

## Angus Place Extension Project SSD-5602

### INTRODUCTION:

I object to the APMEP. The proponents assert that the impacts and benefits of the APMEP favour the public interest, for reasons that are misleading and inaccurate.

The project is based upon a best-case<sup>1</sup> economic scenario prior to the COVID-19 pandemic and the 2019-20 unprecedented impacts of climate fueled bush fires and now, the oil price collapse. The collapse in oil price now establishes coal as the most expensive fossil fuel in the world which directly threatens the commercial viability of any new coal project<sup>2</sup>.

With the likelihood of a global recession<sup>3</sup>, the proponent's anticipated economic benefits can only be seen as unreliable and ill-considered.

It would be grossly irresponsible for the NSW Government to approve this project at this time.

### The natural environment:

To claim that further long wall mining in a region of nationally endangered swamps and their supportive sandstone structures, will do no more than "minor, localized damage" denies the reality<sup>4</sup>. The industry has had clear indications of environmental damage caused by their operations for decades<sup>5</sup> and their operational mining practices remain contentious and unproven.

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<sup>1</sup> [https://ieefa.org/ieefa-update-coal-finance-is-heading-to-its-logical-terminal-conclusion/?utm\\_source=Weekly+IEEFA+Newsletter&utm\\_campaign=8c1bee5b26-IEEFA+WeeklyDigest&utm\\_medium=email&utm\\_term=0\\_30c2b8506b-8c1bee5b26-128746273](https://ieefa.org/ieefa-update-coal-finance-is-heading-to-its-logical-terminal-conclusion/?utm_source=Weekly+IEEFA+Newsletter&utm_campaign=8c1bee5b26-IEEFA+WeeklyDigest&utm_medium=email&utm_term=0_30c2b8506b-8c1bee5b26-128746273) **IEEFA update: Coal finance is heading to its logical terminal conclusion** Governments, corporates and financial institutions accelerate their coal restriction policies in 2020 Tim Buckley April 21 2020

<sup>2</sup> <https://www.bloomberg.com/news/articles/2020-03-23/coal-is-world-s-most-expensive-fuel-after-oil-s-brutal-collapse?fbclid=IwAR3Vp0A07u42Cw4gGMids2MEPmHPpc3unfQ-4XsZz7q66ksFVazvo7f0BN4> **Coal Is Now the World's Most Expensive Fossil Fuel** Bloomberg Green Dan Murtaugh 23 March 2020

<sup>3</sup> <https://www.theguardian.com/business/live/2020/apr/14/stock-markets-china-trade-global-recession-imf-forecasts-covid-19-business-live> **IMF: Global economy faces worst recession since the Great Depression - as it happened** The Guardian April 15 2020 Graeme Wearden and Jasper Jolly

<sup>4</sup> <https://www.abc.net.au/news/2016-02-14/concerns-over-springvale-mine-expansion-swamps-near-lithgow/7165106> **Springvale mine expansion: Scientists concerned over environmental impact on swampland near Lithgow** Philippa McDonald 14 Feb 2016

<sup>5</sup> <https://www.environment.gov.au/system/files/resources/8a22c56a-3c83-4812-aa2f-9d0bc40ac718/files/monitoring-management-subsidence-induced-longwall-coal-mining-activity.pdf> **Monitoring and management of subsidence induced by longwall coal mining activity** Report commissioned by the Department of the Environment on the advice of the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development August 2015, 2.4.4.5 Cox's River

The environment surrounding the Blue Mountains World Heritage Area, already under extreme stress from prior mining and now the recent fires, should not be further threatened and compromised by more coal mining.

The proponent's proposed Swamp Offset Strategy, simply cannot constitute a fair ecological and environmental trade-off when the environmental impacts of the proposal are unquantifiable, cannot be accurately predicted, and present an immediate threat to the environmental integrity of the region. Even the proponents know that there is no guarantee of replication: ***"Subsidence-related impacts are expected at Tri-Star Swamp, Twin Gully Swamp, Trail Six Swamp and the hanging swamps within their catchments. Impacts to THPSS-associated threatened species are also likely in these locations. In accordance with the BC Act and EPBC Act, any environmental consequences assessed to be greater than negligible to THPSS and their associated threatened species will be required to be offset in accordance with the NSW Biodiversity Offset Scheme and the Commonwealth EPBC Act Environmental Offsets Policy. This Amendment Report and supporting technical assessment have taken a conservative stance by assuming total loss of THPSS within the amended Project Application Area, thereby presenting the maximum potential ecosystem and species credit liability."***<sup>6</sup>

Mining under nationally endangered swamps poses extreme risks of damage to our national natural heritage that cannot be ameliorated and should not take place.<sup>7</sup>

Drought, heat waves and water shortages have beleaguered the Lithgow community over recent times. Recent catastrophic climatic events have highlighted the growing awareness within the community that climate change will increasingly affect the environment and society. These unprecedented climatic conditions<sup>8</sup> fueled by greenhouse gas emissions, continue to negatively influence people's perceptions of the 'value' of coal mining.

