

LOCK THE GATE ALLIANCE

AUSTRALIANS WORKING TOGETHER TO PROTECT OUR LAND, WATER, AND FUTURE 

Rebecca Sommer
NSW Department of Planning

22nd November 2013

Dear Ms Sommer,

Re: Submission on T4 project (10_0215)

This is a submission on the Preferred Project Report for the proposed Port Waratah Coal Services Terminal 4 (10_0215). The submission is made on behalf of the Lock The Gate Alliance, a national grassroots organisation of over 160 community groups and thousands of individuals. Our Alliance works to protect Australia's natural, environmental, cultural, and agricultural resources from inappropriate mining developments.

Lock The Gate Alliance **objects** to the approval of the T4 project, on the basis that it is part of a larger project to expand coal production in the Hunter and Liverpool Plains regions. The cumulative impacts of this mining expansion have not been assessed, and T4 must not be approved until they have been.

While we understand that the upstream impacts of coal mining currently fall outside the scope of assessment of the T4 project, we submit that the proliferation of coal mining in the Hunter and Liverpool Plains, and the construction of a fourth coal terminal at Newcastle, are inseparable components of the same project – the growth of coal exports from the Hunter Valley Coal Chain (HVCC).

In 2013, Newcastle annual coal exports peaked at 142 million tonnes¹, fed by a network of close to 40 coal mines spanning Wyong to Gloucester, Cessnock to Mudgee to Narrabri – 400km from the Port of Newcastle. The trajectory of Newcastle export coal figures over the next decade appears to be in question, with the latest contracted coal exports for 2019 at 206 million tonnes² - a significant drop from last year's figures, but still a 45% increase in coal exports over just 5 years.

Since the three existing Newcastle coal terminals can handle 206 Mtpa³, this voluntary surrender of contracts by coal producers (in response to a slump in global coal prices) has obviated the need for T4. The claimed 'contractual obligation' on PWCS to build T4 is void. Nevertheless, PWCS are seeking an approval for a down-sized 70 Mtpa T4, for fast implementation when demand for coal picks up again⁴.

A questionable presumption

The entire justification for the T4 project is predicated on the presumption that demand for export coal will continue to grow well into the future. This is highly contentious.

80% of coal exported from Newcastle is thermal – for use in power stations⁵. In July 2013, global investment bank Goldman Sachs advised that “the window for investment in thermal coal is closing.”⁶ The

1 Newcastle Port Corporation, *2012-2013 Annual Report*

2 Australian Rail Track Corporation, *2013-2022 Hunter Valley Corridor Capacity Strategy*

3 Port capacity expected to be 208Mtpa by 2014 (*ibid*)

4 Section 3.2, T4 Preferred Project Report

5 Newcastle Port Corporation, *op. cit.*

6 Goldman Sachs, July 24 2013, *The window for thermal coal investment is closing*

bank predicted that seaborne thermal coal prices would remain 'flat' in the short term until 2017, and that in the long term, 'thermal coal's current position atop the fuel mix for global power generation will be gradually eroded.' This would happen due to ever-increasing environmental regulations around the world (for example, in 2013 the World Bank banned funding of coal-fired power stations in most circumstances); a major shift to renewable energy and gas; and big increases in energy efficiency.

The world is beginning to come to terms with the fact that most of the coal in the ground will need to stay in the ground. At each step of the coal chain, from mining to combustion, the impacts of the coal industry on public health, water resources, ecosystems, and the global climate are becoming too great to ignore or accept. This sentiment was echoed just this week by the executive secretary of the United Nations Framework Convention on Climate Change, Christiana Figueres, when addressing a World Coal Association conference in Poland. Ms Figueres advised the assembled coal executives to shift their money from coal to renewable energy, because most coal reserves will need to stay in the ground in order to avoid catastrophic global warming⁷.

The cumulative mining impacts associated with T4

Setting aside the question of whether T4 is justified, the remainder of this submission will presume that PWCS predictions are accurate, and that 70 million tonnes of coal per annum will be supplied to T4 through the expansion of coal mining in the Hunter and Liverpool Plains.

The average coal mine in NSW produces 2.6 Mtpa⁸, meaning that 27 average-sized coal mines would be required to service T4 at 70 Mtpa capacity. In practice, coal mines associated with T4 are likely to be much larger than average, as new mines tend to be big. The largest coal mine in NSW, BHP Billiton's Mt Arthur open cut mine next to Muswellbrook, has approval to produce a massive 32 million tonnes of run-of-mine coal per year⁹. In practice, actual production of saleable coal at the mine in 2010-11 was 13.68 Mtpa¹⁰. At that rate, the service of T4 would require 5 new mega-mines, equivalent to the largest coal mine in the state.

