



Doc ID: 1733827

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Friday, 28 February 2020

Dear Sir/Madam,

**Re: Letter of Objection – SSD 7480 - Vickery Mine Extension**

We refer to the above-mentioned State Significant Development Application and wish to lodge an objection to the proposed development on the basis of its direct and indirect economic and social impacts and relatedly on the basis that it is not in the public interest.

**1. BACKGROUND**

As part of the project, Whitehaven (the proponent), has made an offer of a Voluntary Planning Agreement (**VPA**) to Narrabri Shire Council (**Council**). Council resolved to reject the offer at its meeting of 17 October 2019 as it did not meet the Council endorsed objectives for a planning agreement and accepting the offer would not be in the public interest.

In considering the proposed development, the consent authority is required by the *Environmental Planning & Assessment Act 1979 (EPA Act)* to take into consideration its relevant likely impacts including "environmental impacts on both the natural and built environments" and "the social and economic impact in the locality". It is also required to consider the public interest.

In considering these matters, it is incumbent on the consent authority to consider negative social impacts and properly evaluate the potential positive impacts in order to be satisfied that the Vickery Extension Project (**proposed development**) can be supported. Of relevance to the consideration of the public interest, are the following objects of the EPA Act:

- (a) *to promote the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State's natural and other resources,*
- (b) *to facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessments.*

  
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**(a) The Social and Economic Welfare of The Community**

The Response to Submissions (RTS) provided by the proponent, indicated on page 5 that:

*"the Project would result in employment, council contributions, state royalties and expenditure in the region."*

This statement may not be entirely accurate given that the VPA offered to date is not fair and reasonable nor commensurate with the scale and potential social impacts of this proposed development on the Boggabri community.

A recent decision in the case of *Gloucester Resources Limited v Minister for Planning* [2019] NSWLEC 7 (**the GRL case**), which was made on 8 February 2019 by Chief Justice Preston, contains a number of statements with respect to social and economic considerations relevant to the assessment of the Proposed development. There remains a need to scrutinise some of the figures and assumptions surrounding many of the estimates and projections that were compiled by earlier proposed development documents drafted prior to the GRL case.

In particular the following specific issues are raised:

**(i) Employment**

The workforce figures indicate that the Vickery Coal Mine (**Approved Project**) would include "up to 60 full-time equivalent construction workforces" and "up to 250 full-time equivalent on-site operational personnel" <sup>1</sup>.

To the best of Council's knowledge, the proponent has not provided any actual workforce data for their other mines in the region. Whilst Council concedes that accurate projections are often difficult to measure as they can vary from project to project, it appears that the Approved Project includes 0.44 FTE construction employees per Mt of total coal resource and 55 FTE employees for each Mtpa throughout the lifecycle of the original 30-year project (derived from Table ES-1, Executive Summary: EIS docs).

Using similar calculations, the proposed development requires 2.79 FTE construction employees per Mt of total coal resource and 45 FTE employees for each Mtpa throughout the lifecycle of the proposed 25-year project (derived from Table ES-1, Executive Summary: EIS docs). Based on the above figures, and without contrary evidence, it appears that a different methodology was applied to the calculation of employment projections for the Approved Project than is the case for the proposed development.

In addition, it is unclear what the expected annual production of the proposed development actually is, given that the proponent has prefaced their figures using the word "approximately" in the context of several production metrics. Therefore, it is not clear as to whether the mine will actually produce 10 Mtpa, over an operating period which is shorter than for the Approved Project.

In the absence of more precise figures, as provided during the assessment of the Approved Project, one can only calculate using assumptions as to what the annual production rate will actually be.

Based on a total resource figure of 179 Mt ROM over 25 years, this is likely to equate to 7.16 Mtpa, which may lead to much fewer jobs generated as a result of the proposed development than is stated by EIS documentation.

This will be even lower based on the total resource of the proposed development reducing to 168 Mt as per RTS (page 8). In any case, it is difficult to have confidence in the figures that the proponent has presented with respect to projected employment figures.

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<sup>1</sup> RTS: EIS docs, page 7

The proponent stated on p169 of the RTS that their,

*experience with workforce requirements for existing mining operations (e.g. Maules Creek Coal Mine) have been used as the basis for the employment estimations provided in the Project EIS...Further detail regarding the Project workforce would be provided to Councils and other relevant stakeholders during the resourcing stage of the Project, to allow for community infrastructure planning.*

To date, the proponent has not revealed precise workforce data relating to this proposed development and has not been able to provide a reasonable explanation as to why workforce projections have increased so dramatically. It was noted by an expert at para 276 of the GRL case that some of the stated economic benefits of a different mining project had been "substantially overstated." In the absence of verifiable employment data or updated projections based on transparent and reasonable assumptions, the employment figures may not be reliable. Therefore, the assumptions which underpin many other economic and revenue calculations relating to this proposed development may also be flawed, just as they were found to be in the GRL case.

