



# Hunter Environment Lobby Inc.

PO Box 188  
East Maitland NSW 2323

Major Planning Assessments  
Department of Planning and Infrastructure  
GPO Box 39  
Sydney 2001

Monday 12 November 2012

## **Submission of Objection** Cobbora Coal project - No: 10\_0001

Hunter Environment Lobby Inc. (HEL) is a regional community-based environmental organisation that has been active for more than fifteen years on the issues of environmental degradation, species and habitat loss, cumulative impacts of habitat loss as well as climate change.

HEL notes that the Brigalow Belt South Bioregion extends into the Upper Hunter, and as such, any alteration, disturbance or destruction of biodiversity will have a cumulative impact on values of the Hunter Catchment. This Bioregion takes in the area of the Cobbora Coal project.

HEL wishes to submit a strong objection to the Cobbora Coal proposal (the proposal) to develop a large open cut coal mine in the Laheys Creek area in central west NSW on the following grounds:

1. The proposal will have significant impacts on biodiversity that cannot be adequately mitigated or offset
2. The justification for developing a domestic coal source at such a distance from the power stations in the Upper Hunter and Central Coast is not based on valid and correct information
3. The cumulative impact of additional train movements from the central west through the Hunter Valley coal chain and Newcastle has not been adequately assessed
4. The NSW Government should be investing tax payers money into proven based load power supply from solar thermal generation
5. The proposal is not good value for the use of tax payers money and is a subsidy to the power industry

A full submission on these issues of objection is attached.

HEL also wishes to strongly object to the setting of a Planning Assessment Commission (PAC) hearing for this project on Tuesday 11 December, less than one month from the close of the public exhibition period.

The NSW Government has a serious conflict of interest with this project and is compromising the community's ability to effectively participate in the planning process.

HEL objects to the fact that there will be no time for the proponent, Cobbora Holdings Company (CHC), to address key issues of concern relating to their assessment of the environmental impacts of this very large and damaging project.

The public will not have access to a response report from the proponent before the PAC hearing. This is a very poor example of an open and transparent planning process.

HEL recommends that this proposal not be approved.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jan Davis'. The signature is fluid and cursive, with a large initial 'J' and 'D'.

Jan Davis  
President

## **Submission of Objection**

Cobbora Coal project - No: 10\_0001

### **1. Significant impacts on biodiversity**

The proposal will have a significant impact on a large number of threatened species and biodiversity values of the upper Central West catchment area.

HEL does not support the statement in the environmental assessment (EA) of the proposal that:

*‘Ongoing ecological management, rehabilitation works and the offset package will improve the connectivity of remnant habitat within the locality and result in an improvement to the quality, quantity and protection of biodiversity within the region in the medium to long term.’<sup>1</sup>*

The removal or disturbance of key habitat values across 4,700 ha including large hollow-bearing trees, ridgeline, foraging areas and important instream deep pool drought refugia is cannot be adequately offset for a range of threatened species.

The level of proposed habitat destruction is not consistent with the recovery of a range of threatened species listed for protection under the NSW *Threatened Species Act 1995* and Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*.

The EA identifies that the project may cause the local extinction of the following threatened species:

1. Hooded Robin (*Melanodryas cucullata*)
2. Glossy Black-Cockatoo (*Calyptorhynchus lathami*)
3. Barking Owl (*Ninox connivens*)
4. Masked Owl (*Tyto novaehollandiae*)
5. Powerful Owl (*Ninox strenua*)
6. Diamond Firetail (*Stagonopleura guttata*)
7. Varied Sittella (*Daphoenositta chrysoptera*)
8. Grey-crowned Babbler (*Pomatostomus temporalis*)
9. Speckled Warbler (*Chthonicola sagittata*)
10. Freshwater Catfish (*Tandanus tandanus*)
11. Ingram’s Zieria (*Zieria ingramii*)
12. *Tylophora linearis*

Habitat in the study area may be critical to the survival of the vulnerable plant *Homoranthus darwinioides*.

