renewable energy and industrial processes become more readily available. In the meantime, the sector will continue to play its part in meeting economy-wide emissions reduction targets.

NSW Coal Industry 2026–50 sets out the approach that the NSW Government is taking to ensure a balanced and responsible framework is in place for the state's coal sector and coal regions. This serves as a statement of the NSW Government's policy towards coal, to be drawn upon by regulators, planning authorities, and other decision-makers.

The focus out to 2050 reflects the long-term approach our Government is taking. We will continue to monitor market trends, domestic and international energy and steel demand and to support coal regions to identify opportunities to diversify their economies and workforce skills. It is also consistent with NSW's and Australia's commitment to net zero by 2050.

NSW Coal Industry 2026–50 establishes a pathway for the future of coal mining in NSW, supports our coal mining communities, protects a critical input into Australia's sovereign steelmaking capability and ensures that we continue to honour our export commitments, while reducing emissions. It represents a balanced approach to meeting the social, economic, and environmental needs of the state and continuing to ensure energy security for the people of NSW.

The Honourable Courtney Houssos, MLC

Minister for Finance

Minister for Domestic Manufacturing and Government Procurement

Minister for Natural Resources






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NSW Coal Industry 2026–50 snapshot

NSW Coal Industry 2026–50 presents a holistic NSW Government position on the future for coal mining in New South Wales. It provides the mining industry, communities, investors and trading partners with certainty and will support regulatory decision making.

Key principles shaping NSW coal mining to 2050

-  The NSW coal industry will continue to support the local economy and deliver reliable supply to trading partners.
-  The coal industry must continue to play its part in meeting NSW's net zero targets. The application of abatement technology and initiatives by mine operators will be complemented by the use of offsets where abatement is not feasible.
-  NSW will not consider applications for new 'greenfield' coal mines. Extensions to existing operations will continue to be considered, subject to strict project-by-project approval processes and robust regulatory frameworks.
-  Coal regions and coal mining workers will be supported through the economic restructuring resulting from changes in global coal demand.
-  NSW has sufficient coal reserves at or near existing coal mines to meet forecast local and export demand, allowing for extensions.

What this means for NSW coal mining



Exploration

- No new greenfield coal exploration areas.
- End government investment in coal exploration.
- Exploration will be permitted near existing mine sites.
- Existing coal exploration licences continue under 'use or lose it' renewal rules.



Existing coal mines

- Emissions are regulated by the Safeguard Mechanism and NSW Environment Protection Authority (EPA), including new state-based requirements for onsite abatement and monitoring.
- Pilot emissions reduction initiatives, such as ventilation air methane abatement, through NSW Government programs.
- Offsets will continue to support sector emissions with a preference for NSW-based offsets when abatement is not feasible.
- Strong rehabilitation requirements.



Extensions and new coal mines

- No approvals of new standalone greenfield coal mines.
- Extensions of existing mines will continue to be considered, subject to rigorous controls to reduce emissions.
- Scope 1 and Scope 2 emissions and the local impacts of Scope 3 emissions will continue to be considered in the assessment of coal proposals through the planning framework.



Planning for the future

- The Future Jobs and Investment Authority will coordinate an orderly economic transition to support coal producing regions.
- NSW Government will implement the recommendations of the Legislative Council's inquiry into beneficial and productive post mining land use.
- Extensions will provide continued employment in the sector for decades to come.

Executive summary

NSW Coal Industry 2026–50 outlines a clear approach to the future of coal production in NSW. It provides clarity and certainty for industry, the community and trading partners by setting out the future role of coal in NSW's economy and in Australia's domestic steelmaking capability.

The NSW Government will not consider applications for new 'greenfield' coal mines. Projects that propose extension of mining in areas adjacent to existing coal mines, or extensions of life of existing coal mines (collectively referred to as 'extensions') will be considered.

The NSW Government intends that coal will continue to play an important part in supporting regional jobs, investment and communities, within NSW's legislated emissions reduction targets.

NSW has sufficient coal reserves at or near existing coal mines to meet forecast local and export demand, allowing for extensions.

