



Climate Council of Australia

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

Addressed to: NSW Independent Planning Commission
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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

Climate Council thanks the NSW Independent Planning Commission (Commission) for the opportunity to comment on the additional information provided by [Hunter Valley Operations \(HVO\)](#) and the [NSW Department of Planning, Housing and Infrastructure \(DPHI\)](#) in early September.

This submission builds on our [previous submission of 10 July](#), and responds to two key issues raised in [HVO's recent correspondence](#). First, while HVO does not contend that the impacts of its coal burned overseas are irrelevant, or that the framework for national climate targets under the Paris Agreement is a complete answer, it asserts that the Commission's legal obligation to consider downstream pollution can be satisfied because importing countries have their own climate targets. This does not change the fact that the coal will be burned, fuelling the impacts of climate change that the Commission is obliged to consider. It also contradicts HVO's own economic case, which depends on strong coal demand persisting for the next 19 years. Second, HVO's dismissal of the Future Jobs and Investment Bill and failure to undertake transition planning to date, despite claiming to be committed to creating "a positive legacy for the local region" must not give it a licence to continue polluting.

The Commission's obligation to consider the full climate impact of a coal proposal – regardless of where the coal is ultimately burned – has never been more critical. Since HVO submitted its Response to Request for Information dated 1st September, the United Nations has released new analysis confirming the world no longer has a realistic pathway to avoid exceeding 1.5°C of warming: the upper limit of what vulnerable communities, coral reefs, and many ecosystems can withstand, and beyond which we risk triggering irreversible and cascading catastrophic climate impacts ([UNEP 2026](#)). On 3 September, the World Meteorological Organization announced that the current El Niño may become the strongest on record, driving extreme weather and severely impacting communities, economies, and supply chains in Australia and across the globe ([WMO 2026](#)).

HVO's refusal to consider anything shorter than its proposed 19 year extension serves only one interest: the profits of Glencore and Yancoal. Its failure to prepare a mine exit strategy and transition plan for its workers and the community must not become an excuse to further fuel global heating and worsening extreme weather that is already severely impacting communities in the Hunter.

The Commission must reject the HVO Continuation Project proposal.

WHY HVO'S KEY ASSERTIONS DON'T HOLD UP

The climate impacts of the project are a mandatory consideration for the Commission - regardless of where the coal is burned

HVO's argument that other countries are responsible for the impacts of downstream climate pollution ignores the fact that a project's climate impacts on the local area – including Scope 3 emissions from coal burned overseas – are a mandatory consideration for the Commission. As the [Commission itself has noted](#), even though Scope 3 emissions from the Project will occur overseas where the product coal is burned, the Commission is “still legally required to consider the impacts, including but not limited to their impacts in the locality of the Project.”

The Commission's stated requirements are consistent with the decision of the NSW Court of Appeal last year in [Denman Aberdeen Muswellbrook Scone Healthy Environment Group Inc v MACH Energy Australia Pty Ltd](#)¹ as well as the [International Court of Justice's \(ICJ\) landmark advisory opinion](#) of July 2025 which has been endorsed by the Albanese Government ([Ambassador and Permanent Representative of Australia to the United Nations 2026](#)). The ICJ advised that countries have a legal duty to protect their environments and people from climate pollution – whether it occurs inside or outside their own borders – stating: “obligations pertaining to the protection of the climate system do not rest exclusively with consumers and end users, but also include activities such as ongoing production, licensing and subsidising of fossil fuels.” ([ICJ 2025](#))

The fact that the countries the coal is destined for have climate targets and policies does not change the physical reality that throughout its life, HVO would release more than 800 million tonnes of climate pollution – more than seven times NSW's annual emissions² – 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](#)).

On 2 September, the United Nations Environment Programme (UNEP) [released a landmark report](#) confirming the world is set to cross 1.5°C of global warming, likely within the next few years – with even the most optimistic scenario now putting peak warming at 1.8°C, and most other scenarios higher still ([UNEP 2026](#)). Above 1.5°C, the report warns, the risk of triggering irreversible tipping points – including the destabilisation of major ice sheets, the degradation of the Amazon rainforest, and disruption to the ocean currents that help regulate our climate – grows sharply with every additional fraction of a degree.

¹ 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 impacts of climate pollution from coal burned overseas in its June 2026 [Response to the Coal Mining Emissions Spotlight Report](#).

² According to [Australia's National Greenhouse Gas Accounts](#), NSW's emissions in 2024 were 106.2 Mt.

UNEP is clear that the only way to minimise how high temperatures peak, and bring them back down as quickly as possible, is to rapidly and deeply slash climate pollution. We have known for years that new and expanded coal mines are wholly incompatible with this task ([IEA 2021](#)).

