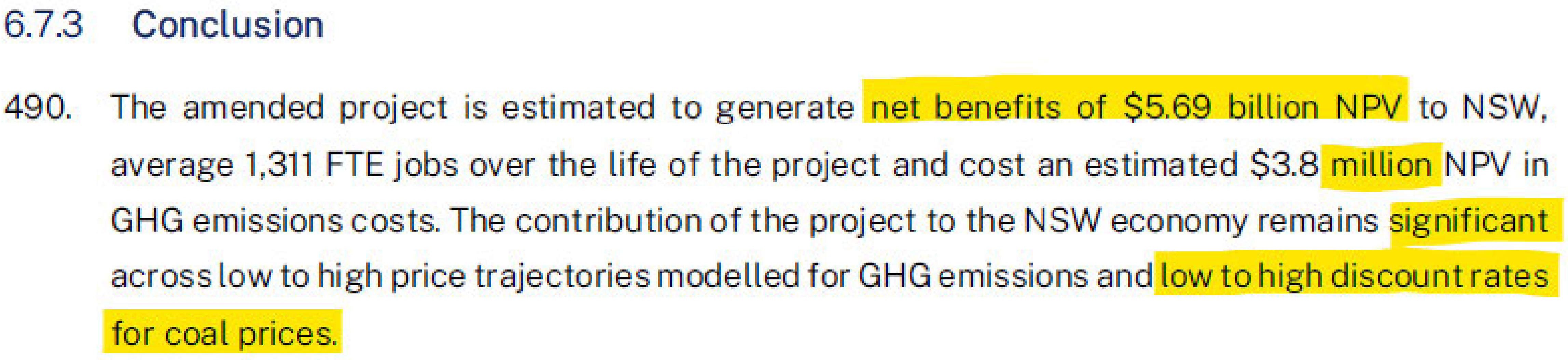
HVO coal project economic assessment

Rod Campbell, Research Director, The Australia Institute
22 July 2026

DPHI assessment report: uncritical



6.7.3 Conclusion

490. The amended project is estimated to generate net benefits of $5.69 billion NPV to NSW, average 1,311 FTE jobs over the life of the project and cost an estimated $3.8 million NPV in GHG emissions costs. The contribution of the project to the NSW economy remains significant across low to high price trajectories modelled for GHG emissions and low to high discount rates for coal prices.

Source: DPHI SSD Assessment Report, p116. See also exec summary page viii, Evaluation page 127.

Economic assessment

Economic impact of the Hunter Valley Operations continuation project

HV Operations Pty Ltd

04 August 2025

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The better the answer.
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Economic Impact Assessment of the Hunter Valley Operations continuation project

HV Operations Pty Ltd

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Peter Walsh
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1011 Lemington Road, Ravensworth
NSW 2330

14 December 2022

Economic Impact Assessment of the Hunter Valley Continued Operations Project

Dear Peter Walsh,

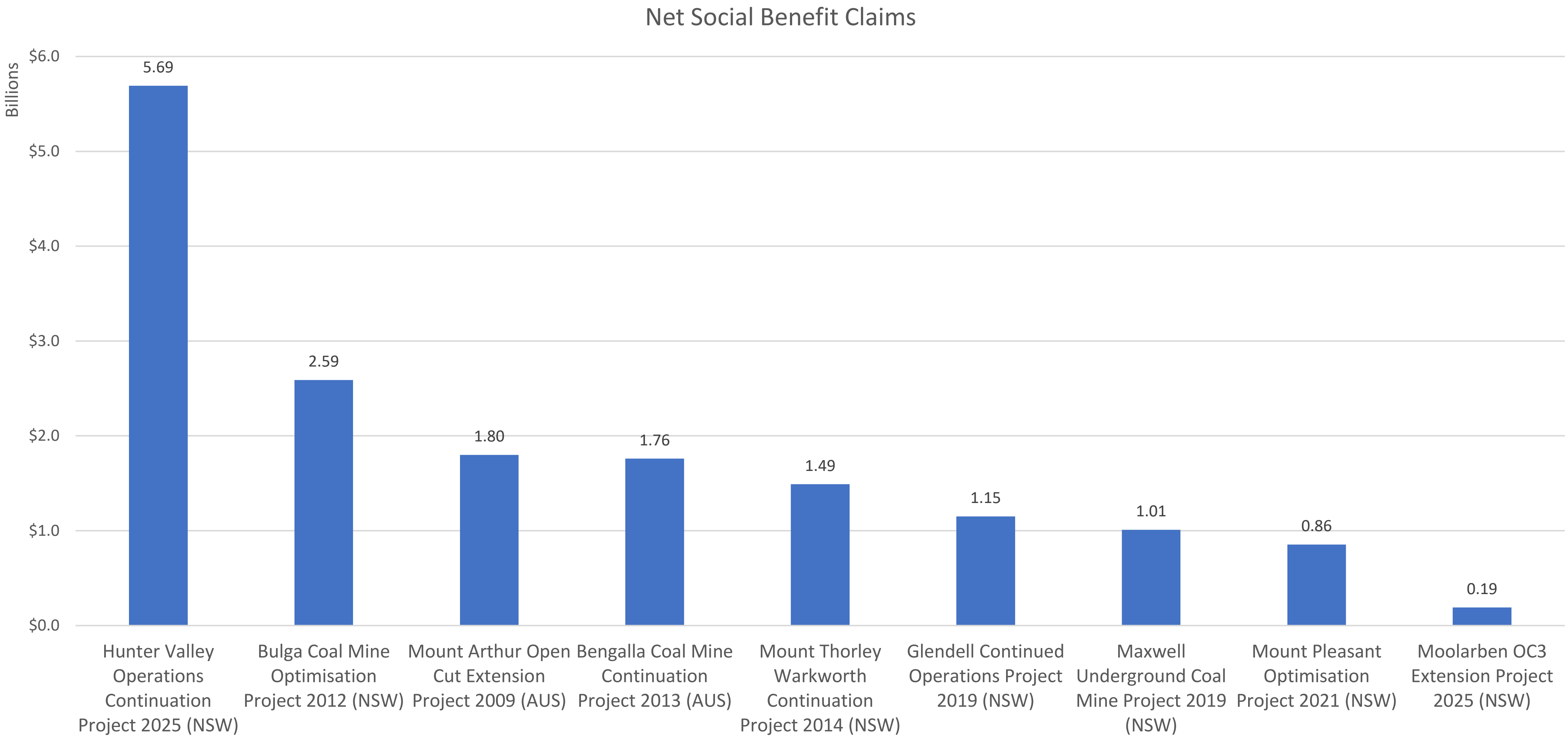
Thank you for the opportunity to work on this project for you. Should you wish to discuss any aspect of this Report, please do not hesitate to contact [redacted] on 04[redacted]0.