Important roosting, foraging and possible breeding sites will be lost for the following threatened microbats recorded in the study area:

1. Southern Long-eared Bat (*Nyctophilus corbeni*)
2. Large-eared Pied Bat (*Chalinolobus dwyeri*)

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<sup>1</sup> EMGA Mitchell McLennan, 2012 *Terrestrial ecology assessment* p ES.15

3. Little Pied Bat (*Chalinolobus picatus*)
4. Yellow-bellied Sheathtail Bat (*Saccolaimus flaviventris*)

The proposal indicates that areas of impact will destroy endangered ecological communities and vegetation assemblages that have had 75% or more of their original extent cleared in the Central West Catchment Management Authority (CW CMA) region.

This includes areas of Box Gum Grassy Woodland (95% cleared), Inland Grey Box Woodland (95% cleared), Fuzzy Box Woodland (90% cleared), Scribbly Gum Open Forest (85% cleared), Red Stringybark Woodland (85% cleared), Rough-barked Apple Woodland (75% cleared), Mugga Ironbark Grey Box Woodland (75% cleared).

Some of the woodland areas proposed to be destroyed by the project make up sections of the CW CMA mapped regional biodiversity corridors. These occur within the mine footprint of all three proposed opencut pits<sup>2</sup>. The proposal will cause considerable delay in the achievement of landscape scale connectivity across the heavily cleared wheat-sheep belt of central NSW.

The high conservation values identified in the 1,867 ha of woodland including 16 kms of ridgeline proposed to be destroyed are irreplaceable and cannot be adequately offset.

The impact of groundwater drawdown and loss of low flows during drought will have a significant impact on aquatic ecology in Laheys Creek, Sandy Creek and the Talbragar River.

These streams are associated with the endangered Lowland Darling River aquatic ecological community. Altered hydrology could cause increased fragmentation of this EEC through loss of semi-permanent pools and reduced connectivity of aquatic habitats.

Impacts on deep pools as drought refugia in ephemeral streams, degradation of riparian vegetation and other groundwater dependent ecosystems cannot be adequately mitigated. The impact of loss of water availability to terrestrial fauna species during drought has not been considered.

The extent and timeframe of the proposed biodiversity impact is highly significant and will not be adequately addressed or mitigated through the proposed biodiversity offset package or mine rehabilitation.

## **2. Biodiversity Offset Strategy:**

HEL objects to the fact that a completed biodiversity offset package including all necessary areas needed to offset the loss of key vegetation and threatened species habitat values has not been finalised and provided in the EA for public comment.

The proposal has used a modified version of the NSW Government Biobanking Assessment Methodology to calculate the area of land with habitat values needed to offset the identified significant ecological impacts of the project.

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<sup>2</sup> EMGA Mitchell McLennan, 2012 *Terrestrial ecology assessment* Fig 4.1

The level of protection to be given to the offset areas has not been decided. There is no certainty provided in the EA that the proposed offset package will be given a secure level of protection in perpetuity. The offset areas must be gazetted as formal conservation reserves for this to be achieved.

HEL is concerned that areas identified in the EA as high priority offset areas overlay known coal reserves and may be threatened by future mining expansion<sup>3</sup>. This has occurred in the Hunter Valley coalfield area on numerous occasions and therefore gives no credibility to the statement that the proposal will:

*‘result in an improvement to the quality, quantity and protection of biodiversity within the region in the medium to long term.’<sup>4</sup>*

This statement is highly misleading in the context of the information provided in the EA.

The recent overturn of the Ministerial Deed of Agreement for the Warkworth mine near Singleton is a case in point. The Deed was put in place to protect an important biodiversity offset area set aside as a condition of approval for open cut mining operations. The offset was to mitigate the destruction of an important area of remnant bushland in the mid Hunter with high biodiversity values.

Unless offset areas are protected in formal conservation areas, they will not add to improved biodiversity outcomes in the longterm.

### **3. Justification for Proposal**

#### **3.1 Coal Prices**

The justification for developing a domestic coal source at such a distance from the power stations in the Upper Hunter and Central Coast is not based on valid and correct information.

