



Climate Council of Australia

Submission to: HVO North and South Open Cut Coal Continuation Projects

Addressed to: NSW Independent Planning Commission
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10 July 2026

About the Climate Council

The Climate Council is Australia's own independent, evidence-based organisation on climate science, impacts and solutions.

We connect decision-makers, the public and the media to catalyse action at scale, elevate climate stories in the news and shape the conversation on climate consequences and action, at home and abroad.

We advocate for climate policies and solutions that can rapidly drive down emissions, based on the most up-to-date climate science and information.

We do this in partnership with our incredible community: thousands of generous, passionate supporters and donors, who have backed us every step of the way since they crowd-funded our beginning as a non-profit organisation in 2013.

To find out more about the Climate Council's work, visit www.climatecouncil.org.au.

INTRODUCTION

The Climate Council welcomes the opportunity to make a submission to the NSW Independent Planning Commission's (IPC) assessment of the [Hunter Valley Operations North and South Open Cut Coal Continuation Projects](#) (the HVO Continuation Project).

The HVO Continuation Project, a joint venture between Glencore and Yancoal near Singleton in the Hunter Valley, is the largest coal mining proposal in NSW's history. It seeks to extend the life of the mine until up to 2045 and open up extraction of an additional 429 million tonnes of coal.¹ The project would primarily provide export coal to international markets.

Meanwhile, NSW communities are already living with the impacts of climate change, driven primarily by the extraction and burning of coal, oil and gas. The Hunter region itself has one of the highest proportions of climate-exposed properties in the country. Approving the state's largest ever coal mining proposal would contradict the IPC's obligations to consider climate pollution and impacts, putting more Australians in harm's way to benefit large fossil fuel corporations. Coal regions like the Hunter need certainty and genuine investment in their future, not another extension that ties them to a global market already in structural decline.

The IPC must reject the HVO Continuation Project.

THE PROJECT WOULD FUEL THE CLIMATE DISASTERS ALREADY HARMING NSW COMMUNITIES

Over the past 18 months, communities in NSW have weathered back-to-back extreme weather events: record-breaking heatwaves and flooding, bushfires, a tropical cyclone and a 'cyclone bomb'. Sydney just experienced its warmest June since records began ([Caldwell 2026](#)). The [Royal Commission into National Natural Disaster Arrangements](#), held in the aftermath of the 2019-20 Black Summer bushfires, found that further warming over the next two decades is inevitable, in response to past and future climate pollution – driving more frequent and intense climate-driven natural hazards. Beyond that, warming is largely dependent on the trajectory of emissions ([Royal Commission into National Natural Disaster Arrangements 2020](#)). Last year's National Climate Risk Assessment confirmed that NSW is among the areas facing the most significant and rapid increases in climate hazards in the country ([Australian Climate Service 2025](#)).

The NSW Net Zero Commission estimates that income per person was more than \$20,000 lower in 2024 than it would have been without human-induced climate change, costing the state \$180 billion that year alone ([NSW Net Zero Commission 2026](#)). Meanwhile, last year's State Budget revealed expenditure on natural disasters increased more than 1000%

¹ Under the current proposal, HVO South would operate until 2042, and HVO North until 2045 ([NSW DPHI 2026](#)).

in the six years since the 2019-20 Black Summer bushfires compared to the six years prior ([NSW Government 2025a](#)). The Hunter region is especially prone: analysis shows it is the 10th most at-risk federal electorate for climate extremes, with 12,300 properties (more than one in ten) already classified as "high risk" of becoming uninsurable ([Climate Council and Climate Valuation 2025](#)).

To protect its communities, economy and environment from the worst impacts of climate change, NSW must make deep, rapid cuts to climate pollution. This requires ending approvals of new and expanded fossil fuel projects. The HVO Continuation Project would push NSW in exactly the wrong direction. In total throughout its life, the project would release more than 800 million tonnes of climate pollution – more than seven times NSW's annual emissions – including:

- 15.1 million tonnes of climate pollution on-site
- 793.8 million tonnes of climate pollution when the coal is burned ([NSW DPHI 2026](#)).

Although the majority of the climate pollution from the project would occur overseas when the coal is burned, this has no bearing on its impact: no matter where coal is burned, it contributes to global heating, with catastrophic consequences for NSW communities and environments.