UNEP puts the remaining carbon budget at about 130 billion tonnes of additional climate pollution globally from 2026 onwards, for even a 50% chance of limiting warming to 1.5°C. At the current rate, the remaining carbon budget for staying within 1.5°C would be exhausted in roughly three years ([UNEP 2026](#)). HVO's 808.9 Mt CO₂-e total lifetime climate pollution ([NSW DPHI 2026](#)) would be roughly 0.6% of the entire remaining global budget as estimated by UNEP – from just one mine.

Every tonne of coal, oil and gas extracted and burned heats the global climate and fuels more destructive extreme weather – harming Australians no matter where it's released. There is no pathway to a safer climate that includes approving a project like HVO.

HVO cannot have it both ways: arguing that responsibility lies with trading partners while expecting strong global coal demand

On one hand, HVO is arguing that coal demand among its importing countries will be robust enough over 19 years to justify \$2.9 billion in capital expenditure (and deliver \$4.2 billion in royalties) ([HVO 2026a](#)). At the same time, it is arguing that the Commission should trust that the climate commitments of importing countries are strong enough to discount the impacts of around 800 million tonnes of climate pollution. Both cannot be true. If importing countries genuinely deliver on strong climate commitments aligned with the Paris Agreement goals of limiting warming to well below 2°C, and pursuing best efforts to limit warming to 1.5°C, demand for HVO's coal will fall.

If the Commission *is* to give further weight to national climate targets (referred to as Nationally Determined Contributions, or NDCs, under the Paris Agreement), as per HVO's assertion, then it must weigh them accurately, including the gaps between what the science requires, national climate pledges, and real action. In its latest report, UNEP found that current national climate pledges are “nowhere near sufficient” to meet the Paris Agreement temperature goals, and the implementation of even the existing pledges is weak. Under current policies, median projected global warming reaches around 2.6°C by 2100 ([UNEP 2026](#)). Similarly, the UNFCCC Secretariat, the body that administers the Paris Agreement, found that while the most recent NDCs, submitted last year, are bending the emissions curve further downwards, they will still not bring down emissions quickly enough. It “remains clear that major acceleration is still needed in terms of delivering faster and deeper emission reductions” ([UNFCCC 2025](#)).

NSW cannot rely on other countries to honour their Paris Agreement commitments while approving projects that go against all expert advice and make global temperature goals harder to achieve.

HVO's failure to support its workers should not be a licence to pollute

Progressing the Future Jobs and Investment Bill (Bill), which has notably already passed the NSW Legislative Assembly, is an important step in providing communities the certainty and support they need in the face of structural economic change arising from changes in global demand for coal. HVO claims that it is "committed to designing and operating the mine with closure in mind, to minimise closure risks and costs and maximise opportunities to create a positive legacy for our local region" ([HVO 2026b](#)).

However, HVO submits that the Bill warrants little weight in the Commission's considerations because it "is not law," and that there is "no certainty that the bill will ever be passed by Parliament", despite relying on other items to prosecute its own arguments, such as the *NSW Coal Industry 2026-50* policy statement, that are similarly not law.

We also note HVO's advice that all workforce and community engagement obligations relating to mine closure could be undertaken within the final three to five years before the closure date ([HVO 2026a](#)). On HVO's own evidence, the 19-year continuation period sought is not required to deliver an orderly transition for the mine's workforce, suppliers or the local community – the question the Commission put to it. HVO's response to the Commission's questions does not identify transition planning already completed and we note that HVO was also unable to provide evidence at the July hearings that it has any comprehensive exit strategy for the mines ([HVO 2026b](#)). This is notwithstanding that the existing approval for HVO North expires on 31 December 2026 and the operation employs 1,500 local workers.

As the [Hunter Jobs Alliance](#) states: *"Planning for closure should not become an argument against closure. It should be a continuing obligation of responsible mine management."*

Further, HVO's correspondence mischaracterises Minister Scully's second reading speech of the Bill as an "acknowledgement and endorsement of the continuation of coal mining in New South Wales until 2050 and possibly longer." The quoted passage says current approvals for coal mining will be with us until 2050. This is a statement of fact about existing consents, not an endorsement of new ones. The same quoted passage says "we must plan for a shift in demand that will impact on New South Wales coal." It is noteworthy that a second reading speech for a Bill designed to prepare coal regions for transition is being cited as evidence of support for a coal mine expansion.