2019 saw Lithgow record its worst year of rainfall on record coupled with the horrific and catastrophic Gospers Mountain Fire that spread into Lithgow, threatening both Springvale Coal Mine and Mt Piper Power Station. (Lithgow Mercury Jan 2020). 80% of the Blue Mountains World Heritage area was burned<sup>9</sup>. As long as Australia remains one of the world's highest emitters per capita of greenhouse gas

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<sup>6</sup> <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-5602%2120200301T052004.193%20GMT> 11. **CONCLUSION** Amendment Report Angus Place Mine Extension Project 6 December 2019 Project No.: 0511056

<sup>7</sup> <https://www.smh.com.au/national/nsw/springvale-mine-extension-newnes-plateau-swamps-face-uncertain-future-due-to-20150703-gi46y2.html> **Springvale mine extension: Newnes Plateau swamps face uncertain future** SMH Anne Davies July 4 2015

<sup>8</sup> <http://www.bom.gov.au/climate/current/annual/aus/> **BOM Annual climate statement 2019 9 January 2020**

<sup>9</sup> <https://www.theguardian.com/environment/2020/jan/17/its-heart-wrenching-80-of-blue-mountains-and-50-of-gondwana-rainforests-burn-in-bushfires> **It's heart-wrenching': 80% of Blue Mountains and 50% of Gondwana rainforests burn in bushfires** The Guardian Lisa Cox and Nick Evershed 17 Jan 2020

emissions, we can expect more catastrophic fires<sup>10</sup>. Traditional allegiance to old energy generation, in particular the coal production, when alternative generation is cheaper, safer and cleaner, is dangerous.

If it is primarily short term economic returns that justify project approval, can the proponents guarantee that the \$ value of their coal is greater than the rising costs of climate change, bushfires, damage to waterways systems and flows, loss of biodiversity and functioning natural ecosystems? This is important because it is the natural environment that supports so much more than coal mining, that has great value to the community and that carries the risk of irreversible damage during mining operations. The proponents fail to value the natural environment at all, in fact it is seen as a threat that has the potential to “sterilize”<sup>11</sup> their operations.

To be fair, we should be informed of the minimum price for the coal product produced that influences the viability of the project proposal, because after mining it is the community that bears the costs of ameliorating environmental impacts.

#### **Project Justification is flawed:**

***“The Lithgow LGA has a long history of coal mining dating back to the 1800s. The town of Lithgow and nearby communities were established on the foundations of coal mining. There are several coal mines operating in the region, including Springvale Mine in close proximity to APMEP (Hansen Bailey, 2019). It is this history that prevails today, as coal mining continues to be the economic basis of the region.”<sup>12</sup>:***

The proponent has a duty to establish social capital for their project. But this statement willfully ignores the fact that the Australian coal industry is in structural decline<sup>13</sup>. Coal reliant communities have already suffered and in Lithgow’s case, continue to suffer employment and economic hardships and uncertainty. The reality is Lithgow is a coal mining community conscious of the need to transition from reliance on coal mining<sup>14</sup>.

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<sup>10</sup> <https://lens.monash.edu/@environment/2020/03/18/1379827/how-much-did-climate-change-cause-the-australian-megafires> 18 Mar 2020 What role did climate change play in the Australian megafires? Paul Read, Monash University

<sup>11</sup> <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-5602%2120200301T052004.193%20GMT> **EXECUTIVE SUMMARY New Understanding and consideration of Swamp Impacts** Amendment Report Angus Place Mine Extension Project 6 December 2019

<sup>12</sup> <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-5602%2120200301T052004.193%20GMT> **9.6 Conclusion** Amendment Report Angus Place Mine Extension Project 6 December 2019

