

**SUBMISSION TO PAC
IN RELATION TO
CASTLEREAGH COAL
THE INVINCIBLE MINE SOUTHERN EXTENSION
MODIFICATION SSD5594
LITHGOW CITY COUNCIL LGA**

**BY
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Introduction.

Manildra, the “mother company” that owns Castlereagh Coal, is a diverse family-owned Australian company.

The Manildra Group provides food and industrial products such as bakery and flour premixes, vital wheat gluten, syrups, starch, ethanol, sugar, stockfeed, beef and lamb, canola oil.

It employs a total workforce of 1,184 (utd June 2016).

Castlereagh Coal’s mission is to acquire a reliable and cost effective source of speciality nut coal for use in the Manildra Group’s Shoalhaven Starches plant at Bombaderry on the New South Wales South Coast. Any excess product will be on sold to the local power station.

The project will employ 31 full-time personnel.

There is also the possibility of an exciting prospect of developing a coal based fertiliser in the future.

You will have a company whose core business of agriculture is being melded with coal mining.

Such a synergetic arrangement can only be beneficial for the Lithgow and Australian community.

Castlereagh Coal was formed from the ashes of Coalpac a former company that went into liquidation owing creditors \$105M.

The Manildra Group has over 60 years of efficacious management expertise and application. One has to only look at their successful track record.

The purpose of this submission is to advocate a positive case for the Invincible Mine Southern Extension Modification for future mining.

There are references to environmental management and the stakeholders involved plus some theoretical and practical statements that the author believes are very applicable to the case he is advocating.

The current issue before us is emotional and partisan.

Emotional because it involves the livelihood of an integral part of the Lithgow community and

partisan because it comprises outsiders who are hell-bent on destroying an industry, in this case coal, that has served the Lithgow people well for 150 years.

It is truth versus dogma.

Coal mining has been an integral part of the Lithgow region since the 1800s.

In fact the first blast furnace in Australia was built in Lithgow. Coal was sourced from the local district and iron ore imported from Carcoar.

The region is steeped in industrial history and the community is comprised of proud and resilient people that has experienced adversity on a regular basis.

Mining and processing have been conducted in Australia since the very early times of human settlement. The Aborigines mined and processed minerals, such as ochre and flint, through primitive methods for domestic use. There was a flourishing trade between tribes. Estimates put this as early as 27,000 years ago. We carry on that tradition today, the only difference being that the types of mineral traded and the ethnological composition of the tribes has changed. However, it should not be forgotten that the Kooris hold the honour of being the very first Australian miners.

The real world.

O'Neill (1994) says that the needs of the communities cannot be identified until those communities have been engaged in the discussion and the consideration of the proposed development. It is not feasible, and indeed most likely arrogant, to observe a community from afar and try and determine its needs from the perspective of the proposed development. It will prove critical in all development situations to enter into the community, in a social not just a physical sense, to understand the needs of that community from within.

The fundamental reality is that companies are part of the community as much as individuals. Thus companies must become involved with the communities in which they intend to work.

This is what they have historically done within the Lithgow district.

But the public must be alert to the external forces who want to impose their Draconian ideals upon

the Lithgow community.

Pearson (2016) said that a report in the Australian Newspaper exposed how foreign funds (read USA) have been used to initiate vexatious legal challenges and cynically induce objections from indigenous groups while using every ruse to avoid disclosure of the source of funds. The funds are channelled through a non-government organisation (NGO) known as the Sunrise Project. This has been aimed mainly at the Adani coal mining project in Queensland. It seems the green activists were not defending the rights of Central Queenslanders but those in the leafy, air conditioned suburbs of San Francisco. The Adani project would employ up to 10,000 Australians and provide high energy, low impurity coal to India, where 300 million people still do not have access to electricity.

Will this tactic be used by Green affiliated groups to halt or delay the Invincible Mine Southern Extension Modification Project?

Zimmerman (1992) puts it more succinctly by asking: *"Do all Australians concede as desirable and inevitable the loss of sovereignty arising from handing over the care of our environment to the world? Do we accept that standards applicable to crowded Europe, or frozen Antarctica, or the fragile Maldives are appropriate to the diversities of our island continent? And if so, to what parts of it? Who will decide? How will they decide? And what happens if a majority of Australians do not agree with a particular decision?"*

David Landes (2003) author of *The Wealth and Poverty of Nations* says this about coal:

"What creature has done so much as man with what nature has provided? I can think of no substance that has played so important a role in shaping industrial technology and the relative fortunes of competing economies".

Rayner (1990) is concerned there are those in the conservation movement who, in their enthusiasm for their cause, cannot acknowledge the need for development. They are only a few,

but they are vocal, and they are committed, and they exploit many techniques to impose their views on a tolerant society. They have learned that, in the right circumstances, society will accept at face value, appealing short-term propositions which mortgage the long-term future for example, coal seam gas (CSG). It is all too easy to criticise the destruction of a few hectares of trees, but much harder to show how community wealth generated by mining allows governments to spend more on social security, education and conservation!

