

"Reclaiming our Valley"

Hunter Communities Network

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Submission of Objection

Port Waratah Coal Services Terminal 4

Application No: 10_0215

The Hunter Communities Network (HCN) is an alliance of community based groups and individuals impacted by the current coal industry and concerned about the ongoing rapid expansion of coal and coal seam gas exploration and mining in the region.

HCN wishes to lodge the strongest possible objection to the Port Waratah Coal Services (PWCS) Terminal 4 proposal ('the proposal').

The application to expand the coal export capacity of the Port of Newcastle ('the Port') from its current approved volume of 211 million tonnes per annum (Mtpa) to 331 Mtpa is unsustainable on a broad number of grounds and cannot be justified. This proposed 84% increase in coal exports through the Port cannot be met without a serious increase in environmental, social and economic damage in the Hunter Valley.

The Department of Planning and Infrastructure is in the process of finalising Strategic Regional Land Use Plans (SRLUP) for the Upper Hunter and New England North West. If these plans are to achieve their stated objective: '*to minimise land use conflicts*'¹ then the scale of mining expansion needed to produce a further 120 Mtpa, as proposed, will not go ahead.

The draft Upper Hunter SRLUP has predicted that export demand through the Port will stabilise at around 216 Mtpa by 2015². HCN believes that this prediction is optimistic in the face of the global economic downturn and current fall in the price of thermal coal.³

¹ NSW Government 2012 Draft Upper Hunter Strategic Land Use Plan

² NSW Government 2012 Draft Upper Hunter Strategic Land Use Plan p34

³ www.smh.com.au/business/downturn-makes-investors-give-the-coal-shoulder-20120427-1xqg0.html#ixzz1tI32hYuh

The more distant mining operations such as in the Gunnedah coalfields become less viable as commodity prices fall. Large new proposals such as the Mt Pleasant Mine, approved to produce 10.5 Mtpa may not go ahead because of investment constraints.⁴

Under these circumstances, the current approved capacity of 211 Mtpa at the Port will be adequate for the predicted level of coal production along the Hunter Valley Coal Rail Network.

The proposal to add a further 120 Mtpa to loading capacity at the Port is unnecessary and will cause major cumulative environmental, social and economic impacts.

Rationale for the proposal

HCN does not believe that the rationale for the proposal, underpinned by the Capacity Framework Arrangements (CFAs), is based on legally binding contracts. If PWCS has forward sold coal on the basis of a project that has not passed through the approval requirements of the NSW *Environmental Planning and Assessment Act 1979* or the Federal *Environment Protection and Biodiversity Conservation Act 1999*, then the company has taken an enormous economic risk.

The fact that the proposal is based on three stages of construction driven by '*capacity demands nominated by coal producers*'⁵ demonstrates an ambit claim for a development approval that may never be needed.

HCN is concerned that contradictory predictions are being made about the forecast volumes of export coal demand. While the Department of Planning and Infrastructure (DPI) has predicted a stabilisation of export demand by 2015, the proposal indicates an additional 60 Mtpa by 2016.

Coal mines needed to provide supply

HCN is concerned that the CFAs are based on coal mine expansion that has not yet been proposed, let alone approved.

The draft Upper Hunter SRLUP identifies that each million tonnes of open-cut mining will disturb between 4 ha to 15 ha of land.⁶ The NSW Government has undertaken to develop a cumulative impact methodology for assessing the health and amenity impacts of an increased expansion of coal mining activity in the Upper Hunter.⁷

HCN believes that until the development assessment guidelines for impacts on human health from dust generated by mining and other activities are finalised in December 2012, the NSW

⁴ http://afr.com/p/business/resources/soaring_costs_trigger_rio_coal_retreat_bTf6dgajEDv6UfZatmsd0I

⁵ Port Waratah Coal Services Ltd, February 2012, T4 Project Environmental Assessment Vol 1 p E.5

⁶ NSW Government 2012 Draft Upper Hunter Strategic Land Use Plan p59

⁷ NSW Government 2012 Draft Upper Hunter Strategic Land Use Plan p57

Government does not have the information required to approve this proposal or understand the potential impacts of the required expansion of coal mines to supply a fourth coal export terminal.

Rail corridor capacity

The proposal refers to the Australian Rail and Track Corporation (ARTC) latest strategy '2011-2012 Hunter Valley Corridor Capacity Strategy Consultation Document' (the strategy) which outlines plans for rail capacity upgrades to ensure that projected future demands for all users are accommodated.

The latest strategy was developed before the proposal pre-feasibility study commenced.⁸ The strategy identifies that the proposal '*remains more speculative*'⁹ but has assumed an additional capacity of 60 Mtpa by 2016. There is a high level of confusing and contradictory information provided around infrastructure capacity and requirements.

ARTC predicts that the total capacity increase of the rail network between 2011 and 2015 is expected to be 225 Mtpa, with a total capacity increase for the same period of 180 trains per day.¹⁰

These figures are in line with the DPI figures of 216 Mtpa for export plus delivery of domestic needs to the power stations. The proposal seems to be based on a level of coal export demand that is entirely unrealistic and will be difficult to co-ordinate across the range of approvals and infrastructure upgrades needed.

The impact of the current number of trains per day on community health and traffic flow is considerable and is not taken into account. The increase in daily train movements needed to transport an additional 120 Mtpa coal to Newcastle will be unmanageable and cause major environmental impacts through towns and suburbs along the entire Hunter Valley Coal Rail Network.

