

23rd January 2013



PCU041042

The Director General
Department of Planning
GPO Box 39
Sydney NSW 2001

Dear Director General:

Re: Stratford Extension Project EIS

I write on behalf of the Management Committee and membership of The Gloucester Project in response to the exhibition of the above document, and the invitation for the public to submit comments.

We have carried out a general review of the EIS, but with particular attention to those sections which relate to future food and water security.

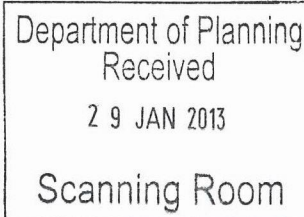
The Gloucester Project, as you may already be aware, is a Not-for-Profit community based Association with a membership of about 240. Our primary object is to research and develop an economically viable land use based on food production and distribution to regional and metropolitan consumers, and to develop efficient food production methods in response to the challenges of climate change. This program is now well established.

From our own review of the EIS we have concluded that the document is generally biased in favour of the Proponent's case; marred by numerous unsubstantiated assertions; and deficient as a case for approval of the Project. We ask that the EIS be rejected as inadequate, and that the Proponent be requested to re-consider their proposal.

Yours faithfully,



Ken Johnson.





Stratford Extension Project (SSD 4966)

Submission by The Gloucester Project Inc



January 2013

Stratford Extension Project (SSD 4966)

Introduction

Members of The Gloucester Project (TGP) have reviewed the Environmental Impact Statement (EIS) submitted in support of the above proposal, and have prepared the following response.

Since TGP's primary object is to encourage and facilitate increased production and consumption of food products for regional and urban consumers, this submission is mainly focussed on the need to protect scarce land and water assets from the destructive sterilization which is the permanent legacy of open-cut coal mining. However, we are also concerned with wider issues affecting the social and economic health and sustainability of the Gloucester Community, and make some comment on these aspects.

Agricultural Land Overview

Material in the EIS relating to agricultural land and the volume and value of production is contained in Appendix K (Agricultural Assessment), and also in Appendix P (Socio-Economic Assessment), prepared by the consultancy Gillespie Economics, where an attempt is made to attribute a present market value to the loss of future agricultural production.

Attachment 2 to Appendix P purports to provide additional supporting detail, under the title Agricultural Economic Analysis. This is largely comprised of an irrelevant review of the agricultural sector in NSW, and in Gloucester and Great Lakes Shires combined. The rationale for choosing the latter as the contextual sub-region is not revealed, though it quite unrelated to the current Proposal.

The general tenor of these documents is to downgrade the quality of the land in those areas which are encompassed by present and possible future mining leases, but to extol the quality of those limited areas which have already been rehabilitated post mining.

The two standard NSW land quality descriptor scales, namely "Rural Land Capability" (RLC) and "Agriculture Suitability" (AS) are recognised and brought into the discussion. These categorisations of land attributes have been developed over the past few decades, and are now established as referential standards. (Hulme, 2002).

Water

In conjunction with land, this is the other essential for food production. The Gloucester district, as part of the Mid North Coast region, is predicted to continue to enjoy adequate rainfall, despite the effects of climate change. The Gloucester Project is concerned that the excavation of voids up to 200 metres deep will result, firstly in a drawdown of local water tables, and in the longer term of a backflow of contaminated water into the same aquifers. There is also the potential toxic elements to escape into the river systems, and thus compromise food production on the alluvial flats.

Agricultural Suitability

Of the two descriptor scales, that of Agricultural Suitability is the more relevant in the current context. It is therefore a matter of concern to find that the material presented is both confusing, and apparently self-contradictory. For example, in the Executive Summary, which is all that most people will read, it is stated (Section ES4.6) that:

"No Class 3, 2 or 1 Agricultural Suitability lands have been identified within the Project disturbance areas. Agricultural Suitability classes identified across the site included Class 4 and Class 5 lands."

Yet, in Attachment A to Appendix K, the map in Figure 12 (NSW Government Agricultural Suitability Mapping) shows that virtually all of the land in the present and proposed mining lease areas is given a Class 3 rating. The statement quoted above was apparently based on the map in Figure 13 (Agricultural Suitability Mapping) which shows only Class 4 and Class 5 land within the relevant area.