This will have an impact on the ability of the Narrabri and Boggabri communities to adequately plan for their future infrastructure requirements, which further strengthens the case for a fair and reasonable VPA. On page 169 of the RTS, the proponent has reiterated their commitment to use, "non-local personnel" during the construction phase of the proposed development, due to the need for a more skilled workforce. While this approach may be convenient for the proponent from an operational and project delivery perspective, the fact that a significant proportion of the workforce will not be sourced locally further undermines the projected local economic benefits accruing from the Proposed development. There are also concerns that the proponent's claim to employ "70% of the operational workforce...from within the region" (p170 RTS) will not actually benefit the Narrabri and Boggabri communities, given that many workers may choose to live in other locations such as Tamworth.

The proponent appears to concede this point by stating categorically that it "does not support a Development Consent condition which dictates where the workforce will reside...within the region" (p 170, RTS). Furthermore, the proponent's target to employ "10% of the operational workforce being of Aboriginal and/or Torres Strait Islander descent" (p170 RTS) does not represent the proportion of the local population that identify as having an indigenous background (2016 ABS Census Statistics, Quick Stats).

At para 279 of the GRL case, some of the experts "queried whether the positive social benefits of local employment will be realised, having regard to increased automation and digitisation of the mining industry that have labour displacing effects (Lawrence Report, pp.32-33)." The proponent has advised that it "has no current plans for the Project to include an automated fleet" (p170 RTS).

A 2015 McKinsey report on the Metals and Mining Sector noted how productivity improvements can be achieved through digitisation (<https://www.mckinsey.com/industries/metals-andmining/our-insights/how-digital-innovation-can-improve-mining-productivity>) and a further report noted how "innovations have lived up to that potential." This analysis from a worldwide consulting firm indicates that mining companies will be investing in more technology and digitisation into the future, as opposed to moving away from it. Given the 25-year life cycle of this proposed development, it is questionable that the proponent would commit to a manually driven fleet over such a long period of time. Given technological advances in mining, both in Australia and around the world, an automated fleet is likely to be an option for the proponent over the coming years and will most certainly reduce total employment projections over the long-term. As such the proponent needs to acknowledge this reality and give consideration to their employment projections accordingly.

Interestingly, a recent Australian Financial Review article provided comment on Vickery in relation to this matter

*.. and Mr Flynn said Whitehaven was exploring autonomous vehicles and other options to lower the mine's operating costs.*

*"The work that we are doing is all about optimising Vickery to ensure that we can bring that cost down. Success of an autonomous rollout at Maules Creek [mine] will be instrumental in lowering costs at Vickery given the proportion of its total costs that's going to be spent in moving dirt," he said on August 15<sup>2</sup>.*

## **(ii) Change in Residents**

The EIS has stated that the development would result in the following employment generation:

- During Construction
  - approximately 500 full time equivalent personnel
  - majority of the construction workforce would be non-local hire
  - 90% of the construction workforce is to be housed in the Boggabri Accommodation Camp.
- During Operation
  - approximately 450 full time equivalent personnel
  - assumed 70% local hire (315 people)
  - assumed 21% of the workforce would reside in Boggabri (94.5 people)
  - assumed 13% of the workforce would reside in Narrabri (58.5 people)

Narrabri LGA is identified as an "importer" of mining workers in the Social Impact Assessment ("SIA") provided with the EIS.

Conversely the SIA notes that during operation the proposed development may:

*potentially increase the number of family households and interactions between families;*

The documentation does not appear to provide any justification for the assumptions made regarding the expected workforce place of residence. In this regard, evidence should be provided to justify the assumptions made.

Furthermore, the RTS states (p.170):

*Whitehaven does not support a Development Consent condition which dictates where the workforce will reside, as it is ultimately dependent on individual preference where Project personnel and their families choose to reside within the region.*

Figure 1 illustrates that a significant number of people working in the mining industry within the Narrabri region, were living outside the LGA as of the 2016 Census. Figure 2 provides a comparison with the Gunnedah Local Government Area and illustrates an almost opposite trend. This may suggest that towns in the Narrabri LGA are not receiving the claimed employment benefits from mining development.