Existing approved coal mine production along the Hunter Valley Coal Chain (HVCC) exceeds 206 Mtpa¹¹ - the maximum level of coal exports predicted for 2019 in Newcastle. Since T4 will only become necessary after contracted coal sales exceed that level (according to PWCS), then it is arguable that most, or even all proposed new coal mines and coal mine expansions along the HVCC are associated with T4.

There are 21 proposed new coal mines in the HVCC, and 20 proposed mine expansions¹². These include the following.

- Caroona Coal Project
 - A BHP Billiton project currently at exploration stage, with an exploration lease covering 344 square km¹³. The project is located on the fertile prime agricultural land of the Liverpool Plains, and has been fiercely opposed by local residents due to the risks posed to water resources and agricultural land¹⁴.
- Doyles Creek Coal Project
 - The Doyles Creek project is a proposed long-wall coal mine adjacent to the Wollemi National Park, near Jerrys Plains. It is now infamous, with former Minister Ian Macdonald, and former executives of the mining company having been found to have acted corruptly by the NSW

7 <http://www.theguardian.com/environment/planet-oz/2013/nov/19/warsaw-climate-talks-coal-pink-lungs>

8 NSW Department of Trade and Investment – Resources and Energy Unit, 2013, *NSW Coal Industry Profile*

9 BHP Billiton, 2013, *Mt Arthur Open Cut Modification - Environmental Assessment*

10 NSW Dept Trade and Investment, *op. cit.*

11 Our own calculations, based on information from NSW Planning approvals documents, show approved saleable coal production to be around 225 Mtpa.

12 Our own calculation based on publicly available data from NSW Planning and NSW Trade and Investment

13 NSW Trade and Investment, *EL 6505*

14 <http://ccag.org.au/coal>

Independent Commission Against Corruption, in relation to this project¹⁵. The risks to water resources and productive farmland have led to widespread opposition to the project by local residents¹⁶.

- Drayton South Coal Project
 - A major new open cut coal mine proposal near Jerrys Plains, by Anglo American. This project is bitterly opposed by the thoroughbred breeding industry, particularly the Coolmore and Darley studs, which have stated they will be forced to leave the Hunter if the project goes ahead¹⁷.
- Maules Creek Coal Project
 - A large, 2000 hectare open cut coal mine project near Boggabri, that together with two adjacent mining proposals stands to remove two thirds of the Leard State Forest, identified as a Tier 1 Biodiversity Area by the NSW Government and home to dozens of threatened species¹⁸¹⁹.
- Mt Penny Coal Project
 - One of two proposed open cut coal mines in the currently mine-free Bylong Valley, and the subject of a corruption investigation which found that company executives associated with the project had engaged in corrupt conduct with former Minister Macdonald²⁰.
- Rocky Hill
 - A highly controversial open cut coal mine proposal just a few hundred metres from a residential area at Gloucester²¹. The project is opposed by most of the people of Gloucester, including the Council, due to the social and economic impacts it would have on the residents and existing industries of the Gloucester Valley²².
- Wallarah 2
 - A major long-wall coal mine proposed for the Wyong water catchment area, and subject to a seven-year long campaign by local people to stop the project going ahead²³. The Central Coast Water Corporation has raised serious concerns about the adequacy of the Environmental Impact Statement for Wallarah 2, and the impacts the project would have on water quality and quantity in the catchment²⁴.
- Warkworth Extension
 - A Rio Tinto proposal to extend the existing Warkworth open cut coal mine to the edge of the village of Bulga, removing a major ridge that currently protects the village from mining operations. The Bulga Milbrodale Progress Association is representing local residents opposed to the mining project, which many believe would spell the end of the village of Bulga²⁵.

Each of these projects is associated with the T4 project, along with the many other mining projects at various stages of development in the HVCC – over thirty projects in all. While each mine project is required to conduct an environmental assessment before approval, there is a no point at which the cumulative social, environmental, and economic impacts of this rush of mining projects will be assessed.