The NSW Government will continue to consider extensions to existing operations subject to strict project-by-project approval processes and robust regulatory frameworks to avoid and reduce onsite emissions to ensure that the coal industry continues to play its part in meeting NSW's emissions reduction targets. As mining continues and, in some areas extends, it is critical the industry ensures its emissions decline consistent with NSW legislation and targets. These outcomes will only be achievable through collaboration between the NSW coal industry and the NSW Government.

Planning authorities will continue to consider proposals for extensions in light of their economic benefits, including supporting industry job security. Proposals will be required to meet environmental and other requirements already prescribed, such as managing impacts on water, ecosystems, biodiversity, land use, air quality, dust emissions and noise, and Aboriginal heritage. Further, NSW is committed to driving emissions reductions across the economy. The coal industry must continue to play its part in reducing onsite emissions consistent with NSW's legislated interim emissions reduction and net zero targets. Stringent environmental regulation will support the application of abatement technology and initiatives by mine operators, complemented by the use of offsets where abatement is not feasible.

Relevant coal mines will need to continue to comply with regulatory obligations, including the Australian Government's Safeguard Mechanism and relevant planning and environmental frameworks.

NSW is, and will continue to be, a reliable and trusted trading partner and will supply its high-quality coal where there is demand and consistent with emissions reduction targets, ensuring long-term supply security. This position complements other regulatory mechanisms to reduce emissions, including NSW's net zero targets, Australia's commitment to the Paris Agreement and the emerging carbon market. It recognises the role of prioritising onsite abatement, the Safeguard Mechanism, and the role of offsets in supporting progress toward emissions reduction targets.

The NSW Government will support coal regions through the Future Jobs and Investment Authority as demand for coal shifts over time. Reuse of coal mining land and infrastructure after mining ends on targeted sites will help unlock new opportunities for investment, job creation, and regional development.

This document provides a balanced and forward-looking approach to ensure NSW plays its part in reducing emissions, delivers sustainable economic returns to the state and communities, and continues to meet both local and export demand.

The outlook for coal in NSW

Coal mining has a long history in NSW, beginning more than 200 years ago near Nobbys Head in Newcastle. Coal exports began in 1799, with the first shipment of coal departing for India from the Port of Newcastle. Coal has played a vital role in building NSW's prosperity and development over the last 2 centuries.

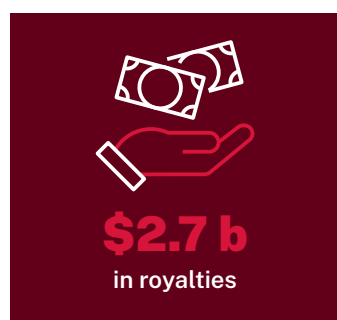
NSW produces 2 types of coal: black thermal coal which is used to generate electricity, and metallurgical coal used in industrial processes, such as steel production. Most of the thermal coal produced in NSW is exported to international markets, where it contributes to the energy security of our key trading partners.

Metallurgical coal produced in NSW is used to sustain Australia's sovereign steelmaking capability with a large proportion also exported to support steelmaking for key trading partners.

The coal mining industry remains a large economic contributor and is an important source of revenue, jobs, and economic activity, generating \$23.4 billion in exports and \$2.7 billion in royalties in 2025.¹

The reliance on coal for electricity generation is changing both domestically and globally. This change is driven by market demand for low-emission alternatives to thermal coal-fired power as well as the net zero commitments of NSW, Australia, and our trading partners.

Key statistics for the 2025 calendar year¹



¹ NSW Resources (2025).

Coal use in NSW

Coal-fired generation contributed 57% of NSW's total electricity grid supply in 2024–25.¹ Three of NSW's 4 remaining coal-fired power stations are due to close by 2033, and coal use for power generation is expected to be phased out by 2040.

We are implementing the NSW Electricity Infrastructure Roadmap to replace these plants and ensure continued energy security through the delivery of low-cost, reliable renewable energy, backed up by storage and gas.

Ensuring a secure supply of coal to existing generators will remain vital to maintaining energy reliability during this period, as renewables and storage capacity are progressively brought online.

Locally produced metallurgical coal supplies the NSW and Australian steel manufacturing sector, supporting BlueScope's operations in the Illawarra and the Whyalla steelworks in South Australia (currently under administration), with about 86% exported to international markets. Demand for metallurgical coal is expected to persist long term, given the limited feasibility of current substitutes.