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<sup>2</sup> Australian Financial Review, 10 September 2019. *Price slump threatens viability of coal projects*

### 2016 Narrabri Employment By Industry - Place of Work Comparison

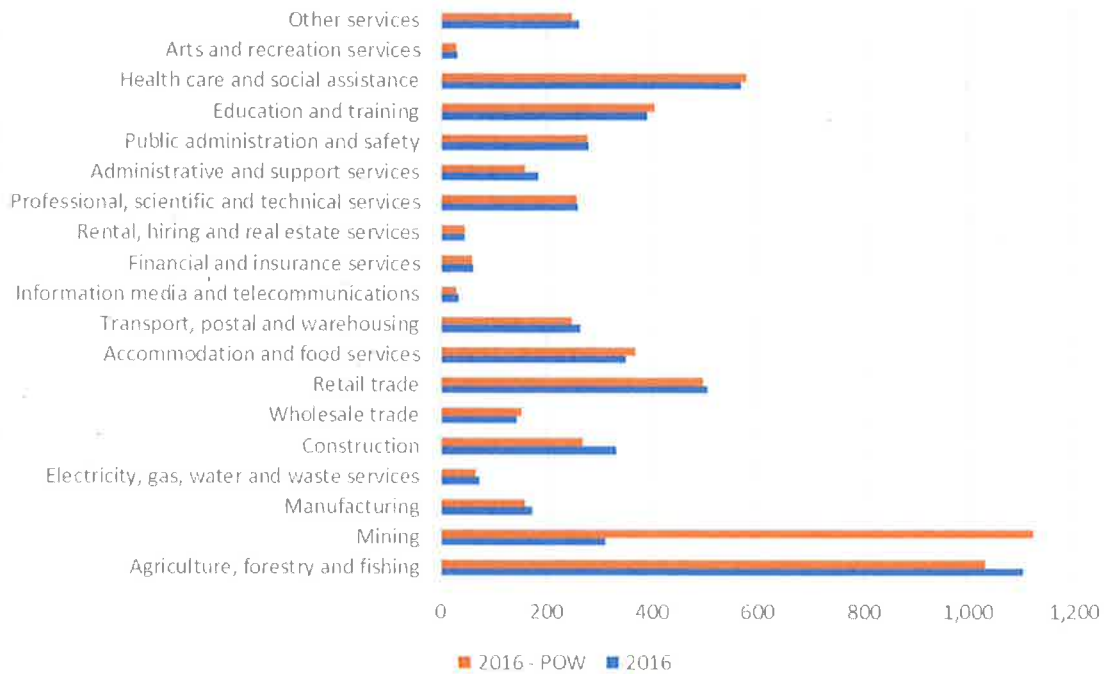


Figure 1: Narrabri Employment by Industry 2016

### 2016 Employment By Industry Gunnedah - Place of Work Comparison



Figure 2: Gunnedah Employment by Industry 2016

In light of the above discussion, it is difficult to have confidence in the workforce population projected to reside in Boggabri and Narrabri. The proponent may need to revise their estimates with respect to the direct economic benefits and indirect social costs relating to the Proposed development, with more of a focus on the impacts on residents within the Narrabri LGA, and more specifically the township of Boggabri.

If the workforce population projected to reside in Boggabri and Narrabri is to be accepted, it would seem unlikely that 94.5 people would be sourced from Boggabri having an existing population of approximately 850. Therefore, it would seem likely that these 94.5 people would be relocating to Boggabri and likewise for Narrabri. The EIS states:

*Whitehaven's existing personnel include long term local residents, new local residents who have moved to the area as a result of employment and personnel who rent local houses, including Whitehaven-owned houses, and return to their home bases on weekends. Short term contractors are accommodated in the Civeo Villages in Boggabri and Narrabri.*

*Whitehaven is committed to employing a local workforce, and most of the Project's operational personnel are expected to be drawn from the Narrabri and Gunnedah LGAs, or to move to the local area on a permanent basis, with some buying and some renting dwellings. If rental housing stocks are inadequate for demand when operations commence, non-local personnel would be accommodated in the Civeo Accommodation Village until such time as housing is available.*

It is not clear how the additional required accommodation would be provided in Boggabri and to a lesser extent in Narrabri. Further justification and information are required in order to validate the assumptions made in this regard.

The increase in demand for accommodation would likely increase housing prices and may adversely impact locals who are not earning mining wages both in terms of rental availability, cost and purchases of property. This may also have an impact on disadvantaged segments of the community, including those from lower-socioeconomic and indigenous backgrounds (para 404 of GRL case).