15 Independent Commission Against Corruption, August 2013, *Investigation into the conduct of Ian Macdonald, John Maitland, and others*

16 <http://jerrysjeopardy.blogspot.com.au/>

17 Oral submission by Hunter Thoroughbred Breeders Association to the NSW Planning Assessment Commission, 10th October 2013

18 NSW Government, 2012, *New England – North West Strategic Regional Land Use Plan*

19 Northern Inland Council for the Environment, 2011, Submission to NSW Planning on Environmental Assessment for Maules Creek Coal Project.

20 Independent Commission Against Corruption, July 2013, *Investigation into the conduct of Ian Macdonald, Edward Obeid Senior, Moses Obeid, and others*.

21 Gloucester Resources Limited, August 2013, *Environmental Impact Statement for Rocky Hill Coal Project*.

22 Gloucester Shire Council, October 2013, *Submission to EIS for Rocky Hill Coal Project*.

23 <http://australiancoalalliance.com/main.htm>

24 Central Coast Water Corporation, June 2013, *Submission to the EIS for Wallarah 2 Coal Project*

25 Bulga Milbrodale Progress Association, 2011, Submission to NSW Planning Assessment Commission on Warkworth Extension Project.

If not now, then when?

The full, cumulative impacts of planned mining expansion throughout the HVCC must be assessed before a decision is made on the T4 project. If these impacts were being assessed independently of T4, then this would not be required. Since they are not, it is. This assessment of cumulative impacts must address the following.

- Impacts on water resources.
 - Both open cut and long-wall mining operations have profound impacts on water resources, depleting, polluting, and often simply destroying aquifers, rivers, and creeks.
- Impacts on agriculture and other industries.
 - Intense public concern for the impacts of coal mining on agricultural land led the NSW Government to develop a Strategic Regional Land Use Policy, ostensibly to solve the conflict between farming and mining. It has not done so, for the simple reason that the policy fails to provide any protection for agricultural land from mining, much less any cumulative assessment of the impacts of large scale mining expansion associated with the expansion of Newcastle Port. Much of the planned expansion of mining activity associated with the T4 project is in the Liverpool Plains region, a food-producing area of global significance.
- Impacts on biodiversity.
 - Many of the proposed mining projects associated with T4 require extensive land-clearing of listed Endangered Ecological Communities, and endangered species habitat. There is an urgent need to assess the landscape-scale implications of these planned mining expansions, rather than allowing one-off environmental assessments for each mining project to result in 'death by a thousand cuts' for threatened species and ecosystems in the Hunter and Liverpool Plains.
- Impacts on public health.
 - Residents of the Hunter coalfields receive literally hundreds of warnings a year to the effect that their air is unsafe to breath due to particle pollution²⁶. Coal mining is by far the biggest contributor to particle pollution in the region, causing 87% of PM10 pollution²⁷ and making a major contribution to PM2.5 pollution²⁸. Particle pollution is now a classified Group 1 Carcinogen²⁹. With the scale of mining expansion proposed along the HVCC, and with the ever-increasing overburden-to-coal ratio of new mines, the expansion of coal mining and exports from the region are a serious threat to public health. The impacts of this have not been assessed.
- Social impacts
 - The Hunter Valley has already lost entire villages to coal mining. These include Lemington, Ravensworth, Warkworth – once thriving communities, that no longer exist. The village of Camberwell is struggling to survive, and residents of other villages such as Bulga and Jerrys Plains worry that they are next. Larger towns that do survive the arrival of coal mining in their area are nevertheless changed forever, with residents complaining that social togetherness and community activities are lost. Mine workers either come from out of town, and take their pay packet home with them, or work long rotating shifts that make community and family commitments difficult.

Recommendation

That no decision is made on the T4 project until a comprehensive cumulative assessment of proposed mining expansion along the Hunter Valley Coal Chain, associated with T4, has been completed. In the absence of this assessment, T4 must be rejected.

26 Subscribers only, through the Upper Hunter Air Quality Monitoring Network alerts system. See <http://www.environment.nsw.gov.au/aqms/uhunteraqmap.htm>

27 NSW Environmental Protection Authority (2013), submission to Senate Community Affairs Committee Inquiry into the Impacts on Health of Air Quality in Australia.

28 CSIRO, 2013, *Upper Hunter Valley Particle Characterization Study*.

29 World Health Organization, October 2013, press release number 221 – *IARC: Outdoor air pollution a leading environmental cause of cancer deaths*.

Sincerely

A handwritten signature in black ink, appearing to be 'Steve Phillips', with a stylized, cursive script.

Steve Phillips
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Lock The Gate Alliance
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