HVO and its consultants contend that pollution from the project would be a very small proportion of global pollution and not enough to materially affect the extent of climate change impacts locally ([EMM Consulting for HVO Operations Pty Ltd 2025](#)). However, the NSW Department of Planning, Housing and Infrastructure (DPHI) itself acknowledges that the "emissions generated by the project would contribute to climate change and contribute to climate impacts in... the Hunter region" ([NSW DPHI 2026](#)).

APPROVING THE PROJECT WOULD PUSH NSW'S CLIMATE TARGETS FURTHER OUT OF REACH

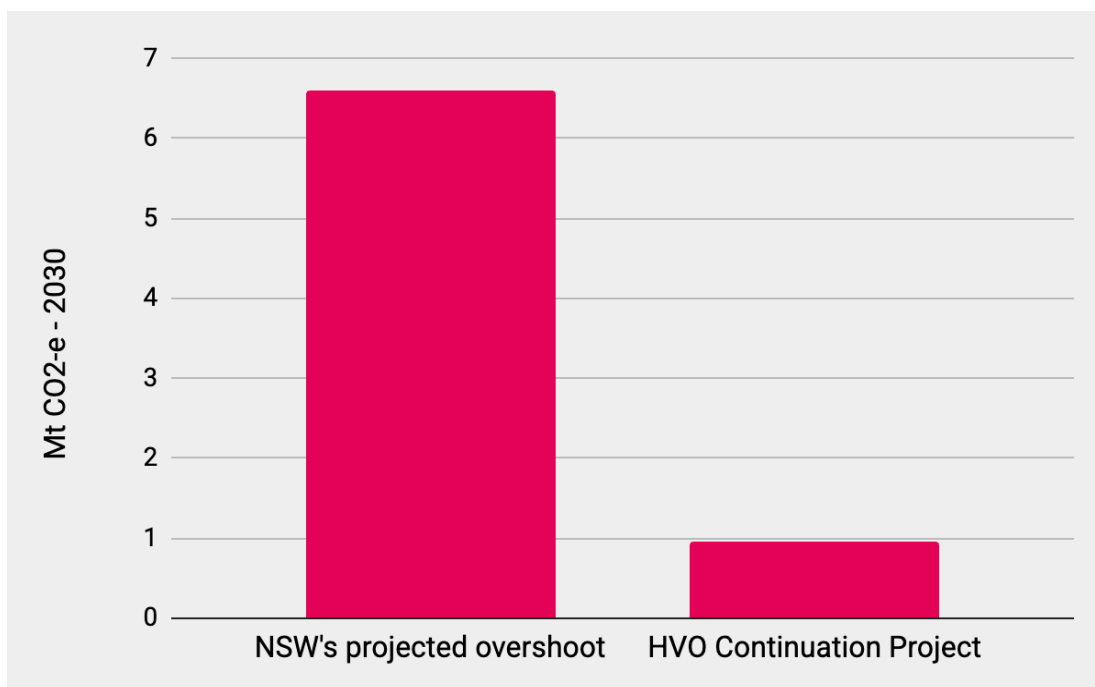
While the majority of the climate pollution from the HVO Continuation Project would be released when the coal is burned overseas (Scope 3 emissions), a significant amount will also be released directly on-site in NSW (Scope 1 emissions). The original project proposal was withdrawn in 2024 and resubmitted in August 2025, reducing Scope 1 emissions by 11.5 million tonnes CO₂-e (around 43%) throughout the life of the project, largely through the avoidance of mining in an area of high gas content and a reduction of the proposed mining operation timeline. Even at this reduced scope, the pollution occurring in NSW remains enormous: 795,000 tonnes every year, on average ([NSW DPHI 2026](#)).

DPHI has concluded that the project's net greenhouse gas emissions are consistent with NSW and Commonwealth Government policy frameworks ([NSW DPHI 2026](#)). However, the Department acknowledges that HVO's primary approach to achieving alignment with NSW's emissions reduction targets would rely on offsets – not genuine emissions

reduction at the mine site. Relying on offsets is a risk to climate targets, with no guarantee they actually reduce pollution. They will not change the project's gross on-site emissions totalling more than 15 million tonnes over its life.