The statement in the EA *‘the Project will extract and transport the coal to power stations at a cost substantially below the current coal export price’<sup>5</sup>* is misleading.

The price of export coal has dropped considerably since this proposal was first considered. The graph presented in the EA indicating thermal spot coal prices at Newcastle<sup>6</sup> is not current information.

Spot prices at Newcastle have dropped since May 2011 and continue to fluctuate at lower prices as world demand continues to fall.

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<sup>3</sup> EMGA Mitchell McLennan, 2012 *Terrestrial ecology assessment* Fig 4.5

<sup>4</sup> EMGA Mitchell McLennan, 2012 *Terrestrial ecology assessment* p ES.15

<sup>5</sup> EMGA Mitchell McLennan, 2012 *Main Report* pEs.5

<sup>6</sup> EMGA Mitchell McLennan, 2012 *Main Report* Ch 24 Fig 24.1

The use of tax payer investment to provide subsidised domestic coal resources to privately owned power stations provides no benefits to the people of NSW.

The NSW Treasurer has confirmed that the proposal will cost the NSW taxpayer more than any benefits received.<sup>7</sup>

The issue of contractual arrangements made with power generators, prior to this project being approved, has not been addressed in the EA in an open and transparent manner.

It is expected that the cost of breaking the contracts may be close to \$100 million.<sup>8</sup> This is still a more cost effective option for the NSW taxpayer than the longterm costs associated with loss of biodiversity, agricultural land, water sources, amenity and social fabric in the area of the proposal.

The economic assessment provided in the EA<sup>9</sup> is based on near current export parity price of \$77. If the contracts are based on a much lower price than this, then the economic assessment of the proposal is based on misleading information.

### **3.2 Coal-fired electricity demand**

The demonstrated demand for electricity in NSW<sup>10</sup> is based on incorrect information using figures supplied by Transgrid in 2011.

Demand for electricity had been falling since 2008 in Victoria, NSW and Queensland at roughly 1 per cent a year, despite forecast rises of 2.2 per cent a year.

In NSW, the largest market in the National Electricity Market (NEM), peak demand has collapsed. The fall in peak in winter since 2008 has been 15 per cent and the fall in the summer peak since 2010-11 has been 18 per cent. This collapse has seen peak demands fall to levels not seen for a decade.<sup>11</sup>

### **3.3 Renewable Energy Options**

The proposal does not provide any analysis of alternative power sources in the growing renewable energy market in NSW or in demand management.

The investment in solar thermal power generation would be a better long term solution for taxpayers in NSW to provide sustainable energy sources.

This investment would not result in the continued impact of loss of biodiversity or damage to water sources, agricultural land and farming communities. Coal-fired power

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<sup>7</sup> Hansard 9 October 2012, *Transcript General Standing Purpose Committee 1 Treasury, Industrial Relations*

<sup>8</sup> Hansard 9 October 2012, *Transcript General Standing Purpose Committee 1 Treasury, Industrial Relations*

<sup>9</sup> Gillespie Economics 2012, *Cobbora Coal Project Economic Assessment*

<sup>10</sup> EMGA Mitchell McLennan, 2012 *Main Report* Ch 24 Fig 24.1

<sup>11</sup> Sydney Morning Herald Business 22 October 2012

generation is not economically viable if the impacts of climate change are also factored into the overall costs of the industry.

#### **4. Cumulative impact of additional train movements**

HEL strongly objects to the proposal to transport coal through the Hunter Valley rail corridor to power stations that were constructed on top of known coal resources. These coal reserves are owned by the people of NSW. If the Government requires to maintain affordable coal resources to keep NSW electricity production competitive in the NEM, then arrangements should be made with proposed mine expansions proposed in proximity to the power stations

The increase movement of coal trains through the towns and suburbs of the Lower Hunter are causing major health concerns through cumulative noise and dust emissions.

The need to transport coal through the Newcastle commuter network to Vales Point and Eraring power stations will cause unacceptable increased traffic congestion.