<sup>13</sup> [https://ieefa.org/ieefa-update-coal-finance-is-heading-to-its-logical-terminal-conclusion/?utm\\_source=Weekly+IEEFA+Newsletter&utm\\_campaign=8c1bee5b26-IEEFA+WeeklyDigest&utm\\_medium=email&utm\\_term=0\\_30c2b8506b-8c1bee5b26-128746273](https://ieefa.org/ieefa-update-coal-finance-is-heading-to-its-logical-terminal-conclusion/?utm_source=Weekly+IEEFA+Newsletter&utm_campaign=8c1bee5b26-IEEFA+WeeklyDigest&utm_medium=email&utm_term=0_30c2b8506b-8c1bee5b26-128746273) **IEEFA update: Coal finance is heading to its logical terminal conclusion Governments, corporates and financial institutions accelerate their coal restriction policies in 2020** Tim Buckley April 21 2020

<sup>14</sup> [https://www.pc.gov.au/\\_data/assets/pdf\\_file/0015/214701/sub029-transitioning-regions.pdf](https://www.pc.gov.au/_data/assets/pdf_file/0015/214701/sub029-transitioning-regions.pdf) **Centennial Coal Company Pty Limited Submission to the Productivity Commission study ‘transition of regional economies following the resources boom’ March 2017 (p11-13)**

Lithgow workers have already experienced the 2014/15 closure of the coal fired Wallerawang Power Station, followed by the retirement of Angus Place colliery which saw the loss of around 600 regional jobs<sup>15</sup>. The situation highlighted the inevitable need to diversify employment opportunity to keep people “living in the town” and keep small businesses running.

Centennial Coal commissioned a report 2017<sup>16</sup> which acknowledged “ *the industry, and many of those employed in it, are cognisant of the eventual obsolescence of the industry.*” Importantly, the report notes that such “*pragmatism is more likely to facilitate the management of an orderly regional transition that does not comprise the economic interests of the regional, state and national economies during the transitional period.*”

It is irresponsible for the proponents to expect a project life to 2053<sup>17</sup>, when climate scientists and the community are demanding immediate action on climate change by reducing greenhouse gas emissions<sup>18</sup>. To further entrench the workforce in the new provision of coal for outdated, unsustainable, polluting energy systems is short sighted and without moral compass.

In NSW, we are moving to an energy economy in which the role of fossil-fuel technologies is vastly reduced. Renewables are expected to account for a larger share of electricity generation than coal with NSW committing to reducing emissions by 35 percent based on 2005 levels, leading to zero net emissions by 2050. According to Matt Keane, NSW’s Energy Minister, these aspirations are firmly grounded in science and economics, not ideology<sup>19</sup>.

Declaring that coal mining is an “essential” component of Lithgow and the region<sup>20</sup>, ignores the inevitability of and opportunities for diversifying the local economy away from coal. **Centennial Coal’s**

<sup>15</sup> <https://www.abc.net.au/news/2019-02-03/lithgow-coal-fire-station-redevelopment/10773014> ABC News Jonathan Hair 3 Feb 2019

<sup>16</sup> [https://www.pc.gov.au/\\_data/assets/pdf\\_file/0015/214701/sub029-transitioning-regions.pdf](https://www.pc.gov.au/_data/assets/pdf_file/0015/214701/sub029-transitioning-regions.pdf) Centennial Coal Company Pty Limited Submission to the Productivity Commission study ‘transition of regional economies following the resources boom’ March 2017 (p13)

<sup>17</sup> <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-5602%2120200301T052004.193%20GMT> 2. DESCRIPTION OF AMENDMENTS Amendment Report Angus Place Mine Extension Project 6 December 2019

<sup>18</sup> <https://www.smh.com.au/environment/climate-change/kick-them-into-action-fire-group-takes-epa-to-court-over-climate-20200418-p54kzl.html> ‘Kick them into action’: Fire group takes EPA to court over climate SMH Peter Hannam April 20, 2020

<sup>19</sup> <https://www.smh.com.au/politics/nsw/nsw-to-lead-the-country-in-reaching-net-zero-emissions-by-2050-20200313-p549ud.html> NSW to lead the country in reaching net zero emissions by 2050 SMH Alexandra Smith March 14, 2020

<sup>20</sup> <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-5602%2120200301T052004.193%20GMT> 11. CONCLUSION Angus Place Mine Extension Project 6 December 2019 Project No.: 0511056

**own 2017 report concludes solutions for transitioning the regional economy do not lie with the coal industry<sup>21</sup>.**

Recklessly, the proponents maintain the APMEP provides the direct and indirect social and economic this region and its people need<sup>22</sup>. No evidence substantiates a sustained and foreseeable demand for Angus Place Coal that justifies this mine beyond its 2024 use by date.

Coal mines and coal fired power stations are projects with long life spans, requiring substantive capital. Growing competition from alternative sources for energy generation, and new policy frameworks that support less carbon-intensive energy generation has added considerable uncertainty to investment decisions for thermal coal<sup>23</sup>. Financial institutions are steering clear of investing in them – particularly thermal coal – primarily because renewable energy is cheaper and its costs continue to fall<sup>24</sup>.