The proponent concedes that "significant changes to gender balance in smaller communities are likely to occur...during the construction period" (p170, RTS). In the absence of additional social and community infrastructure to cope with the influx of construction workers, it is likely that the community of Boggabri will bear the social costs of the Proposed development, with minimal corresponding long-term economic benefit accruing to local residents. The proponent has had numerous opportunities to either address or respond to these concerns through the VPA process, but to date, has not yet developed an adequate response to these issues. There is a need for the proponent to clearly demonstrate its commitment to the long-term sustainability of smaller communities such as Boggabri.

The proponent states that "approximately 20% of the Project's operational workforce would reside in Boggabri" (page 171 RTS), whilst at the same time conceding that they are not able to state this figure with any real confidence. Furthermore, they claim that an additional "28 new households moving to Boggabri" (page 171, RTS), without any reasonable foundation as to how they calculated this figure.

On the whole it is difficult to have confidence in the workforce population projected to reside in Boggabri and Narrabri or the degree to which the proponent will make a fair and reasonable contribution to the social and community infrastructure required if the "28 new households moving to Boggabri" (page 171, RTS) do materialise.

### **(iii) Drought**

On page 171 of the RTS, the proponent has estimated that the

*... loss in agricultural gross margins due to...allocated water licenses for the Project was estimated to be approximately \$0.5 million annually.*

Based on recent media reports and comments by local farmers, this figure does not appear to be reasonable. There have been claims that corporate interests are paying much higher prices for water, which has arguably distorted

local water markets and priced farmers out of temporary and permanent allocations. A recent ABC/7.30 report investigation (<https://www.abc.net.au/news/2019-11-05/maules-creek-coal-mine-under-investigation-again-over-water-use/11658718>.) indicates that farmers:

*typically pay \$110-\$130 per megalitre but have recently been outbid by mining companies paying up to \$950 per megalitre for temporary water. For permanent water supplies, farmers say mining companies have paid almost twice the usual rate of \$2,850-\$2,950 per megalitre.*

Purchasing power dynamics in the water market, coupled with the ongoing drought, may mean that some farmers in the region will have to consider their long-term future in farming. The impact of drought has had a crippling effect on an agricultural industry that has been dealing concurrently with changing water policy and regulatory environments. The proponent acknowledges that, "Agriculture-related employment in rural Australia has reduced by almost 19% over the last 12 years" (page 175 RTS). The flow-on effect to the communities of Narrabri, Boggabri and Wee Waa has also been significant.

While the proponent may argue that economic impacts related to ongoing dry conditions may provide further rationale and impetus for the approval of the Proposed development, the drought is also one of the reasons why Council and the NSW Government must carefully consider the impact this proposed development has on farming interests in the local region. The GRL case noted that in the analysis of social impacts that intangible considerations such as "way of life...social cohesion" (para 270) were part of the Department of Planning and Environment's Social Impact Assessment Guide 2017. In addition, "sense of place...cultural and historical connections, and feelings of belonging and attachment to place" (para 312) were noted by some experts in the GRL case as important factors when considering the social impacts of that particular project.

Public submissions and media reports have noted that agricultural land required for this proposed development has the potential to displace productive and fertile soils, which is essential to maintain the rate base and historic financial contributions made by the farming community. Even the proponent themselves concede that this proposal will "marginally reduce agricultural production" (p174, RTS).

Furthermore, there are intergenerational concerns with respect to these historic farming interests given that they have made significant economic contributions over the years to Narrabri LGA and surrounds. Farmers have proven themselves over decades to be reliable and long-term investment partners in smaller communities, even in drought. They often support sporting clubs, schools and community organisations as both participants and financial contributors. This is in contrast to the Proposed development where the economic and social benefits may have been arguably overstated and based on questionable assumptions.

There is likely to be significant inequity associated with any proposal by the proponent that does not compensate the local communities affected by the proposed development, as it may deprive farming interests of their ability to pass on their interests to subsequent generations who would otherwise also be likely to contribute to the future economic growth of the Narrabri LGA, despite the impacts of technological disruption on agriculture. These intergenerational equity issues are a major concern for a local community that is likely to share in the economic prosperity of local farming interests, when the drought eventually breaks. Farmers contribute to the overall sense of place and social cohesion in smaller communities such as Boggabri. This can be contrasted to the Proposed development where the economic and social benefits may have been arguably overstated and based on unqualified assumptions. There are also intergenerational equity concerns surrounding the depletion of precious water resources as a result of this proposed development, which are likely to have an impact on any remaining farmers that are not displaced as a result of it.

**(v) Economic**

With respect to commentary around transport routes and the project rail spur, there is a statement on p15 of the Response to Submissions (RTS), that the "Economic Assessment conservatively did not consider the associated socio-economic benefits." This statement may need to be revised given that many of the assumptions in the economic assessment have been based on calculations and baseline figures that require further scrutiny.