Currently, NSW is not on track to meet its 2030 climate target of a 50% reduction on 2005 levels. Emissions are set to fall by 45.7% – 6.6 million tonnes short of meeting the target ([NSW Government 2025b](#)). In 2030, the HVO project is expected to emit around 954 kt of gross on-site climate pollution ([EMM Consulting for HVO Operations Pty Ltd 2025](#)), or 14% of NSW's projected overshoot of its emissions reduction target. Approving the project would increase the emissions reduction burden on other key industries in NSW, such as manufacturing and agriculture.

THE HVO CONTINUATION PROJECT WOULD CONTRIBUTE 14% OF NSW'S PROJECTED EMISSIONS OVERSHOOT IN 2030



Sources: [NSW Net Zero Emissions Dashboard 2025](#); [Hunter Valley Operations Continuation Project – NSW DPHI Assessment Report \(2026\)](#)

THE EXPANSION WOULD ALSO IMPACT LOCAL WATER RESOURCES

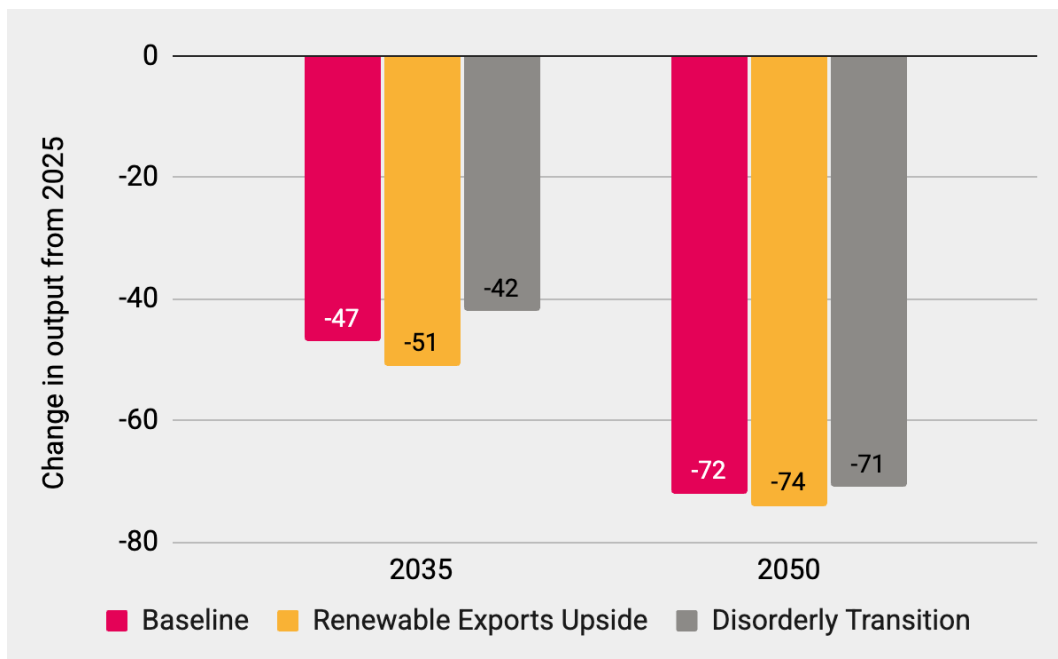
For the past 70 years, the HVO coal mine has already impacted the region's water resources, including by discharging wastewater into waterways, extraction of water from the Hunter River, and diverting water run-off ([Lock the Gate 2026](#)). Expanding and extending the mine would cause further harm to the Hunter River and local water resources, which local farming and tourism industries depend on. As climate change disrupts rainfall patterns and increases evaporation in the region, protecting these water resources is more critical than ever.

CERTAINTY AND SUPPORT ARE NEEDED FOR COAL REGIONS AS GLOBAL DEMAND PLUMMETS

The writing is on the wall for Australian coal exports. As key trading partners like Japan, Taiwan and South Korea accelerate their shift to renewables to lower costs, increase energy security and cut climate pollution, Australian Treasury modelling shows Australia's coal production could fall 42–51% by 2035 and at least 71% by 2050 ([Australian Treasury 2025](#)). The NSW Government has also acknowledged this trend, including through the [NSW Coal Industry 2026-50](#), released in March 2026, which notes global coal demand is expected to fall by between 20 and 92% by 2050 under different scenarios.

