

Major Planning Assessments
Department of Planning and Infrastructure
GPO Box 39
Sydney, 2001
Via email: plan_comment@planning.nsw.gov.au

8 March 2013

Dear Sir/Madam,

Submission of Objection – Cobbora Coal Project Application No: 10_0001

The Nature Conservation Council of New South Wales (NCC) welcomes the opportunity to comment on the Cobbora coal project preferred project report (PPR).

NCC is the peak environment body for New South Wales, representing more than 100 organisations across the state. We have long-standing experience in state environmental assessment and planning and are extremely concerned with the proposal to develop the Cobbora coal project in Central West NSW.

NCC submitted an objection to the proposed Cobbora coal project when it was exhibited for public comment in November 2012. Our position on this proposal has remained unchanged. In this submission we will address a number of key issues relating to the proposal that have not been adequately resolved in the PPR.

This project will waste taxpayer dollars, destroy more than 1,900ha of important wildlife habitat, and runs counter to the country's efforts to decrease greenhouse gas emissions by providing half-priced coal to our state's coal-burning power stations for more than 20 years.

NCC objects to the proposal on the following grounds.

Inappropriate use of taxpayer funds

As stated in our previous submission, the Cobbora coal mine is a high-cost, high-risk project that will expose NSW taxpayers to massive financial liabilities, while delivering an enormous and environmentally perverse subsidy for polluting coal-fired power generators.

Demand for coal-fired electricity has dropped since this project was proposed. The justifications for this project are based on incorrect projections, no longer validating the need to source cheaper coal for domestic use. The contracts negotiated by the ALP Government as part of the Gentrader deal could be filled through other arrangements.

It is inappropriate to invest taxpayer funds in a project that will provide heavily subsidised coal to six power generators in NSW and run at a loss. A project that will lose revenue is particularly ill conceived at a time when the NSW Government is cutting funding in many other areas.

Undermining competition in the energy market

NCC believes the Cobbora coal project will undermine competition in the electricity market. The project ensures a number of existing NSW electricity generators will not have to pay for coal on the open market, and can therefore buy coal at a lower price than they otherwise would have to. The availability of this artificially cheap coal will give polluting energy sources an unfair competitive advantage over renewables.¹

The Economists at Large report states that *“This clearly anti-competitive policy works against the long run interests of consumers and other producers, i.e. renewable and gas-fired generators and non-subsidised coal generators.”*²

There has been both an upward trend in the global and domestic coal price, and a consistent downward trend in the cost of renewable energy generation. However, both these trends are being manipulated by anti-competitive coal supply arrangements. The Cobbora mine proposal is one such arrangement that, despite natural trends, will entrench coal power at the expense of lower emission energy sources.

The argument for continued coal-fired electricity in comparison to the long-term investment in renewable energy sources has still not been adequately investigated.

Contribution to climate change

Australia is already suffering the impacts of climate change including heatwaves, floods and droughts. The Cobbora coal project will generate new greenhouse gas emissions directly conflicting with state and federal policies to reduce climate change emissions. It is wholly irresponsible to provide half-priced coal to power stations that will lock the state into coal-fired electricity generation until 2036.

Community disruption

The project aims to mine 20 million tonnes per annum (mtpa) to produce 12mtpa of usable coal of extremely poor quality with high ash content. However, the cost-benefit analysis for the project has not taken into account the social disruption; competition for workforce with other industries, particularly the agricultural industry across western NSW; nor the costs of major infrastructure upgrades.

Destruction of high conservation value land and threatened wildlife

The scale of this proposal and the need to remove 1,959ha of established woodland habitat and an additional 967ha of native grasslands is a significant loss in the Central West Catchment Management Authority (CWCMA) region. The PPR will increase the area of destroyed woodland by 92ha, including an additional 11ha of threatened ecological communities. Not only does this region contain endangered ecological communities and vegetation assemblages, it also has high conservation value and provides habitat for threatened species.

Some areas of woodland occurring in the mine footprint have been identified by the CWCMA as important regional biodiversity corridors. This project will cause a significant loss to biodiversity and planned landscape connectivity improvements in both the short and medium term.

¹ ABARE, Australian Energy Resource Assessment, pg. 1

² Economist at Large, Review of Cobbora Coal Project, Environmental Assessment - Appendix R (economic assessment) November 2012.