The proponent states on p199 of the RTS that,

*the Project would benefit current and future generations through employment...stimulus to local and regional economies and provide NSW export earnings and royalties, thus contributing to future generations through social welfare, amenity and infrastructure.*

In the time since the EIS was drafted, prices for thermal coal and rates for foreign exchange and inflation have changed. The Australian Bureau of Resource Economics (ABARE) noted in recent exports report that since 2014/15 that there had been a -4.7% decline in the exchange rate, with a forecast rate of 0.68 AUD/USD in 2019/2020

<https://www.agriculture.gov.au/abares/researchtopics/agricultural-commodities/sep-2019#download-report>

In addition, a recent report by the Reserve Bank of Australia noted that that both thermal and metallurgical coal prices have declined from 2012 to 2016 and have not returned to peak prices seen prior to the global financial crisis

<https://www.rba.gov.au/publications/bulletin/2019/sep/thechanging-global-market-for-australian-coal.html>). The same report highlights global economic uncertainty as a key influence affecting the coal market and increased supply in other countries.

Therefore, many of the figures underpinning royalty, company tax and economic growth forecasts are not likely to reflect current rates and as such are considered to need review. In the GRL case, it was noted by one of the economic experts that lower coal prices may lead to:

*less royalties and corporate income tax" (para 573) and that tax minimisation practices by many coal mining companies would lead to a tax rate of "2.7% to 6.8% on total income, far below the 30% rate assumed (para 583).*

As such, the figures used to justify economic benefits with respect to the Vickery Extension should be reviewed and based on justifiable/demonstrable rates to ensure the economic benefits are realistic.

Further, the RTS states on page 16 that:

*the Project would result in an additional \$500 million in net benefits to NSW (compared to the Approved Mine) and result in approximately 200 additional employment opportunities during operations and 450 additional employment opportunities during construction.*

As previously discussed, the methodology used to calculate the employment projections between the Approved Project and the proposed development is not consistent. To the best of Council's knowledge, there is no reasonable justification provided for why there is such a marked difference between the two projects.

Considering these potential discrepancies, the proponent should provide more evidence surrounding their forecasts of these figures or review their economic forecasts for royalties, company taxation, economic and employment growth.



**(b) Ecologically Sustainable Development**

**(i) Change in Land Use**

The land within the Narrabri Shire LGA affected by the Proposed development comprises of the following uses as:

- cropping land;
- grazing on modified pastures;
- grazing on native vegetation; and
- extractive industry not in use;
- other minimal use commodities (i.e. previously mined area).

For the period of the proposed development (25 years) the land use will be converted to mining land use.

The proposed development proposes that the land affected by the mine would be rehabilitated to Woodland/Forest Area. This would see a permanent loss of cropping and most likely grazing land. Furthermore, any offset sites established within the LGA will also see a loss of previous land uses.

The EIS states:

*The overall rehabilitation goal for the Project mining area is to enhance the cover and connectivity of native woodland, while retaining some areas of agricultural land capable of supporting cattle grazing (Whitehaven Coal, 2018)p.5-10.*

Table 1 shows the change in vegetation type post development on the development site. This does not include any other offset sites used for providing biodiversity offsets.

**Table 1: Comparison of Vegetation**

<b>Vegetation Type</b>	<b>Pre-Development</b>	<b>Post Development</b>	<b>Change</b>
Grassland	1,284 ha	342 ha*	-942 ha (73% ↓)
Native Woodland/Forest	464 ha	2,385 ha	1,922 ha (414% ↑)
Notes: * listed as agricultural land suitable for grazing, not specifically listed as grassland.			

Whilst the rehabilitation will see improvements to biodiversity, further consideration needs to be given to the displacement of agricultural land uses. These land uses contribute to the local communities by supporting local residents and families involved in the community. The loss of these land uses will see the loss of people and jobs in the local area as a result of this land use displacement.

The aims of the Narrabri Local Environmental Plan 2012 (LEP) are:

- (a) to encourage the orderly management, development and conservation of resources by protecting, enhancing and conserving—
- (i) land of significance for agricultural production, and
  - (ii) timber, minerals, soil, water and other natural resources, and
  - (iii) areas of high scenic or recreational value, and
  - (iv) native plants and animals including threatened species, populations and ecological communities, and their habitats, and

- (v) *places and buildings of heritage significance,*
- (b) *to provide a choice of living opportunities and types of settlements,*
- (c) *to facilitate development for a range of business enterprise and employment opportunities,*
- (d) *to ensure that development is sensitive to both the economic and social needs of the community, including the provision of community facilities and land for public purposes.*

Whilst the aims of the LEP encourage the development of lands for mineral resources, it is required to also be orderly and protect land of significance for agricultural production and to ensure that development is sensitive to both the economic and social needs of the community.