Yours sincerely

[redacted]

Steve Brown
Partner

Net benefits in context



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Coal market uncertainty: ignored

Table 9: Central case assumptions - Project financials ($million*), for HVO

	HVO Complex
Revenue	
Revenue from coal sales	39,746.4
Residual value of capital	-
Total Revenue	**39,746.4**
Costs	
Operating costs (incl. closure costs) ^	25,405.3
Safeguard Mechanism and Voluntary additional ACCU purchases[40]*	689.2
Mitigation and management costs	90.4
Depreciation	3,059.6
Royalties	4,173.1
Payments to Council	99.8
Total Costs	**33,517.4**
Operating Profit	**6,229.0**

Source: EY estimates based on information provided by HVO.

16% reduction in revenue make project marginal

19% increase in costs make project marginal

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Coal market uncertainty: ignored

2.8.1 Results of sensitivity analysis

2.8.1.1 HVO Complex sensitivity analysis

This sensitivity analysis shows that the potential net economic benefit remains largely insensitive to the changes in all the key assumptions underpinning the analysis.

In isolation, the estimated net benefit of the proposed development is most sensitive to the coal price assumptions underpinning the analysis, but even assuming coal prices are 25 per cent lower than under the central case assumptions the net benefits are estimated to be $4,785.7 million in NPV terms, a reduction of 15.9 per cent from the central case assumptions. The lower bound, or pessimistic case, estimate of net benefits, which takes the combined assumptions around coal prices, capital expenditure, operational expenditure as well as worker, environmental impacts and supplier benefits, yields an estimated net benefit of $4,432.2 million in NPV terms. The upper bound, or optimistic case, estimate, based on the combined optimistic assumptions, is $6,768.9 million in NPV terms.

Source: EY 2025 Economic impact of the Hunter Valley Operations continuation project page 29

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Coal market uncertainty: ignored

> In isolation, the estimated net benefit of the Project is most sensitive to the coal price assumptions underpinning the analysis, but even assuming coal prices are 25 per cent lower than under the central case assumptions the net benefits are estimated to be $570.8 million in NPV terms.

Economic impact assessment of amended Tahmoor South Coal Project

Tahmoor Coal Pty Ltd

3 August 2020

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Coal market uncertainty: ignored

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Economic impact assessment of amended Tahmoor South Coal Project

Tahmoor Coal Pty Ltd

3 August 2020

ABC NEWS Search...

Tahmoor Coal placed into administration as court hears creditor winding-up bid

By Kelly Fuller ABC Illawarra Coal

Posted 10 Feb 2026 at 5:30pm

Tahmoor Coal faces voluntary administration as creditors push for liquidation. *(ABC Illawarra: Kelly Fuller)*

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Worker benefits: overstated

Preston CJ, Land and Environment Court

“Mr Brown sought to inflate the benefit to workers…

“Contrary to the … Economic Assessment Guidelines, Mr Brown incorrectly compared the average coal mining wage…to the weighted average non-mining wage.

“conceded that this opinion was not based on detailed research or analysis…

“If there will be any worker benefits of the Project, they are likely to be small and in the order of magnitude of [DPIE expert’s] figure of $4.3 million…possibly lower still”

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Supplier benefits: overstated

Preston CJ, Land and Environment Court

“Mr Brown sought to inflate the benefit to suppliers …

“Mr Brown did not form any view as to whether [data from his client] was an accurate or inaccurate figure, but accepted it as “it seemed like a reasonable figure”…

“Mr Brown’s inputs and methodology are uncertain and not able to be tested or verified. A number of inputs seem plainly wrong.

Greenhouse gas emissions

Table 26: Greenhouse gas emissions not accounted for by the safeguar
externality

	HVO Complex
ROM Coal Output Mt	429.3
Tonnes of GHG (Mt)	
Gross Scope 1	15.1
Net Scope 1	8.0
Net Scope 2	0.2
Net Total	8.2
Global Impact (NPV*, $ million^)	3,445.9
NSW (NPV*, $ million^)	3.8

Source: EY 2025 Economic impact of the Hunter Valley Operations continuation project page 46

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