Although we are told there is potential for the mine to operate until 2053, no definitive timeline is given for the project. The Mt Piper Power Station will close around 2042, if not before.

Incongruously, the proponents state *“The social and economic impacts of Springvale’s closure is also an important aspect to consider as part of the proposed APMEP. Springvale Coal Mine (owned by Centennial) currently employs 450 fulltime mine workers and is scheduled for closure in 2024. The APMEP, once developed, will provide continued employment opportunities **for up to 450 full time employees**. This will ensure that the current social and economic climate on the Lithgow region would remain relatively stable<sup>25</sup>.*

However, we do not know how many workers will be employed and if or when they will be employed. Expanding extraction operations at Angus Place is fraught with financial risk and the first way to reduce operational costs will be to reduce the workforce. The Reserve Bank of Australia has stated that beyond the next few years, the outlook for coal prices and demand is increasingly uncertain, particularly for thermal coal<sup>26</sup>

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<sup>21</sup> [https://www.pc.gov.au/\\_data/assets/pdf\\_file/0015/214701/sub029-transitioning-regions.pdf](https://www.pc.gov.au/_data/assets/pdf_file/0015/214701/sub029-transitioning-regions.pdf) Centennial Coal Company Pty Limited Submission to the Productivity Commission study ‘transition of regional economies following the resources boom’ March 2017 (p13)

<sup>22</sup> <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-5602%2120200301T052004.193%20GMT> 9.6 Conclusion Angus Place Mine Extension Project 6 December 2019 Project No.: 0511056

<sup>23</sup> <https://www.rba.gov.au/publications/bulletin/2019/sep/the-changing-global-market-for-australian-coal.html> Bulletin – September 2019 Global Economy **The Changing Global Market for Australian Coal** 19 September 2019 Michelle Cunningham, Luke Van Uffelen and Mark Chambers

<sup>24</sup> [arena.gov.au/blog/aemo-and-csiro-report-finds-renewables-cheapest/](https://arena.gov.au/blog/aemo-and-csiro-report-finds-renewables-cheapest/) Arenawire **AEMO and CSIRO report finds renewables cheapest** 4 March 2019

<sup>25</sup> <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-5602%2120200301T052004.193%20GMT> 11. CONCLUSION Angus Place Mine Extension Project 6 December 2019 Project No.: 0511056

<sup>26</sup> <https://www.abc.net.au/news/2020-01-28/why-finance-is-fleeing-fossil-fuels/11903928> **The future of coal has already been decided in boardrooms around the globe** ABCNews Ian Verrinder 28 Jan 2020

In 2014 the Angus Place workforce were laid off to compensate for the “downturn in international markets”<sup>27</sup> resulting in deployment of workers and equipment to the Springvale mine to boost its production. Wallerawang power station had closed and the export thermal coal market was over-supplied.

The situation and convenience of the 2014 transfer of operations between mines, should not be repeated now. The domestic and global thermal coal markets remain volatile, unassured, and in danger of economic collapse<sup>28</sup>. The risk to the community of a coal mine expansion must be rated as high. The proponents cannot confidently confirm that the anticipated economic benefits from their proposal can ever eventuate.

It is simply disingenuous of the proponents to state that If the coal mine did not go ahead, it would jeopardise future coal supply options to the Mount Piper Power Station, potentially impacting on reliable electricity generation”<sup>29</sup>.

During the Gosper Mountains Fire when the Springvale Mine and Clarence Colliery withdrew their workforces, the Airly Coal Mine continued to supply Mt Piper Power Station<sup>30</sup>. It should be noted that Centennial’s Airly Coal Mine received approval to extend operations for a further 20 years in 2016, and is in a stated position to increase production if the coal market improved, indicating it could take up the supply to Mt Piper if required<sup>31</sup>. Last November, Mt Piper Power Station along with Centennial Coal established and secured a rail link that opened new coal supplies from the Airly Coal Mine to the Power Station. The coal was received at the Lidsdale siding facility at Wallerawang and then used the existing conveyor system to transfer the coal to the Power Station<sup>32</sup>.

Promoting reliance on mining in the region in the face of the industry’s uncertain future reflects short-term opportunism, undermining the regions’ economic transition, stability, and social cohesion.