There has been insufficient assessment on the displacement of the agricultural land uses and its impacts on the local community both during the operation of the mine and the post mining impacts of the rehabilitation and displacement of agriculture, both on and off site.

### **(ii) Land Ownership**

With the introduction of the development, land use ownership changes from locals to the mining company. The change occurs both on the actual footprint of the mine as well as sites acquired by the mining company to mitigate off-site amenity impacts and for biodiversity offset requirements.

Land ownership changes will result in locals moving out of the area which in turn will impact on the local community. The mining population that may be present in the local community during mine construction, operation and rehabilitation will provide some interaction with the local community; however, it is expected to be different to the displaced occupants.

Insufficient information has been provided and insufficient consideration given to the impact on the community in terms of the displacement of landowners as a result of Whitehaven's purchase of land in the locality as a result of the proposed development. Consideration should extend to include spending (FIFO/DIDO), loss of local businesses, reduction in demand for local products/services, reductions in school enrolments and loss of volunteers, including emergency services.

### **(iii) Water Supply and Groundwater**

The RTS document included the following statements with respect to water supply and groundwater:

- *"the Project rail spur will be completely elevated on piers west of the Namoi River...effect of this is a reduction in the extent of potential flood impacts compared to these presented in the EIS." (page 13)*
- *"the extent of the open cut is now proposed to be at least approximately 1.5km from the Namoi River" (page 20)*
- *"the project would present a low risk to the Namoi River." (page 23)*
- *The proponent will "commit to holding sufficient water licenses to account for any postmining take" (page 33). "the Project surface water management and monitoring program will be developed to validate and verify the EIS predictions." (page 47)*
- *"the flow across the floodplain is not significantly altered by the Project rail spur for both events and would not result in a consequential effect to neighbouring properties or the environment" (page 60)*
- *the proponent "commits to holding sufficient water licences to meet operational water demands for the Project" (page 73)*

- *"no privately-owned bores in the vicinity of the Project, as identified by the bore census conducted in 2012, are predicted to have greater than 2m drawdown as a result of this Project" (page 20). On the same page it also refers to "extraction from the Project borefield at a rate of 600 megalitres (ML) per annum" as a conservative estimate. "the Project is expected to result in negligible impacts to users of the groundwater in the Namoi River alluvium" (page 27).*
- *The proponent notes that "groundwater monitoring results would be compared to model predictions, with the model revised and calibrated every 5 years as required" (page 28).*

A recent ABC/730 report investigation on the Maules Creek Mine (operated by Whitehaven), which is publicly available at <https://www.abc.net.au/news/2019-11-05/maules-creek-coal-mine-underinvestigation-again-over-water-use/11658718>) has created some concerns as to whether the Proponent can deliver on the claims made above in the RTS and EIS documents.

The ABC report claims that "the company has already been found by the NSW regulator to have allegedly taken surface water unlawfully." As to whether or not these claims are valid will ultimately be settled between the proponent and the regulator or determined by a court of competent jurisdiction. However, the report did include correspondence from the regulator as follows:

*"There are reasonable grounds to allege that the Mine has unlawfully taken surface water by relying on an inapplicable water licensing exemption...Investigation has determined the mine has intercepted major streams in a number of ways...As a result, the mine does not have sufficient entitlements on its surface water access licence on the unregulated system to cover the water previously claimed as exempt...The mine is also taking water in excess of its harvestable rights entitlements...The activities at the mine appear to deviate from existing planning approvals, which also raises potential compliance issues for DPIE – Planning."*

The fact that this report included copies of documentation from the regulator, which are now publicly available with such concerning claims from the regulator about the proponent's record on water compliance, creates reasonable doubt as to whether the commitments made in the Vickery Extension EIS can actually be delivered.

Furthermore, given potential uncertainty in the water modelling, an 'operate and monitor, revise and recalibrate' modus operandi may prove completely unsatisfactory if the real impacts are markedly different to the model predictions.

The proponent "commits to holding sufficient water licences to meet operational water demands for the Project" (page 73). Given the above discussion on the impact of farmers being priced out of the market this approach may also prove completely unsatisfactory if it is achieved to the detriment of farmers.

#### **(iv) Bushfire Risk**

The proposed development will result in a change to the bushfire risk of the area. Based on the proposed rehabilitation plan, the vegetation in the proposed development area will change from grassland/cropping vegetation to woodland/forest. Woodland/Forest vegetation provides for a vastly different bushfire behaviour compared to grassland type vegetation. A review of the State Vegetation Map shows remnant vegetation in the vicinity of the site comprises North-west Slopes Dry Sclerophyll Woodlands.