Coal is an important contributor to the NSW economy and local communities

Coal continues to play a vital role in the regional economies of the Hunter, Central West, Illawarra and North West, supporting about 23,800 jobs.² The coal sector also underpins a broader coal mining value chain of businesses and industries that support mining through the provision of equipment, technology and services, as well as coal-fired power generation; representing over 90,000 indirect jobs.³

Coal mining is important in supporting the economy and local jobs. Proposals to extend coal mining can support continuation of these economic benefits in the short to medium term.

In the Hunter, Central West and North West, coal mining is the largest contributor to regional economic output, while in the Illawarra it is the second-largest contributor after manufacturing. The Hunter is NSW's most productive and trade-driven coal region, with approximately 89% of its coal exported in 2025.

The Central West, by contrast, solely produces thermal coal. By comparison to other regions, production plays a greater role in supporting NSW's energy needs, with half of production being supplied locally.

In the North West, the split is about two-thirds thermal coal with the remaining one-third being metallurgical coal.

The Illawarra is the primary metallurgical coal-producing region in NSW, providing a key source of domestic supply for Australia's steel manufacturing sector and supplying local industry with Australian-produced steel.⁴

Bayswater Power Station, near Muswellbrook.
Source: Taras Vyshnya – stock.adobe.com.

Overview of mining in key coal producing regions in 2025

Region	Number of mines	Coal mining economic output ⁵		Direct employment ²
Hunter	19	\$15.2 billion	58%	14,437
North West	5	\$3.9 billion	15%	3,080
Central West	7	\$4.9 billion	19%	3,518
Illawarra	4	\$2.1 billion	8%	2,799
Total	35			23,834

Note: Tahmoor and Dartbrook suspended operations during the 2025 calendar year. Estimated direct employment as of December 2025.

1 DCCEEW (2026).

2 Coal Services Production Employment by Region (2025).

3 NSW Treasury (2026) Employment Calculator, accessed March 2026.

4 NSW Coal Industry: Production & Stock Report (2025).

5 NSW Government Royalty Data (2025).

NSW coal exports

Owing to its stable regulatory environment and established reputation, NSW is a trusted supplier of thermal and metallurgical coal in the Asia-Pacific region, producing about 37% of Australia's coal for export.¹

Of NSW's total coal production, 85% is exported to countries such as Japan, South Korea, China, and Taiwan. Of these exports, 93% is thermal coal and 7% is metallurgical coal used in steel production. Some of NSW's trading partners do not have the same opportunity for coal or renewable energy supply locally and rely on these exports to support their energy and industrial needs.

The volume of NSW thermal coal exports declined by about 4% between 2018–19 and 2024–25.² While this trend is expected to continue, the most significant shifts are anticipated closer to 2040 and into the 2050s, as trading partners move to lower-emissions energy sources to meet their own net zero commitments.³

The International Energy Agency (IEA) forecasts that global demand for coal will plateau in 2026 ahead of a gradual decline. In the longer term, global coal consumption is expected to decline between 8–60% by 2035 and 20–92% by 2050.³ This is supported by higher natural gas prices, slower coal plant retirements, and continued growth in India and Southeast Asia.⁴

There is significant variability and uncertainty on the trajectory of this decline, as it is highly dependent on the implementation of other countries' energy policies in the context of rising energy demand overall.

Post 2030, demand is expected to decline as lower-emissions and cost-effective alternatives become more readily available and commercially viable.²

Net zero commitments made by major trading partners

Trading partner	Net zero target (year)	Indicative role of coal in energy mix
Japan	2050	Aims to reduce to around 19% of coal power by 2030. Japan's 7th Strategic Energy Plan projects a continued reliance on coal into the 2040s through a thermal power mix of 30–40%. ⁵
South Korea	2050	Plans for coal to supply 10% of power generation by 2038. Pledged to close 40 of its 61 coal-fired power plants by 2040. ⁶
China	2060	Overall coal consumption is rising and remains dominant in the medium term. ⁷
Taiwan	2050	Plans to fully phase out coal-fired power generation by 2034. ⁸
India	2070	Coal consumption is projected to grow by an average of 3% annually to 2030. This represents the largest absolute increase in coal demand of any country globally. ⁴