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<sup>27</sup> <https://www.centennialcoal.com.au/News/Latest-News/Angus-Place-Springvale-Restructure-Announcement>  
**Angus Place Springvale Restructure Announcement** Centennial Coal 28 October 2014

<sup>28</sup> <https://thebulletin.org/2020/03/with-financial-squeeze-tightening-coal-is-collapsing-faster-than-some-predicted/> **With financial squeeze tightening, coal is collapsing faster than some predicted** Bulletin of the Atomic Scientists Fred Pearce, March 24, 2020

<sup>29</sup> <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-5602%2120200301T052004.193%20GMT> **9.6 Conclusion** Angus Place Mine Extension Project 6 December 2019 Project No.: 0511056

<sup>30</sup> <https://reneweconomy.com.au/nsw-coal-plant-dodges-bushfires-but-loy-yang-a-unit-hit-by-gremlins-18853/>  
**NSW Coal Plant Dodges Bushfires but Loy-Yang Unit Hit by Bushfires** Renew Economy Michael Mazengarb & Sophie Vorrath 20 December 2019

<sup>31</sup> <https://www.abc.net.au/news/2016-12-19/70-jobs-secured-as-controversial-airly-mine-extension-approved/8132482> **70 jobs secured as controversial NSW coal mine extension given green light** ABC Central West Gavin Coote 19 Dec 2016

<sup>32</sup> <https://www.energyaustralia.com.au/about-us/media/news/mt-piper-establishes-coal-supplies-time-summer-peak> **Mt Piper establishes coal supplies in time for summer peak** November 19, 2019

## CONCLUSION:

The viability of the project is dependent on continued demand for their product. In order to establish this, questions need to be answered by the proponents -

- How can the anticipated financial returns from this project be assessed and established in the declining coal market<sup>33, 34</sup> and importantly, how can economic benefits to the State be assured?
- What are the marketing agreements and specifications, with Mt Piper Power Station and other coal customers that cannot be met by other operational coal mines?<sup>35</sup>
- Can the project establish its cost competitiveness with renewable energy into the near future?
- Does the existing coal workforce believe that NSW residents (in particular) are prepared to pay more for coal fired electricity, in order to keep coal workers in their present employment?

The proponent's 'business as usual approach' is steeped in vested interest, short-sighted and disrespectful to the coal mining communities and businesses who need both corporate and government direction and assistance to transition to new economically sustainable and reliable employment opportunity. One is hard pressed these days to find confident forecasts for the coal industry outside of the industry itself<sup>36</sup>.

The environmental attributes of the region need to be appropriately "valued" and permanently protected from further coal mining projects.

We no longer need coal production for electricity generation. Coal has been good to us, but its day has come. As the proponents note, Lithgow City Council **recognise that transitioning away from coal mining is important to secure the region in the long term**<sup>37</sup>.

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<sup>33</sup> <https://www.smh.com.au/environment/sustainability/five-big-solar-farms-set-to-increase-energy-output-after-tests-20200420-p54lf0.html>

<sup>34</sup> <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyjune2019/documents/Resources-and-Energy-Quarterly-June-2019-Thermal-Coal.pdf> Thermal Coal Resources and energy Quarterly June 2019 :

"Revisions to the outlook Compared to the forecast in the March 2019 Resources and Energy Quarterly, Australia's forecast thermal coal export earnings have been revised down by \$2.9 billion in 2019–20 and by \$3.1 billion in 2020–21. The revision reflects a lower forecast benchmark thermal coal price, which declined at a faster-than-expected pace in the June quarter of 2019, due to weak Asian demand amid a well-supplied market".

<sup>35</sup> <https://www.energyaustralia.com.au/about-us/media/news/mt-piper-establishes-coal-supplies-time-summer-peak> (Mt Piper establishes coal supplies in time for summer peak November 19, 2019)

<sup>36</sup> <https://lighthouse.mq.edu.au/article/may-2019/why-is-australia-still-opening-coal-mines> **Why is Australia still opening coal mines?** Lighthouse Macquarie University Professor Martina Linnenluecke Macquarie Business School 8 May 2019

<sup>37</sup> <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-5602%2120200301T052004.193%20GMT> **Table 8-47 Employment and Economic Opportunities** Angus Place Mine Extension Project 6 December 2019 Project No.: 0511056

In the current economic environment caused by the COVID-19 pandemic, and the collapse of the oil price, it is impossible for any prior feasibility study to predict whether another coal project can be viable in the short or long term.

This proposal should be refused.

Yours faithfully,

Megan Benson

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27<sup>th</sup> April 2020

I have not made political donations or gifts totaling \$1,000 or more in the last two years.

I provide my consent for the contents of my submission including my name and postcode to be published and listed by the Department.