The following provides a comparison of bushfire behaviour outputs for typical woodland vegetation versus a grassland vegetation, based on an effective and site slope of 5 degrees.

**Table 2: Comparison of Bushfire Outputs**

<b>Vegetation Classification</b>	<b>Surface Fuel (t/ha)</b>	<b>Overall Fuel Load (t/ha)</b>	<b>Rate of Spread (km/h)</b>	<b>Flame Length (m)</b>	<b>Separation Distance to achieve 29kW/m<sup>2</sup> (BAL-29)</b>
North West Slopes Dry Sclerophyll Forest	14	24.27	1.89	15.24	16.4m
Grassland	6	6	20.19	9.43m	10.4m

Grassland fires typically burn hotter, faster and have shorter residence times than woodland/forest fires (Draft Planning for Bushfire Protection 2017 p.86). However, woodland/forest fires generally have greater flame lengths and emit greater radiant heat. Consideration has not been given to the change in bushfire risk resulting from the development and the resultant impacts.

Recent events across NSW have prompted greater consideration of Bushfire Risk Management throughout all parts of the state. The proponent may wish to consider contributing greater financial resources, through the VPA process, towards bushfire assets and infrastructure in the region, to ensure that the impacts of any future fires do not impact on local communities or their existing interests.

## **2. REASONS FOR OBJECTION**

Based on the above, the following reasons are put forward in objection to the development as to why the development is not considered to be in the public interest.

### **(a) Precautionary Principle**

As outlined in Section 1 above, many of the inputs to the considerations are based on uncertain assumptions. As a result, the assessment outputs are of questionable validity.

It is recognised that for such a development, some level of uncertainty is not unexpected. However, in such instances, consideration should be given to the potential range of outcomes reflecting the uncertainty, as opposed to using a single outcome. It would appear from the above discussion, that the adopted outcome places reliance on the most optimistic assumptions that are unlikely to be realised.

For example, perhaps there should be a scenario that considers the possibility that all operational employees will live in the Civeo Mining Village and operate as FIFO/DIDO workers. Given that the proponent does not support a condition to restrict the living location of employees, consideration should be given to the possible scenarios and the impact of such outcomes.

Based on the available information and as outlined in Section 1, the assessment provided for the development to date is based on information that is too uncertain or absent in order to appropriately understand the likely real impacts of the development. In particular the uncertainty relates to:

- Employment generation figures.
- The residential location of the workforce population and associated employment/economic benefits.
- The impacts on property prices due to increased demand and impact on non-mining community in terms of access to housing.
- Exacerbation of impacts of drought through non-mining operations being out-bid for water allocations.

- The impacts of displacement of agriculture from a social perspective in local communities.
- Water use, including alleged previous non-compliances with water licenses elsewhere.
- Economic baseline assumptions such as coal prices, foreign exchange rates and inflation.
- Estimated royalties and company tax benefits to the government.

In summary, it is considered that there is too much uncertainty in the information provided in order to be able to determine that the benefits of the proposed development are not outweighed by its adverse impacts in terms of environmental impacts and social and economic impacts in the locality.

**(b) Intergenerational Equity**

The principle of intergenerational equity provides that:

*... people within the present generation having equal rights to benefit from the exploitation of resources and from the enjoyment of a clean and healthy environment<sup>3</sup>*

Further, Section (6)(2)(b) of the Protection of the Environment Administration Act 1991 states:

*... that the present generation should ensure that the health, diversity and productivity of the environment are maintained or enhanced for the benefit of future generations,*

It is considered that the development will result in distributive inequity, both intra- and inter, generationally.

"Distributive justice concerns the just distribution of environmental benefits and environmental burdens of economic activity."<sup>4</sup>

"[I]ntra-generational equity provides that people within the present generation have equal rights to benefit from the exploitation of natural resources as well as from the enjoyment of a clean and healthy environment."<sup>5</sup>

In terms of intra-generational equity, the following concerns are raised in relation to the development:

- The majority of economic benefits will go to the mining company and its shareholders.
- There is no certainty that employees will live locally and as such it is unlikely that the stated local economic benefits through local employment and associated local spending will be realised.
- The development will result in increased competition for water, including through auction during drought times. It is reported that farmers are being substantially outbid by mining companies for temporary water by paying up to \$950/ML as opposed to \$110-\$130/ML and paying up to two the usual rate for permanent supplies which the farmers cannot afford to pay.<sup>6</sup>
- The environmental and social externalities of the development will be borne by the local community with little benefit being experienced by the local community.
- Any local benefits that *may* be realised as a result of the construction and operation of the mine will be short term and limited to the operational period of the mine.
- Whilst the mine is closest to Boggabri, within the Narrabri LGA, the proponent has offered a VPA to Narrabri Shire that is only one quarter the value of what was offered to the adjacent Gunnedah Shire Council.

