LETA

Low Emission Technology Australia

COAL PRODUCERS CALL ON GOVERNMENT TO CO-FUND METHANE ABATEMENT AS INDUSTRY INVESTMENT HEADS TOWARD $100M

10 August 2026

Australia's black coal producers have called on the Australian Government to co-fund the demonstration and deployment of methane abatement technology, with industry investment through Low Emission Technology Australia (LETA) on track to reach almost $100 million by 2030.

In its submission to the Climate Change Authority's consultation on near-term methane abatement, LETA confirmed that industry has allocated nearly $60 million through the fund to ventilation air methane (VAM) abatement, targeting the dilute methane carried in the air that ventilates underground coal mines.

Anglo American Steelmaking Coal's VAM abatement project, developed with investment through LETA, is expected to be execution-ready as a single-site demonstration by the end of 2026, with a first phase designed to abate approximately 550,000 tonnes of CO_2-e a year.

Industry funding through LETA is also backing Mining3's CATCH4 project, which is developing catalytic oxidation technology to destroy methane at lower temperatures and lower concentrations than established thermal systems. The technology is operating at pilot scale under real mine conditions, and is aimed at mines where current systems are not viable.

LETA Acting Chief Executive Officer Damian Dwyer said industry had backed the technology with its own money and was asking government to join it for the demonstration phase.

"Coal producers have put almost $60 million into ventilation air methane abatement through LETA, and we're on track for close to $100 million by 2030," Mr Dwyer said.

"We're asking the Government to come in with us and co-fund the demonstrations that get this equipment working safely on Australian mine sites."

VAM is typically present at concentrations below one per cent, too dilute to burn conventionally, so abatement systems destroy it by oxidising it at around 1,000 degrees Celsius. Because methane has a stronger near-term warming effect than carbon dioxide, cutting these emissions can deliver relatively rapid climate benefits.

The submission is upfront about the barriers to wider deployment. Every installation has to be engineered around a mine's own ventilation flows and methane concentrations, and must meet Australian mine safety requirements that are deliberately more conservative than arrangements used on some overseas projects. Costs are significant, particularly at mines where lower methane concentrations mean auxiliary fuel is needed to keep plants running. These barriers could be reduced through co-funded demonstrations and staged timelines aligned with technology readiness.

Mr Dwyer said the policy settings to drive investment were already in place, and the focus should now be on how quickly demonstration plants could be built.

"The Safeguard Mechanism covers the vast majority of methane from coal mining and it's a big part of why this investment is happening," Mr Dwyer said. "The review that's just opened is asking what it takes to get abatement technology developed and deployed. That's the right question, and our answer is already on the table."

"What sets the pace from here is getting demonstration plants built and approved under Australian mine safety standards. Co-funding is how the world-first plant at West Cliff happened and how the Newcastle safety program happened, and it's the fastest way to get the next generation of this technology onto mine sites."

Beyond funding, the submission calls for clear and coordinated approval pathways across environmental and safety regulators, and for technology-neutral arrangements that reflect the conditions at each mine. It also seeks continued co-investment in catalytic oxidation and other next-generation systems suited to lower methane concentrations.

LETA said it would continue to work with the Authority, governments, researchers and technology providers as the advice is finalised, and would lodge its own submission to the Safeguard Mechanism Review.

LETA's submission is available here.

ENDS

CONTACT
Ben Rice | Head of Government Relations and Media | Ph: 0459 716 054

ABOUT LOW EMISSION TECHNOLOGY AUSTRALIA
Low Emission Technology Australia (LETA) is a not-for-profit investment fund that accelerates the development and large-scale deployment of technology solutions to reduce and remove greenhouse gas emissions from critical industries like steel, cement and power generation.

LETA's investment in technology unlocks a faster, cheaper pathway to net zero for hard-to-abate industries that are critical to the economy, provide thousands of Australian jobs and support households every day.

Since 2006, LETA members have contributed more than $400m to low emissions projects and unlocked a total investment of $1.1b. LETA members recognise the crucial role of low emissions technologies in enabling a net-zero future for their industries, their customers, their workforces and Australian communities.