



THE METHANE BRIEF • AUSTRALIA

Why Australia Is Asking Again

A public consultation has quietly reopened one of the coal industry's oldest unresolved questions — in the country that built the first working answer to it, two decades ago.

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Somewhere in New South Wales, a coal mine's ventilation shaft is pushing tens of thousands of tonnes of methane into the sky every year. It is dilute, mostly below one per cent concentration — kept that way by design. Let it concentrate further and the risk isn't unbreathable air; it's approaching the explosive range of methane in air. Diluting and venting it is simply how a mine stays safe. It is also, by any physical measure, one of the largest single sources of greenhouse gas the country has — and one of the least discussed.

An hour's drive south of Sydney, near Wollongong, a power plant once ran almost entirely on gas exactly like it. It generated six megawatts of electricity, fed the local grid, and cut roughly 250,000 tonnes of CO₂-equivalent emissions a year. Using the US EPA's own passenger-vehicle benchmark — a US-specific figure, since American cars average far higher annual mileage than vehicles in the EU or elsewhere, and so isn't a like-for-like comparison globally — that's roughly the same order of magnitude as 54,000 cars driven for a year in the United States. Built through 2006, it was commissioned in September 2007 and ran for a decade.

THE PLANT THAT ALREADY PROVED IT

The project was WestVAMP, built by BHP Billiton at the West Cliff Colliery near Wollongong — the world's first commercial venture to burn ventilation air methane (VAM) at scale. It used Regenerative Thermal Oxidation (RTO), a combustion technology developed in the 1970s to handle industrial air pollution, adapted through the 1990s to the specific challenge of coal mine ventilation air: enormous volumes of air carrying only a trace of methane, too dilute to ignite, too voluminous to ignore.

WestVAMP ran until 2017, when the mine's operations moved on and closed the case. In the years since, the same RTO technology has become thoroughly unremarkable everywhere else — tens of thousands of units doing equivalent work across other industries worldwide, and a small but growing number of purpose-built VAM plants doing it for coal mines specifically, in the United States and in China. Australia, having commissioned the world's first commercial VAM RTO installation, has not yet commissioned a second one. Not yet.

The technology is not the open question. It never really was.

A GOVERNMENT IS ASKING WHY, AGAIN

On 2 July 2026, Australia's Climate Change Authority opened a public consultation titled Fossil Methane: A Near-Term Abatement Opportunity. It closed on 9 August. The process feeds directly into the government's 2026–27 review of the Safeguard Mechanism, the country's core industrial-emissions scheme, and the Authority's resulting advice is due to reach the Minister for Climate Change and Energy in November.

The framing is telling. Fossil methane is being treated not as a long-dated decarbonisation problem, on the scale of steel or cement, but as a near-term one — a lever that, unlike most of the energy transition, does not require new technology to pull. The Authority's own consultation questions ask plainly what is constraining deployment: safety, technical readiness, regulation, commercial viability, or something site-specific. It is, in effect, asking the industry to explain why a solved problem has stayed unsolved.

WHY THE ACCOUNTING MATTERS AS MUCH AS THE PLANT

One of the Authority's own questions goes to the heart of a quieter dispute: Australia reports its emissions using GWP100, a method that values methane at roughly 30 times the warming effect of CO₂ over a hundred years. Over the 20-year window that actually governs how quickly the planet heats up, that multiplier is closer to 82 times.

Two prices follow from that, and both are true at once. There is methane's market price — the roughly USD 20 per tonne of CO₂-equivalent that GWP100 accounting implies. And there is its atmospheric price — closer to USD 7 per tonne once GWP20 is applied — which answers a different question: not what a tonne costs today, but what a tonne of methane cut is actually doing to near-term warming, right now, this decade. A government weighing near-term abatement is, whether it says so explicitly or not, being asked which of those two questions it wants its policy to answer.

WHAT'S ACTUALLY BEING TESTED

Strip away the policy language, and the consultation is really testing something simpler: whether Australia is willing to treat a technology it pioneered in 2007 as ready for a second act — and, if so, whether finance, regulation and political attention will show up to make that happen, rather than assuming a single company will quietly work it out alone.

The Authority's advice lands with the Minister in November. Until then, the question first answered at West Cliff eighteen years ago is open again, on the public record — not because the first answer failed, but because no one has yet given a second one.