HVO's failure to prepare a mine exit strategy and transition plan for its workers and the community must not become an excuse to further fuel global heating and worsening extreme weather that is already severely impacting communities in the Hunter. An extension of any duration to the largest coal proposal in NSW presents risks inconsistent with the Commission's obligations to the Hunter's climate and the community.

WHAT'S AT STAKE FOR THE HUNTER

Climate change is already significantly impacting NSW's economy and communities

HVO's correspondence reinforces claims around the net economic benefits of the extension over the life of the project, but notably neglects to consider the significant social and economic impacts of the global heating that it is directly contributing to. As noted in our previous submission, the NSW Net Zero Commission estimates human-induced climate change cost the state \$180 billion in income in 2024 alone ([NSW Net Zero Commission 2026](#)).

A new report from the [Insurance Council of Australia](#) (ICA), released in early September 2026, found that since 2019, there have been at least 29 extreme weather events across Australia costing \$20.7 billion and damaging more than 760,720 homes and buildings. It warns the costs of recovering from extreme weather events will continue to rise as climate change fuels worsening extreme weather ([ICA 2026](#)). The main climate risks for the Hunter electorate are bushfire, riverine flood and extreme wind, with coastal inundation expected to rise dramatically by 2100. Based on existing action, the number of properties at high risk of damage from climate extremes in Hunter is modelled to almost double by the end of the century ([Climate Council 2025](#)).

The Hunter is facing severe impacts as a potentially record-breaking El Niño unfolds

On 3 September, the World Meteorological Organisation (WMO) warned that the current El Niño may become the strongest since records began four decades ago ([WMO 2026](#)). Climate pollution from coal, oil and gas is supercharging all of its impacts because the world is already 1.4°C hotter ([Copernicus 2026](#)). This means more aggressive drought, fire weather that's more dangerous, arrives earlier and lasts longer, deadly extreme heat, together with marine heatwaves and coral bleaching off our coasts ([Climate Council 2026](#)).

For the Hunter, this could mean:

- **Flash droughts** - like the one that hit the Upper Hunter in 2023, severely impacting agricultural production in the region as dams and drinking water supplies dried up. In a single month, the Upper Hunter went from drought free to devastation. In April, New South Wales showed no sign of drought ([Speer and Leslie 2024](#)), but from May-October 2023 the region experienced a sharp drop in rainfall and the highest average maximum temperatures on record, advancing the onset of drought ([Speer et al 2024](#)). For the Hunter, a region heavily reliant on river catchments for agriculture and drinking water, this kind of rapid-onset drought threatens both farm production and water security with little warning. Researchers expect flash droughts to become more frequent as global warming intensifies ([Speer and Leslie 2024](#)), and climate pollution

and El Niño is a dangerous double act stacking the odds of the occurrence of flash drought.

- **Increased fire risk** - as climate pollution and El Niño add fuel to already rising risks by further heating and drying the landscape. The years following an El Niño have historically been when major fires have occurred in Australia. When the Black Summer fires started in 2019 it was not an El Niño year, but followed the 2015-2016 El Niño that helped dry out south-eastern Australia. There are already concerns about what the 2027 – 2028 bushfire season might deliver if there is no return to La Niña ([Climate Council 2026](#)).
- **Heatwaves** – the deadliest climate disaster ([Blashki 2024](#)). Extreme heat causes around 10 times more hospitalisations than any other extreme weather event. Emergency department visits for heat-related illness rise more than 20% for every 1°C increase in maximum daily temperature during summer ([NSW Net Zero Commission 2026](#)). Research has found Sydney's summer now starts almost a month earlier and lasts twice as long as it did in the 1960s ([Scott et al, 2026](#)). The Hunter region experiences more hot days and more frequent, longer-lasting and more intense heatwaves ([AdaptNSW 2026](#)).

The Hunter will feel the effects of this El Niño no matter what the Commission decides. But the Commission does have the power to decide whether the 800+ million tonnes of pollution from the HVO extension will play a part in making the next one worse.

CONCLUSION

The world is set to cross 1.5°C within the next few years because of our failure to drive down greenhouse gas emissions from coal, oil and gas. Every tonne left in the ground, and every fraction of degree avoided means more lives, livelihoods, species and ecosystems saved.

At a moment when the evidence for urgent, drastic emissions cuts has never been clearer, approving this project would push NSW's communities, economy and environment further into harm's way.

The Commission has a responsibility to consider the likely impacts of this project's climate pollution – including its scope 3 emissions – on the local community and environment. The Commission cannot approve the HVO Coal Continuation Project on the assumption that someone else, somewhere else, bears responsibility for the harm that this project will cause.

No new or expanded coal project – of any duration – is consistent with a safe climate future. The Commission must reject the HVO Continuation Project proposal.

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