1 Department of Foreign Affairs and Trade (2025) Trade and foreign investment statistics.

2 Coal Services Exports by Destination (2025).

3 IEA (2025) [World Energy Outlook 2025](#), accessed March 2026.

4 IEA (2025) [Coal 2025: Analysis and forecast to 2030](#), accessed March 2026.

5 Government of Japan (2025) [The 7th Strategic Energy Plan](#), accessed March 2026.

6 S&P Global (2025) [COP30: South Korea commits to phase out majority of coal plants by 2040](#), accessed March 2026.

7 Zhou T, Xu H, Gosens J and Jotzo F (2022) [China's net-zero plans: policy brief on near-term policy challenges & Australia-China links in decarbonisation](#), Australian National University Institute for Climate, Energy & Disaster Solutions.

8 Ministry of Economic Affairs, Republic of China (Taiwan) (2024), [Taichung Power Plant plans to replace coal with gas, reducing coal usage by 3 million tonnes annually starting in 2032](#), accessed March 2026.



Coal leaving Australia. Source: Port of Newcastle.

NSW coal export destinations in 2025 (percentage of total exports)



Rest of world (13 countries) 4%. Source: Coal Services Exports by Destination (2025).

The coal sector will remain subject to Australia’s and NSW’s emissions targets

The NSW Government remains committed to achieving its legislated emissions reduction targets under the *Climate Change (Net Zero Future) Act 2023*, with significant work underway across all levels of government to ensure a responsible and managed approach to meeting these commitments.

The coal industry accounts for 11% of total NSW emissions and produced an estimated 13.4 Mt CO₂ of direct (Scope 1) CO₂ emissions in 2022, representing a 28% decline from 2005 levels.¹

The consumption of coal for electricity generation and industrial processes also produces emissions. In 2022, electricity generation, including from coal-fired power stations, accounted for 39% of total NSW emissions, while NSW’s industrial sector accounted for 12% of NSW’s emissions.²

The NSW Government is overseeing the replacement of NSW’s 4 remaining coal-fired generators, including establishing Renewable Energy Zones to secure new energy supply and reduce emissions from the electricity grid.

Emissions by coal mine type

Coal mines produce differing types and quantities of greenhouse gas emissions depending on the mining method used and technology adoption at the site. Coal mining releases fugitive methane emissions, which are emissions associated with the extraction of coal. Mines also produce ‘stationary emissions’ which are emissions from the use of diesel and other fuels by heavy vehicles and industrial equipment. As a result, mines have differing ‘emissions intensities’; that is, extracting a single tonne of coal may result in differing volumes of emissions.

The emissions intensity of underground and open cut coal mines varies. Underground operations contribute around 69% of NSW coal mining emissions, primarily from fugitive methane and carbon dioxide released during extraction.

Fugitive emissions represent 10% of total NSW emissions. From 2005 to 2022, fugitive emissions reduced by 46%. To date, significant reductions in fugitive emissions have largely been attributed to the closure of underground coal mines.

In contrast, emissions from open cut operations, which are largely driven by heavy vehicle use and fuel combustion, contribute about 23% of direct coal mine emissions.

The NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) produces forecasts of the state’s emissions by sector. These indicate that emissions from NSW coal mining are projected to rise until 2028–29 in line with expected increases in production.

However, the NSW Government expects that overall emissions from the sector will decline consistent with NSW’s targets.

From 2030, coal emissions are anticipated to progressively fall to meet NSW net zero targets by 2050 as coal production declines and emission mitigation and abatement technologies are adopted.³



Mt Arthur coal mine, Hunter Valley.

1 National Greenhouse and Energy Accounts (2024).

2 DCCEEW (2025) *NSW greenhouse gas emissions projections 2024*, accessed March 2026.

3 DCCEEW (2026).

Managing emissions from the coal sector

Operators in the coal industry are actively exploring technological solutions to reduce emissions. It is more difficult to mitigate or abate emissions in certain types of mines, owing to differences within coal seams and methane concentrations.¹

Gas drainage and flaring is common in NSW underground mines to reduce methane concentrations. Some mines use drained gas for electricity generation, or to flare gas to convert methane to carbon dioxide, which has a lower greenhouse gas impact compared to methane.