The removal or disturbance of key habitat values, including large hollow-bearing trees, ridgelines, foraging areas and important deep pools in streams and drought refugia is not consistent with the recovery of a range of threatened species listed for protection under the TSC Act and EPBC Act.

The environmental assessment for this very large proposal does not adequately consider the cumulative impacts of loss of key habitat resources for many of these species within the region. The recent approvals for the expansion of the Ulan Mine and the establishment of the Wilpinjong and Moolarben coal operations directly to the east of this proposal have resulted in significant loss of habitat for many of the same threatened species.

These cumulative impacts must be given high priority consideration.

Inadequate bushfire risk management

The Bushfire Assessment Report does not address all bushfire issues. This is of concern, as the increased activity at the proposed project may result in increased bushfire risk.

A site bushfire management plan, identifying how the risk of fire will be reduced within the project (internally) or how ignitions from the surrounding bushland (arson, lightning) will be managed, should have been included in the environmental assessment. Similarly, ecological burning is an important component of vegetation and ecosystem management, yet it has not been considered.

The success of proposed mine rehabilitation and offsets based on woodland revegetation might be at risk in the long term if a comprehensive fire management plan is not in place after the life of the mine.

Biodiversity Offset Strategy

The proposed biodiversity offset package has not been finalised and is based on a modified version of the NSW Government Biobanking Assessment Methodology.

It is inappropriate for identified offset areas to overlay coal resource unless they are dedicated as a protected conservation reserve. Otherwise, these areas are likely to be destroyed by future mine expansion, as has occurred with the approved Warkworth mine expansion in the Hunter Valley. If this occurred, the proposed mitigation of the significant biodiversity impact of this proposal would render useless.

The replacement of high conservation value habitat, especially tree hollows in slow growing woodland species, takes centuries and often cannot be replaced with an offset.

The proposed use of rehabilitated mine land to provide offsets for threatened vegetation communities is not appropriate and should not be used as credits in the Biobanking calculations.

The ecological footprint of the mine is too high and cannot be adequately offset. The PPR does not identify a final offset package because this is not achievable.

Impacts on limited water resources

The PPR does not justify the increase in water demand for mining operations from the previous prediction of 3,700ML per year up to 4,340ML per year. The increased pump rate from the Cudgong River and access to higher natural flows has not been adequately assessed.

The use of high security licensed water from the Cudgegong River will not only threaten the water security of the Mudgee region wine and tourism industries, it could also threaten the long-term security of urban water supply from Windamere Dam.

This project will compete with agricultural activities for the use of limited groundwater resources and, moreover, all necessary groundwater licenses have not been acquired.

Air quality assessment

The coal from this project will fuel power stations in the Upper Hunter and Central Coast and will negatively impact the quality of the land, air and water in those areas. The increased height of overburden emplacements by 20m will increase dust emissions at the mine site. Additionally, towns and properties along the coal chain will be affected by additional noise and dust from increased coal train movements.

The health effects associated with coal mining result from the release of coal dust and other forms of particulate matter that can harm people's respiratory system and aggravate existing respiratory diseases. Long-term exposure can lead to chronic respiratory and cardiovascular diseases³ and premature death. The health impacts of using poor quality coal have not been adequately assessed. The air quality model needs to be recalibrated using all available meteorological data. Any negative impacts to the local community would need to be mitigated.

Rail Infrastructure Noise Policy/Ulan line

The proposal to implement the draft Rail Infrastructure Noise Policy will disadvantage local residents affected by increased noise from the proposed rail loop. The issue of train length on the Ulan line has not been addressed as identified in the ARTC 2012 – 2020 Rail Corridor Capacity Strategy.

Conclusion

The proponents of the Cobbora Coal Project's response to submissions have not adequately addressed several of the issues raised by NCC in both our submission to the environment assessment and our submission to the Planning Assessment Commission.

Given the impacts on the land, water, climate and NSW taxpayers, it is irresponsible to develop the Cobbora coal project and we urge the NSW Government to reject the proposal.

Yours sincerely,



Pepe Clarke
Chief Executive Officer

³ NSW Department for Health; Population Health Division. (2010, May 21). *Respiratory and Cardiovascular Diseases and Cancer Among Residents in the Hunter New England Area Health Service*. Retrieved from NSW Department for Health; Publications: http://www0.health.nsw.gov.au/pubs/2010/pdf/HNE_Respi_Cardio_Disease.pdf