For billions of years, almost every life form on earth depended for its existence on energy fresh from the sun, on the solar income arriving daily from outer space or temporarily stored in living things. Like living solar collectors handily dispersed all over the planet, plants capture sunshine as it arrives and convert it into chemical energy that animals can eat. **Plants don't just convert energy, they store it over time – holding that energy within their cells until they decay, burn, or get eaten (or, in rare but important cases, are buried deep within the planet as fossil fuel).**

As civilisations and nations grew, trees disappeared, depleted by competing demands for fuel, timber and land for crops. All these needs drew down the same stores of plant-captured solar energy, and those stores invariably ran short. The size of our fires and our meals, our cities and our economies, and ultimately our populations, were all restricted by the limited ability of the plants within our reach to turn the Sun's light into a form of energy we could use.

In this world of tight energy constraints, coal offered select societies the power of millions of years of solar income that had been stored away in a solar savings account of unimaginable size. Coal would give them the power to change fundamental aspects of their relationship with nature.

(Freese, 2003)

Sustainable Intensification.

Ridley (2016) says that the Living Planet Report (Zoological Society of London and World Wide Fund for Nature) provides evidence that while wildlife populations are doing poorly in poor countries, they are generally doing well in rich countries. Yet the prevailing theory among environmentalists is that it is affluence that is killing wildlife. Also poor countries (read India) are still chopping down

their forests because they do not have access to readily available cheap electricity. This is why it is morally reprehensible to try and block the Adani Coal Project in the Galilee Basin of Central Queensland.

The reason rich people are now able to live alongside wildlife in a way that poor people do not is partly because, once liberated from mere subsistence, they can afford to care. Wealth partly decouples the life of human beings from dependence on wild ecosystems. **By eating farmed food, moving to cities, using minerals (e.g. coal) instead of organic materials, we reduce the need to exploit, or compete with, wildlife. This phenomenon is known as sustainable intensification.**

Just imagine if a billion Africans had the high farm yields of Europe/Australia/ North America, relied less on forests for fuel and materials, and had high living standards, it's a fair bet that there would be a lot more lions and elephants.

Beard (1991) says that the miners should be setting the agenda themselves and recapturing some of the initiative. It is much easier to control an agenda of one's own choosing than to respond to someone else's. He notes that every emotional trick in the book is brought into play, by the 'hard core' environmentalists, to win the hearts and minds of average people. It's perceptions that count, not facts.

To quote him:

"Our children should be concerned that our planet is not physically corrupted beyond redemption. But people will attend to environmental and social concerns only when their bellies are full, they have a roof over their heads, and they feel reasonably secure".

A positive track record.

Historically, mining companies in the Lithgow district have learnt to deal with impediments such as distance, climate, terrain, geological complexity, environmental integrity, high fixed costs, great engineering and technological problems, and the great cost of failure. But a group of imposed ideological impediments are causing serious problems.

The areas of most concern:

- land access
- sovereign risk
- security of title
- new government taxes and charges
- increasing regulation and bureaucracy
- unrealistic standards
- Commonwealth interference
- Inter-governmental agreements
- endless and often mindless enquiries
- International treaties and conventions
- changing rules
- the growth and intermittent influx of non-resident anti-mining activists
- biased press coverage that mainly validates anti-coal activists

Subsequently the mining industry has adapted to change more rapidly and more easily, perhaps, than any other Australian resource industry. Since the last century and the beginning of this century, when few others worried about conservation and rehabilitation, the Australian mining industry has been a world leader in mine rehabilitation and conservation management. **Research by mining companies in the rehabilitation of mine sites has yielded a wealth of valuable scientific data.**

Examples include:

- a) The importance of invertebrates, particularly ants, in the long-term stability of rehabilitated areas.
- b) The discovery of new plant and animal species.
- c) Their support of research into dieback disease has helped increase scientific knowledge for the continued existence of the jarrah forests.
- d) In some areas restoration is producing rich grazing lands or sought-after recreation areas.
- e) Intricate groundwater studies, especially composition and flow characteristics.

Another exciting development for coal use is where a USA based company is in the process of licensing an **organic coal-based fertiliser** and agricultural growth compound. The advanced blend formula, which is 100% natural and 70% coal, permanently enriches the soil, improves crop quality and produces a yield in a way that would be equal to or greater than today's chemical-based fertilisers, according to its developers.

According to the company, the product works by increasing the nitrogen efficiency/uptake by plant roots.

If this idea were to take off, it would open a new market for coal, by disrupting traditional method that fouls waterways and water tables worldwide. It would greatly reduce or eliminate the need for pesticides, herbicides and fungicides, representing a significant cost saving to the farmer.

The 100% natural formulation is slow-releasing and has the effect of enriching soil nutrition permanently, including damaged, depleted, unused and underused soils globally. The need to let acreage lie fallow can be eliminated as it permanently enriches, not depletes, soil nutrients as experienced with NPK fertilisers.