In the face of rapidly falling global demand, approving NSW's largest proposed coal project would only prolong and exacerbate uncertainty for the industry. The Hunter Valley needs investment in long-term industries, not another short-term extension that delays the inevitable. Recent [analysis by KPMG](#) projects the strong pipeline of manufacturing, renewables, and enabling infrastructure projects will add around 34,000 new jobs in the Hunter over the next five years. Major projects like the Hunter-Central Coast Renewable Energy Zone will boost the local economy, while planned coal closures present opportunities for new land uses and long-term employment ([KPMG 2026](#)).

AUSTRALIA'S COAL PRODUCTION IS EXPECTED TO FALL BY AT LEAST 71% BY 2050



Source: [Australia's Net Zero Transformation: Treasury Modelling and Analysis \(2025\)](#)

Rejecting the HVO expansion will provide clear direction for the region, but must be accompanied by urgent action from the NSW Government to expand support for communities like the Hunter to secure their future through new industries and employment. Progressing the [Future Jobs and Investment Bill 2025](#) through Parliament is an important first step in providing communities the certainty they need.

THE IPC MUST CONSIDER CLIMATE POLLUTION AND IMPACTS

NSW has a responsibility – enshrined in the [Climate Change \(Net Zero Future\) Act 2023](#) – to play its part in meeting globally agreed goals of holding the global average temperature increase to well below 2°C above pre-industrial levels, and pursuing efforts to limit it to 1.5°C. As part of this, NSW has legislated targets to cut climate pollution at least 50% below 2005 levels by 2030, 70% by 2035, and reach net zero by 2050.

Under NSW Government policy, the IPC is to consider NSW's emissions reduction targets and the guiding principles of the Climate Change Act when examining new developments ([Sharpe 2024](#)). The NSW Net Zero Commission has made it clear that continued extensions or expansions to coal mining in NSW are not consistent with the legislated emissions reduction targets or the Paris Agreement temperature goals ([NSW Net Zero Commission 2025](#)). This is in line with the International Energy Agency's advice, which it has consistently reaffirmed since 2021, that new and expanded coal mines are incompatible with limiting global warming to 1.5°C ([IEA 2021](#)).

The NSW Net Zero Commission has noted that the NSW Government's position to continue to allow extensions of existing mines, announced in the March 2026 [NSW Coal Industry 2026-50](#), is inconsistent with its advice, the state's legislated emissions targets and the Paris Agreement ([NSW Joint Standing Committee on Net Zero Future 2026](#)). It also notes that the NSW Government did not consider significant information in developing the statement, including the International Court of Justice's (ICJ) [landmark advisory opinion](#) that countries have a legal duty to protect their environments and people from climate pollution ([NSW Joint Standing Committee on Net Zero Future 2026](#)).²

The NSW Court of Appeal confirmed in July 2025 that the IPC is also required to consider how a project's climate impacts – including Scope 3 emissions from coal burned overseas – would affect the local area ([Denman Aberdeen Muswellbrook Scone Healthy Environment Group Inc v MACH Energy Australia Pty Ltd 2025](#)).³

RECOMMENDATION: REJECT THE HVO CONTINUATION PROJECT

Approving the HVO Continuation Project would be at odds with the IPC's obligation to consider NSW's legislated emissions reduction targets and principles, and the advice of the NSW Net Zero Commission. It would put NSW's communities, economy and environment in harm's way. No new or expanded coal project is consistent with a safe climate future. It is imperative that the IPC rejects the HVO Continuation Project proposal.

² The Albanese Government has endorsed the ICJ advisory opinion through a UN General Assembly resolution in May this year ([Ambassador and Permanent Representative of Australia to the United Nations 2026](#)).

³ This decision is now being [considered in the High Court](#). The NSW Government accepted that consent authorities such as the IPC have a responsibility to consider the impact of climate pollution from coal burned overseas in its June 2026 [Response to the Coal Mining Emissions Spotlight Report](#).

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