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<sup>3</sup> Telstra Corporation Limited v Hornsby Shire Council [2006] NSWLEC 133, paragraph 117; GRL at [399]

<sup>4</sup> GRL at [398].

<sup>5</sup> GRL at [399]

<sup>6</sup> ABC News, 2019. Controversial Maules Creek coal mine under investigation again over water use

In terms of inter-generational equity, the following concerns are raised in relation to the development:

- The proposed development will result in a loss of agricultural land post development.
- The proposal has the potential to deprive farming interests of their ability to pass on their interests to subsequent generations who are also likely to contribute to the future economic growth of the Narrabri LGA, despite the impacts of technological disruption on agriculture.

These inter-generational equity issues are a major concern for a local community that is likely to share in the economic prosperity of local farming interests, when the drought eventually breaks. Farmers contribute to the overall sense of place and social cohesion in smaller communities such as Boggabri.

- There are also inter-generational equity concerns surrounding the depletion of both ground and surface water resources as a result of this proposed development, which are likely to have an impact on any remaining farmers that are not displaced as a result of it.
- All potential benefits of the proposed development are limited to the current generation. The resource will be lost for future generations, but those persons will also suffer the long term impacts that remain.

In summary, there is likely to be significant inequity associated with the proposal both intra- and inter-generationally. This will be exacerbated by a proposed development that does not adequately compensate the local communities affected by the development.

### **(c) Comparison with Approved Project**

Throughout the assessment documentation, the proposed development is continually compared to the approved Vickery Mine (the Approved Project). The assessment takes a view that the impacts to be considered that are limited to those over and above the Approved Project as the Approved Project is considered to be acceptable given that it is approved.

This approach is considered to be flawed as the proposed development is different in nature, scale and intensity compared to the Approved Project. It is also clear from the description of the proposed development in the EIS that it is a separate development to the Approved Project. The proposed development does not seek consent for only the additional amount of coal to be mined, but seeks consent for the entire open cut coal mine for approximately 179 million tonnes of ROM.

In this regard, the assessment should consider the proposed development quite separately to the Approved Project. Furthermore, little weight should be placed on the assumption that the Approved Project will proceed if this proposed development does not. There is considerable doubt that it would given that it is has not to date. The proposed development should be considered solely on its own merits, including any public benefits/disbenefits.

## **3. CONCLUSION**

Throughout the process, it has become apparent that the proponent has used job creation as the primary social and economic driver for the approval of the proposed development. However, the figures used to calculate these figures appear optimistic, flawed and unreliable and the purported economic benefits to the community of Boggabri seem unlikely to materialise.

The proponent can work collaboratively with local councils in the region to mitigate the impacts of this Proposed development on communities such as Boggabri and develop strategies to maximise growth opportunities, through better social and community infrastructure.

Having regard to the above discussion, the Proponent has not demonstrated that the proposed will promote the social and economic welfare of Boggabri and the wider Narrabri Shire nor that it has sufficiently addressed the relevant economic, environmental and social impacts of its proposal.

On page 197 of the RTS, the proponent claims that information contained within the EIS provides sufficient foundation for the NSW Government to, "comfortably reach a conclusion that the benefits of the Project outweigh its impacts." Based on the information and analysis contained within this document, and without any substantial contribution to the social and community infrastructure of the LGA, Council does not have the same confidence as the proponent with respect to Public Interest considerations related to this proposed development. A principled analysis of the purported benefits of the proposed development considered in the GRL case found that the claimed benefits were much lower than claimed.

Further, at paragraph 565 of the GRL case, it was noted that "a positive NPV does not necessarily mean that the project is in the public interest." To the best of Council's understanding, based upon the information made available, the proponent has not demonstrated adequate consideration of intra and inter-generational or distributive equity issues relating to agricultural interests in the region and their perceived reluctance to minimise externalities related to this proposed development, through the VPA process, tends to confirm this view.

If you have any further questions regarding this submission, please contact Mr Daniel Boyce on 6799 6866.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Daniel Boyce', with a long horizontal line extending to the right.

**Daniel Boyce**

Executive Manager Planning and Environment

CC The Hon John Barilaro, NSW Deputy Premier  
The Hon Rob Stokes, Minister for Planning & Public Spaces  
Roy Butler, Member for Barwon