Microbial activity is promoted and increased. Increased soil porosity and nitrogen uptake is observed, allowing for efficient water and nutrient utility by plant roots. Water and harmful nitrate runoff are avoided. In addition, soils not presently in use or usable can be brought back into production.

It should be stated that **a proactive rather than a reactive environmental program** has been undertaken by mining companies over the past several decades.

Today's fiercely competitive market place and emphasis on cost-cutting measures are leading companies to place a priority on programs that best support their competitive advantage.

Consequently environmental management is about the long-term and if neglected can seriously jeopardise a company's balance sheet and public image for years. Proactive environmental management requires time, effort and money - the rewards go beyond short-term financial statements.

Thus proactive environmental management means responsively addressing business, moral, and social obligations to protect both a company and the environment.

Each mining company (read Castlereaugh Coal) has a company-wide environmental policy, similar to the following:

- Comply with all applicable laws, regulations and standards; uphold the spirit of the law; and where laws do not adequately protect the environment, apply standards that minimise adverse environmental impacts resulting from operations, products or services.
- Communicate openly with government and the community on environmental issues, and contribute to development of policies, legislation and regulations that may affect the company.
- Ensure that employees and suppliers are informed about this policy and are aware of their environmental responsibilities in relation to company business.
- Ensure that management systems can identify, control and monitor environmental risks arising from operations.
- Conduct research and establish programs to conserve resources, minimise waste, improve processes and protect the environment.

Food for thought: Public Relations and Public Perception.

Jackson (1990) is concerned that business people allow themselves to be treated like criminal idiots in the media - social media, television, radio, newspapers, which are by far the major sources of news for the community.

She asks: "Why is only business assumed to be self-serving? And, why are the contributions of business to the national benefit ignored? Why do the environmental initiatives and activities of genuinely concerned businesses get such a backhanded reception, something to the effect that it's about time and it's the least they could do?"

She points out that business does itself incalculable harm by allowing the devastating and sometimes preposterous statements and claims of environmental activists go unchallenged and uncorrected.

Her advice: *"It's time for business to stop operating on the assumption that all they have to do is the right thing. They must recognise the new reality: that they have to sell not only their products but also their existence"*.

Ideally one should build a company which is:

- accessible to the public through open sites and tours
- prefers to present factual material, rather than opinions
- is determined to excel in selected activities, such as mine site rehabilitation
- recognises the valid driving force of enlightened self interest
- maintains, with a constancy of purpose, those selected attributes which form the corporate persona
- is prepared to tackle head-on all factual misrepresentations of our activities or impact, while leaving unchallenged contrary opinions or values.

Turner (1992), on a visit to the Warrawong wildlife sanctuary in the Adelaide Hills, says that Dr John Wamsley revealed that minesites should be used as wildlife sanctuaries as a part of their environmental management programs. Companies who took on this concept would do so in the classic spirit of enlightened self-interest. Dr Wamsley has demonstrated that such centres can be profitable, but the main benefit would be in public relations. The conservationists who devote such a large proportion of their energies to opposing the mining industry contribute next to nothing in a positive sense to the cause of conservation. Their main organisations have shown no interest in contributing to or participating in the demanding business of maintaining species preservation centres. If the industry were to step into this role it would achieve a moral advantage over its detractors that would be very hard to deny or misrepresent.

Conclusion.

As Barry Jones has said:

"There are far too many credulous (gullible) people in the world and not enough honest sceptics."

I am one of those sceptics.

Let's deal with reality not fantasy.

We are the stakeholders in this country and there is bound to be a rich array of opinions, especially about environmental management. Consequently any decisions about the Australian environment should be made by Australians for Australians.

The tendency for some Australians to 'tread the world stage' is still alive and well. They have delusions of grandeur - at home they may be 'big frogs in a little pond' but, in the majority of cases, on the world scene they are but 'a small ripple on a vast ocean'. There are some big egos to contend with and as such common sense, consensus and the wishes of the majority become casualties to the 'cultural cringe' espoused by these 'politically correct people'. Grant (1994)

It is also about gainful employment, the community, camaraderie, future aspirations, the maintenance of living standards and survival. Why should this resilient Lithgow community that has in recent times experienced hardship through the closure of mines/industry/power stations be subject to the whims of the inner city green left, zealots, ideologues and plain stupid people? Is it the mission of the aforementioned people to increase the unemployment and crime rates within the Lithgow community? Because that is what will inevitably happen when you acquiesce to the forces of anti-coal mining/development where jobs are sacrificed on the altar of green left ideology.

The Castlereagh Coal project will allow its coal production to be currently used for two purposes:

1. Starch production
2. Power production, and

There is also the future possible use as an organic coal based fertiliser.

Also the prospect of 31 full-time jobs is not to be scoffed at in a labour-depressed market.

I am in favour of the Invincible Mine Southern Extension Project – as is the majority of the Lithgow Community.

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