More recent efforts have focused on advanced ventilation air methane (VAM) abatement technologies that offer significant potential for emissions reduction. While VAM technology has been deployed in other countries, not every mine site is suited to VAM and large-scale deployment in NSW will depend on resolving safety challenges.

The NSW Government, through Coal Innovation NSW, has invested \$15 million to demonstrate full-scale VAM abatement technology at the Appin coal mine in the Illawarra.

Carbon offsets will continue to play a complementary role where onsite abatement is not feasible.

Through the Net Zero Industry and Innovation Program the NSW Government is actively working to encourage investment in clean technologies and support decarbonisation across the economy to ensure NSW remains competitive in a low-carbon economy.

Existing regulatory requirements

Since 2023, the Australian Government's Safeguard Mechanism has applied to high greenhouse emitting facilities (including coal mines) to reduce emissions in line with Australia's emission reduction targets of 43% below 2005 levels by 2030 and net zero by 2050. Under the Safeguard Mechanism, facilities must keep their net emissions under an allocated baseline, which will reduce by 4.9% annually through to 2030 and by an indicative 3.285% from 2030 to 2050. The Safeguard Mechanism applies to 26 coal mines in NSW, producing about 90% of the state's coal. Mines can use a combination of abatement and offsets to meet their Safeguard Mechanism obligations. Failure to meet these requirements results in heavy financial penalties.

This framework provides regulatory certainty, incentivises cost-effective methane capture and empowers industry-led emission reduction. In addition to the Safeguard Mechanism, the NSW EPA will progress regulatory measures to mandate onsite abatement at certain underground mines in NSW through the Greenhouse Gas Mitigation Guide for NSW Coal Mines.

The Safeguard Mechanism will help to drive emissions reduction efforts in the NSW coal mining sector, with a greater focus on ways to abate and offset emissions in line with a declining emissions baseline.

Many coal mines in NSW also have conditions in their development approvals for greenhouse gas emissions. Since May 2024, NSW planning authorities have been directed to have regard to NSW's emissions reduction targets in assessment and decision-making processes.

Since February 2025, the NSW EPA has applied the NSW Guide for Large Emitters across the economy. The NSW Guide for Large Emitters supports proponents to consider climate change within the NSW planning process, by requiring proponents of proposals with large projected greenhouse gas emissions to assess their development's emissions and mitigation opportunities.



¹ Liu L, Jin Y, Yu XX, Bae J-S, Elmouttie M and Cunnington M (2024) [Development and site trials of a novel pilot ventilation air methane catalytic mitigator](#), CSIRO, accessed March 2026.

A clear direction for the future of coal in NSW

Changes to greenfield coal exploration and mining

The NSW Government has previously facilitated coal exploration investment by providing pre-competitive data on prospective areas for coal mining and allowing greenfield exploration and mining.

With the rapidly expanding availability of renewable energy, and considering expected future demand for coal, NSW is well positioned to satisfy both domestic and export requirements from existing mines.

By leveraging coal reserves through extensions at existing sites, NSW can maintain a reliable supply for local needs and trading partners without the need for new greenfield development.

The NSW Government will:

- prohibit future greenfield coal development, meaning that coal mining cannot occur on a site that is not adjacent to, and not related to, an existing coal mining authorisation
- continue to allow approvals for mining operations other than new standalone greenfield coal mines where it can be demonstrated that environmental impacts of the project can be managed, to support ongoing job and energy security. This will include extensions of time and extensions of area of existing mines, as well as restarts of former operations associated with an existing mining lease, including mines that have suspended operations
- continue to support applications for coal exploration adjacent to existing exploration and mining licences under the Operational Allocation Framework
- support existing coal exploration licences to continue with a stringent renewals policy, with requirements to reduce area held under title where limited exploration is occurring ('use it or lose it')
- no longer allow release of new areas for greenfield coal exploration and abolish the Strategic Release Framework for coal
- relinquish Government-held coal exploration titles and retire coal core storage sheds.

These changes will be implemented through amendments to the *State Environmental Planning Policy (Resources and Energy) 2021* and through the *Mining Act 1992*.

Extensions of existing coal mines

The NSW Government will consider applications for extensions of existing coal mines and recognises that extensions will contribute to industry job security in the short to medium term.