Water impacts

Groundwater

There is major concern that the proposed measures for groundwater management associated with this very large proposal are based on post approval refinement and remedial action plan.¹¹ This is unsatisfactory in the circumstance that the proposed site is on land that has been used as a toxic materials dump. Further work is required in understanding impacts on groundwater systems before this project can be considered.

The modelling has underestimated the level of contaminants entering the groundwater systems because it has used contaminated soil samples instead of uncontaminated background levels to estimate the impacts.

⁸ Port Waratah Coal Services Ltd, February 2012, T4 Project Environmental Assessment Vol 1 p 266

⁹ Port Waratah Coal Services Ltd, February 2012, T4 Project Environmental Assessment Vol 1 p 267

¹⁰ Port Waratah Coal Services Ltd, February 2012, T4 Project Environmental Assessment Vol 1 p 267

¹¹ Port Waratah Coal Services Ltd, February 2012, T4 Project Environmental Assessment Vol 1 p E.11

Additional modelling is needed to show patterns of plume migration downstream from contaminated sites within the project area.

Maintaining aquifer pressure in the Estaurine Aquifer is important. This aquifer is confined and in direct hydraulic connection with the river system. The need to dewater areas during the construction of the fourth terminal will lead to local aquifer depressurisation. The extent of this depressurisation during construction needs to be further explained through more detailed modelling.

Surface water

Water balance modelling indicates that 76% of site runoff will be captured and re-used to meet 73% of the proposal's process water demands. During prolonged wet weather, when the capacity of the water storages is exceeded, surplus water will flow to the Hunter River South Arm (under licence).¹² This is predicted to happen on average every three months.

HCN has had experience in various high rainfall events where the licensed conditions for water discharge into nearby waterways have been turned off to allow continued operations to occur. This is unsatisfactory and an indication of the approval of inadequate design for onsite water management.

The regulation of discharge of poor quality water in to the Hunter River system is inadequate and will not manage the level of potential impact of this proposal.

The capture of 76% of site runoff for reuse is inadequate for a project that is on contaminated land and will have stockpiles of over 5 Mt coal at any given time. The proposed management of highly polluted water from this site is totally inadequate and needs to be reassessed before an approval decision can be made.

Ecological impacts

HCN is concerned that the proposal assessment has identified 23 threatened fauna species listed for protection under the NSW *Threatened Species Conservation Act 1995* and three of these are also listed under the Federal *Environment Protection and Biodiversity Conservation Act 1999*.

The proposal will have a cumulative impact on the significant ecological values in the Hunter Estuary. The lack of reference to past development approvals that have impacted on the ecological values of Kooragang Island and the Hunter Estuary is a failing of the assessment proposal. The assessment does not adequately refer to the conservation goals and objectives of management plans to maintain the ecological character of the Ramsar Wetlands and Hunter Wetlands National Park.

¹²Port Waratah Coal Services Ltd, February 2012, T4 Project Environmental Assessment Vol 1 p E.12

There has been no attempt to identify previous project approvals on Kooragang Island with adaptive management, monitoring and mitigation conditions. DPI needs to assess the effectiveness of these previous approval conditions. An understanding of the change and abundance and diversity of ecological values since these projects have commenced is needed. These issues are not addressed in the proposal and need to be considered by DPI in a cumulative impact assessment.

A number of conclusions in the proposal concerning impacts on the surrounding ecology do not provide clear explanations of how the conclusion was reached eg that project activities would have no impacts on the neighbouring Ramsar Wetland or National Park. Many conclusions seemed to be based on a judgement where the criteria for the judgement are unclear.

The proposal does not adequately address the potential impacts to migratory shorebird feeding areas adjacent to the proposed activities.

Migratory shorebirds have been impacted more in the Hunter Estuary than in other areas in the country.

There is no consideration of whether previous human activities on Kooragang Island have reduced the number of migratory shorebirds in the region, through degradation of foraging habitat and loss of benthic fauna, loss of access to foraging areas through loss of suitable roosts or increased predation pressure at feeding and roosting areas.

The impacts of dredging on migratory bird habitat have not been adequately addressed in the proposal.

Foraging habitat is dynamic, but responds to changes in flow, sediment, and water quality. The potential for the proposed dredging to impact these features is not well understood and not addressed in the proposal documentation. Other dredging projects have already been conducted near shorebird habitat in Hunter Estuary. The cumulative impacts of this proposal need to be clearly assessed and identified.

The proposal assessment focuses mainly on the potential impacts on The Golden Bell Frog and does not give equal consideration to the other nationally listed threatened species associated with the area of impact.

The Hunter Estuary is the most important wetland estuary in NSW. An agreed threshold of acceptable losses in ecological character for this area needs to be established.

The NSW Government cannot make adequate decisions on the ecological impacts of the proposal until an independent cumulative impact assessment for the Hunter Estuary is conducted.

Conclusion:

The NSW Government does not have adequate information to understand the cumulative environmental, social and long-term economic impacts of the proposal from the top of the Hunter Coal Chain to the Hunter Estuary.

Until the various actions identified in the Upper Hunter SRLUP are concluded, the NSW Government cannot adequately manage the impacts of an expansion of the coal mining industry on the scale required to justify this proposal.

Yours sincerely

B. Smiles

Bev Smiles
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