Although Figure 12 is included in Attachment A no reliance is placed on it in the discussion there. It is referenced in the body of Appendix K, but only in relation to Adjoining Lands and Offset Areas (p. 12). Apart from that, the official NSW Agricultural Suitability map is introduced, and then ignored in favour of Figure 13, which seems to have been prepared by Stratford Coal's Consultant specifically for the present EIS.¹

Pending resolution of this matter, it is hard to avoid a conclusion that the quality of the land in the proposed mining area has been deliberately downgraded.

This conclusion is further supported by the claims made on page 11 of Appendix K as to Soil Condition, where adverse soil characteristics are emphasised without any comment to the effect that these deficiencies can be remediated. In fact, one is led to wonder how farming families managed to survive on this land for over a century.

¹ The provenance of the map in Figure 13 is uncertain. Section 6.2 of Attachment A describes it as having been prepared for earlier stages of the Stratford Mine development, while Section 6.3 states that it was based on the soil survey carried out by the Consultants in the course of preparation of the EIS. However, the primary source reference is to Henderson (2000), which implies that it was derived from work carried out by the NSW Department of Land & Water Conservation.

The Gloucester Project, on crown land, in a program supported by government and NGO funding, is demonstrating that on a downgraded former TSR, commercial quality and quantity of horticultural products can be produced within twelve months of commencement. This demonstrates a substantially increased economic potential for the land under consideration.

Broader Impacts

The adverse economic impacts of open-cut coal mining on a rural economy cannot be limited simply to the immediate footprint, and the loss of productive agricultural land consequent on this. Toxic elements may be dispersed widely, and affect, for example, the quality of dairy produce, and that of fruit and vegetables.

Little, if anything, seems to be known about the operation of factors such as these in Australia, and we are not aware that research into this area is being actively pursued, or encouraged, by any Federal or NSW Government Agency.

The requirements for Organic Certification are quite specific, and it is unlikely that any horticultural business within the fallout area of an open-cut coal mine would meet the criteria.

Productive Value

Much emphasis is placed in the EIS on the low productive value of agricultural land, with an annual return of \$135 per hectare of improved pasture for beef rearing being advanced. This is then used to support the claim that open cut coal mining represents a better and higher use. As stated in Attachment 2 to the Gillespie Economics report:

"The Project is estimated to provide a considerable net production benefit that is far in excess of the net production benefit of continued use of land and water resources for agriculture."

The basis for this assertion was provided by discounting the estimated net value of future agricultural production and water use at 7% pa, yielding a present value of \$1.9M.

Noting, for example, that the PV of \$100 discounted for 100 years at 7% is 7 cents, we suggest that it is presumptuous, to say the least, for an economist in 2012 to declare that the value of food production from an area of land in 100 years time is virtually zero. This is in direct conflict with the spirit of the inter-generational equity principle, observance of which is a part of the Director General's Requirements. As explicitly stated in the Assessment Regulation 2000:

"...the present generation should ensure that the health, diversity and productivity of the environment are maintained or enhanced for the benefit of future generations."

Alternative Uses

But coal mining and beef rearing are not the only possible land uses and other alternatives should be considered. The Gloucester Project's demonstration horticultural farm provides one relevant example. This is developed on a 6 ha block of mixed level and sloping land, with an Agricultural Suitability Class estimated at between 3 and 4. Here, a range of fruit and vegetables are already being produced, and distributed through a market stall and a direct marketing system. This system has the potential for incremental economic growth as the network of producers expands.

We estimate that, in association with direct marketing, gross annual production values of up to \$100,000 per hectare can be achieved, with a net profit ratio of the order of 50 – 60% per hectare after allowing for all inputs except labour.

Conclusion

It is asserted that the EIS is biased and selective in its assessment of the relative economic potentials of land uses. The EIS uses coal production projections and compares this with inadequate and outdated data on an agricultural economy. When economic projections based on TGP's research and development are brought into the comparison, quite a different picture emerges.

Further, the duration of the economic benefits needs to be considered. Whereas the mining future is limited by resource depletion and market issues, the food economy will continue to expand as populations increase and the productivity of climate affected regions decline.

The Gloucester Project, with government and NGO support, is demonstrating that a regional industry based on food production and distribution offers an economically viable alternative use of this region's resources. These resources, and the beneficial economic system being demonstrated by TGP are threatened by the proposed extension.

Reference:

Hulme T et al: *Agricultural Land Classification*; Agfact AC.25, NSW Agriculture (2002).
ISSN 0725-7759.