The NSW Government will continue to accept applications for exploration licences, planning approvals and mining leases to allow a mine to continue operating, building on existing development consents. Consents can be modified where the proposed modification is substantially the same as originally approved. Where a modification has material environmental impacts, it is placed on public exhibition by the Department of Planning, Housing and Infrastructure.

Applications for extensions of existing NSW coal mines and operational allocation for exploration will continue to be assessed on their merits under NSW's regulatory and planning framework.

This includes a rigorous and detailed assessment under the *Environmental Planning and Assessment Act 1979*, *State Environmental Planning Policy (Resources and Energy) 2021*, *Protection of the Environment Operations Act 1997* and the *Mining Act 1992*, as well as other relevant policies and guidance documents, including planning and environmental regulatory frameworks.

Assessment includes a public exhibition period, which enables the community to comment on proposals. Proponents are required to respond to these submissions.

The Department of Planning, Housing and Infrastructure will continue to seek expert advice in relation to applications, where needed.

Government agencies, including the Department of Climate Change, Energy, the Environment and Water, the Environment Protection Authority and the Department of Primary Industries and Regional Development review proposals against their own requirements.

After completing its assessment, the Department of Planning, Housing and Infrastructure refers the project to the relevant consent authority for a final determination.

Honouring NSW's coal export commitments

Demonstrating NSW's commitment as a reliable and trusted international trading partner during this shift in demand is key to securing a managed and orderly transition for coal-producing communities.

NSW will continue to supply high-quality thermal and metallurgical coal to our trading partners, ensuring that producers continue to honour their export commitments and retaining our role as a trusted and reliable supplier as our partners meet their net zero commitments. All coal mines, and assessments for extensions of coal mines, will remain subject to rigorous and detailed environmental and planning frameworks.

The coal sector must continue to play its part in reducing emissions

The NSW Government is committed to achieving NSW's legislated emissions reduction targets. All sectors have a responsibility to reduce emissions.

The coal industry must continue to play its part in meeting NSW's net zero targets. The application of abatement technology and initiatives by mine operators may be complemented by the use of offsets where abatement is not feasible. All coal mines, and assessments for extensions of coal mines, will remain subject to rigorous and detailed environmental and planning frameworks, with stringent environmental regulation to reduce emissions and tracking to ensure targets are met. The NSW Government will continue to guide and assist the sector to further reduce emissions.

Environmental considerations in proposals for existing mines and extensions

Proposals for extensions to existing coal mines will be required to meet emissions requirements and meet environmental and other requirements such as managing impacts on water, ecosystems, biodiversity, land use, air quality, dust emissions and noise, and Aboriginal heritage; with proposals required to demonstrate a clear commitment to avoiding or reducing onsite emissions and offsetting any residual emissions.

Economy-wide tools like the Australian Government's Safeguard Mechanism and the EPA's NSW Guide for Large Emitters will provide the primary basis for assessment of emissions for existing projects and extensions, with additional emissions reductions delivered through the EPA's requirements on the coal sector to implement abatement technologies onsite.

All emissions are considered by the Department of Planning, Housing and Infrastructure during development assessment. Scope 1 and Scope 2 emissions and the local impacts of Scope 3 emissions will continue to be considered in the assessment of coal proposals through the planning framework.

Sector-wide emissions data and trajectories will inform these assessments to ensure the coal industry contributes to achieving NSW's interim and legislated emissions reduction targets.



Mt Arthur coal mine, Hunter Valley.



While the coal sector is reducing emissions to support meeting NSW and Commonwealth's emissions targets, it should not be expected to commit to deeper reductions than other sectors of the economy, or anything that is not technically feasible. However, the NSW Government expects that overall emissions from the sector will decline consistent with NSW's targets. Proposals to mine additional coal will be subject to assessment under rigorous environmental and planning frameworks to ensure there remains an overall decline of coal sector net emissions over time, including:

- a requirement for proposals to avoid, reduce, substitute, or offset emissions in mine design, as outlined in the EPA's NSW Guide for Large Emitters. For example, this could include consideration of the prevalence of gas within seams
- driving onsite abatement through the EPA's Greenhouse Gas Mitigation Guide for NSW Coal Mines, which will progressively place requirements for coal mines to implement abatement technologies
- a requirement for offsets where onsite abatement is not feasible, with a preference for offsets to be sourced from within NSW.

