



# Hunter Environment Lobby Inc.

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

Thursday 7 March 2013

## **Submission of Objection**

Cobbora Coal Preferred Project Report - No: 10\_0001

### **Introduction:**

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, as well as climate change.

HEL submitted a strong objection to the Cobbora Coal proposal (the proposal) in November 2012 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

HEL presented additional information to the Planning Assessment Commission (PAC) hearing on Tuesday 11 December held in Dunedoo.

The submission to the PAC highlighted key issues with the methodology used for establishing proposed biodiversity offsets and noted concerns raised by the NSW Office

of Environment and Heritage (OEH) and the Federal Department of Sustainability, Environment, Water, Population and Communities (SEWPaC).

HEL appreciates the opportunity to submit further comments on the Preferred Project Report (PPR) placed on public exhibition in February 2013.

HEL maintains a position of objection to Cobbora Mine proposal and is not satisfied that the PPR and response to submissions has adequately addressed the objections raised in HEL submissions to the Environmental Assessment (EA) or to the PAC.

HEL is particularly concerned that the PPR proposes to cause the following increased impacts:

- the mine footprint to increase from 3,950 ha to 4,130 ha
- woodland vegetation clearing to increase from 1,867 ha up to 1,986 ha
- the destruction of threatened ecological communities to increase by 11 ha
- increase impact on 234 ha Box Gum Woodland grasslands
- Loss of additional foraging habitat for nationally listed Large-eared pied bat and Southern long-eared bat and other threatened species
- the height of the B-OOP east overburden emplacement to increase by 20m
- water demand to increase from 3,700 ML per year to 4,340 ML per year
- the noise impact mitigation level for the rail loop to increase from 35 dB(A) to 50 dB(A) with no acquisition rights

HEL believes that these considerable increases in impact have not been assessed with rigor and that the PPR will have a greater long term impact than the original proposal outlined in the EA.

It is of major concern that a biodiversity offset package has not been finalized and placed on public exhibition in the PPR.

This submission will concentrate on the issues of biodiversity impacts, unresolved rail transport issues and the poor economic justification for the proposal

## **1. Biodiversity issues**

### **1.1 Loss of woodland habitat**

HEL is concerned that conflicting figures relating to loss of woodland vegetation occurs throughout the PPR:

P 117 uses a figure of 1,986 ha, p 100 uses a figure of 1,960 ha, p 99 states that an increase of 93 ha will be disturbed while p 100 identifies an increase of 92 ha.

Appendix H *Updated Biodiversity Offset Strategy* in Table 5.5 identifies that 2,113 ha of woodland vegetation will be impacted.

This lack of consistency on important matters of biodiversity impact gives no credibility to the adequacy of the PPR or its conclusions.

## **1.2 Inadequate Grasslands Survey**

The PPR identifies that it will have an 83% increase in impact on Box Gum Woodland ecosystems<sup>1</sup>. One of the reasons for this was the rapid assessment conducted on grasslands in January 2013.

Both OEH and SEWPaC had required a detailed assessment of the impacts on grasslands. OEH also recommended that plot data collected for grasslands be publicly exhibited. Neither of these actions have been carried out by the proponent

The fact that a rapid assessment of grasslands, carried out during the hottest month on record, resulted in the reclassification of Derived Native Grasslands for 105 ha of Box Gum Grassy Woodland, 34 ha of Grey Box Woodland and 14 ha of Fuzzy Box Woodland, is an indication of the poor vegetation survey effort conducted for this project.

HEL recommends that a detailed assessment of grasslands must be conducted over several seasons to provide an adequate record of the condition and diversity of the area and that the information be made publicly available.

The conclusion that no area of grassland is of sufficient quality to qualify for protection under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) cannot be upheld because of the paucity of information collected and the timing of the rapid assessment.

## **1.3 Fauna Impacts**

The consideration of competition for displaced threatened species<sup>2</sup> does not take into account competition for food sources as progressive disturbance occurs.

The proposed provision of improved habitat values through mine rehabilitation, regeneration of offset areas and improvement of existing habitat quality has a significant time lag. The success of these mitigation proposals depends entirely on seasonal conditions over time and the investment committed by the proponent, or future owners of the project, to environmental management.

The proposed replacement of hollows and rocky outcrops will not guarantee improved outcomes for displaced threatened species. Other projects, eg Mt Owen Mine habitat mitigation measures, have demonstrated that replacement hollows can be over taken by wild bees, common possum species and other dominant species in the local area.

The success of nesting boxes to replace tree hollows has not been proven by any rigorous scientific analysis.

Fauna species threatened with extinction are often specialists that already suffer from habitat competition. The PPR identifies that 21 threatened fauna species are likely to be significantly impacted by the proposal after mitigation.

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<sup>1</sup> PPR Vol 1 p109

<sup>2</sup> PPR Vol 1 p122

HEL maintains that this is ecologically unsustainable and should not be approved under the principles of Ecologically Sustainable Development (ESD).

#### **1.4 Biodiversity Offsets**

The PPR identifies that while 1,986 ha<sup>3</sup> of woodland will be lost from the study area, up to 8,000 ha of offset areas have been identified to compensate for these impacts.

However, the PPR identifies that only 3,826 ha have currently been secured for the purpose of offsetting biodiversity loss with only 50% of the requirement for threatened ecological communities being met.

While the PPR identifies that offset areas will be subject to conservation agreements these are listed as a range of options in Appendix H 4.2.1. The issue of long term funding for management under any of these arrangements has not been adequately identified.

HEL is particularly concerned that the offset package has not been finalized or provided as part of this PPR public exhibition period. The proposal to resort to Tier 3 offsets (ie lower ratios and funding for research rather than protecting sufficient habitat areas) is not an acceptable outcome for the extent of the biodiversity impact of this proposal.

HEL is concerned that conflicting figures for secured offset sites have appeared in the PPR. While the Main Report and response to submission states that 3,826 ha<sup>4</sup> has been secured by the proponent, Appendix H *Updated Biodiversity Offset Strategy*, claims that ‘more than 5,046 ha have been secured as offset sites’<sup>5</sup>

The lack of certainty around the final offset package, the lack of identified investment and the inability of the proponent to provide a high level of biodiversity offset demonstrates that the proposal is not ecologically sustainable

HEL does not support the conclusion that significant impacts of the proposal can be adequately mitigated. The claim that the project will result in an improvement to the quality, quantity and protection of biodiversity within the region is not based on any information provided in the PPR.

## **2. Rail Corridor Issues**

HEL notes that the issue of train length on the Ulan line as identified by the Australian Rail and Track Corporation (ARTC) has not yet been resolved.

The ARTC Hunter Valley Corridor 2012 – 2020 Capacity Strategy states that ‘*it would be undesirable to operate trains on the Ulan line that were shorter than the current fleet.*’<sup>6</sup>

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<sup>3</sup> PPR Vol 1 p117

<sup>4</sup> PPR Vol 1 p117

<sup>5</sup> PPR Vol 3 App H p2

<sup>6</sup> Australian Rail and Track Corporation Ltd. June 2012. *Hunter Valley Corridor 2012 – 2020 Capacity Strategy* p 20

The PPR notes that the trains serving the Eraring Power Station will remain restricted in length. The Vales Point Power Station rail loop upgrade to accommodate longer trains and 30 TAL axle loadings has not had a commencement date committed.

The more detailed investigation into train speeds and closure times for level crossings in Newcastle was based on 1,500-m long trains<sup>7</sup>. However, the issue of train length to both power stations rail loops and the capacity of the Ulan line is still to be resolved.

The PPR states that *‘If the future configurations of the Eraring and Vales Point Power Station loops are not upgraded it may limit the amount of coal delivery to the power stations, so that the number of trains remains consistent with the assessment in the EA.’*<sup>8</sup>

HEL notes that the justification for the proposal is to supply contracted coal to the Gentrader power stations and to maintain low electricity prices in NSW.

If the rail loops at the power stations are not upgraded then the contracted volumes of coal may not be delivered.

The cost to the power stations of upgrading rail loop infrastructure to accommodate longer trains from the Cobbora mine will be passed onto electricity consumers.

The complexities around the rail infrastructure issues have not been resolved and will cause ongoing costs to the taxpayers and electricity consumers in NSW.

HEL considers that the proposal cannot be approved with the high level of uncertainty around rail transport issues.

### **3. Economic Issues**

The PPR identifies that the proposal *‘is being developed by CHC on behalf of the NSW Government to provide a reliable, secure and economically stable domestic coal supply NSW generators so they can provide affordable electricity in NSW.’*<sup>9</sup>

HEL does not agree that the justification for the proposal can be achieved or assured, particularly the provision of affordable electricity. The rising electricity prices in NSW are caused by a wide range of factors, not solely the price of coal used to generate coal fired power supplies.

The various unresolved issues relating to the transport of the coal, the poor quality of the coal and the obligations under the Gentrader transaction agreement have added costs to the coal supply from the proposal that will more than likely be passed on to electricity consumers.

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<sup>7</sup> PPR Vol 1 p184

<sup>8</sup> PPR Vol 1 p184

<sup>9</sup> PPR Vol 1 p288

The PPR states that the proposal *'is being developed to supply coal to meet the obligations of the energy reform transactions completed on 14 december 2010 by the previous government (the Gentrader transactions).'*<sup>10</sup>

In 2011 the Auditor General conducted a review of the electricity sale transactions conducted by the NSW Labour Government in 2010. This review included consideration of the Cobbora coal mine.

HEL notes that the Gentrader agreement includes the responsibility for arranging the haulage of coal from the mine to the power stations and to pay State mining royalties.<sup>11</sup>

The additional costs to the Gentraders and to the power stations receiving coal from the Cobbora mine will add to the price of electricity. These additional costs will impact on the justification for the proposal. These issues have not been factored into the economic analysis of the proposal or identified in its justification.

The ongoing global decline for thermal coal will cause the market price to fall. The NSW Government should consider finding alternative supplies of coal from existing operations to meet the Gentrader contracts. This will be a preferable economic outcome for the public of NSW than the investment in an unsustainable coal mine.

HEL maintains that the various costs involved in developing the proposal and mitigating its major biodiversity impacts along with the negative regional impacts caused by loss of water security, increased pressure on infrastructure and various social impacts are not justified.

The PPR and response to submissions have not addressed the key objections to the proposal. The increased impacts identified in the PPR are of great concern and have strengthened HEL's position that the project cannot be approved on the basis of ESD principles.

HEL continues to object to the Cobbora Mine proposal because it does not meet ESD principles on any grounds – it is not environmentally, socially or economically viable.

Yours sincerely



Jan Davis  
President

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<sup>10</sup> PPR Vol 1 p214

<sup>11</sup> NSW Auditor General Report. 2011. *Electricity Sale Transactions*. Volume One p 57