When assessing proposed extensions, the NSW Government will consider the impact of mine closures on the NSW economy, as well as reductions in emissions attributable to closures to ensure a downward trend in emissions from the sector consistent with NSW targets.

The Coal Innovation NSW Board, the body formerly established to advance low emissions research and development in the coal sector, will be wound up. The NSW Government will continue to support the demonstration of VAM abatement technology and industry-led initiatives through the NSW Government's Net Zero Industry and Innovation Program.

Ongoing abatement will be supported through NSW's forthcoming Net Zero Plan (2026) and the proposed resources sector decarbonisation plan.

An approach to reporting based on continuous improvement

The coal industry will continue to play an important role in reducing emissions and the NSW Government will guide and assist the sector to further reduce emissions. To support transparency and accuracy in reporting on the coal sector's emissions, the NSW Government will:

- continue to adopt a continuous improvement approach to net zero modelling methodology through improvements to data and regular engagement
- recognise the contribution of NSW-based offsets used in NSW by coal mines in emissions reporting
- undertake regular public reporting on coal mine closures, jobs, and changes to coal extraction volumes
- establish a regional monitoring network for greenhouse gases, starting in the Hunter region. This will help to validate fugitive emissions inventories and improve our understanding of emissions and reduction trends over time.



Coal vessel leaving Newcastle Harbour.
Source: Port Authority of NSW.

Supporting coal regions and local economies

The NSW Government remains committed to enabling coal regions to broaden their economic base, generate high-value opportunities, and ensure long-term resilience across regional areas. The NSW Government is progressing policies that will lay the foundation for NSW's future economic diversification, recognising the expected natural decline in global coal demand. This forms part of the whole-of-government approach to economic growth and diversification.

Working with industry to support coal regions

Alongside continuing coal mining, the Future Jobs and Investment Authority will facilitate locally informed investment outcomes to support economic development in coal mining regions. It will support strategic planning for coal regions, focusing on emerging industries and employment opportunities, including on former mining land.

The Authority's governance framework will establish local divisions with broad cross sector representation that will play a critical role in community engagement and understanding regional priorities and contribute to the development of local economic structural adjustment plans.

As part of the NSW Government's commitment to coal regions, proposed legislative measures will provide enhanced visibility on planned mine closures and workforce impacts. This will inform long-term strategic planning in NSW coal regions.

The Future Jobs and Investment Authority will collaborate with industry to understand workforce capabilities and opportunities to realign skills to support growth in new industries and supply chains.

These reforms will help deliver targeted support to coal mining workers and communities.

The NSW Government is also supporting economic diversification and new growth opportunities in regional areas, through supporting transformational investment in the state's energy system as well as grants for new and expanded low carbon manufacturing.

The NSW Industry Policy and Trade and Investment Strategy will also support future economic resilience, leveraging our strengths and comparative advantages to attract investment and drive development of new exports over time.



Mt Arthur coal mine, Hunter Valley.



Artist impression of Black Rock Motor Resort, formerly Rhondda Colliery, Lake Macquarie. Source: Black Rock Motor Resort.

Former mining land offers opportunities to create new industries and jobs

The NSW Government will continue to impose strict conditions on exploration licences, mining leases and development consents to ensure mining land is left in a safe and stable condition under its best practice rehabilitation framework.

The NSW Government acknowledges the significant economic and environmental benefits that can be achieved through the reuse of existing mine infrastructure and assets, including opportunities to establish new industries, attract investment and create long-term regional employment.

Assisting mining companies and investors to unlock the future economic potential of former mining land will help local communities realise these opportunities.

The rehabilitation framework allows mining lease holders to identify an alternative beneficial post mining land use at any stage of their project. However, not all sites will be appropriate for economic use and activation due to site-specific physical, environmental and economic factors.

The NSW Government will have a key role in providing guidance and support to navigate the post mining land use framework, establishing and operating a supportive planning framework that enables post mining land use and setting the vision for the range of post mining land use options through coordinated strategic planning and site activation initiatives.

The NSW Government has accepted all 13 recommendations from the final report of the NSW Legislative Council's inquiry into beneficial and productive post mining land use and is working to implement them.

