

Ms Carolyn McNally
Secretary
NSW Department of Planning and Infrastructure
GPO Box 39
Sydney NSW 2001

Dear Ms McNally

We are writing to voice our vehement objection to the Mt Pleasant Coal Mine and specifically to MACH Energy's Mount Pleasant Coal Mine Modification 3 Extension (DA 92/97/MOD3).

Like many of the residents, organisation and government agencies that have made submissions, our most pressing concern - although certainly not our only one - is that the conditions of consent issued by the Secretary in 1999 are not in keeping with current environmental and health standards and do not meet community expectations (if they ever did).

MACH Energy should be required to submit a new, complete Environmental Impact Statement in order that this mine can be properly assessed by modern standards.

IF it is the view of the Department and the Independent Planning Commission that this development must be allowed to proceed, then MACH Energy should be required to at least meet present day standards. Specifically:

- MACH Energy should meet contemporary air quality standards for annual PM10 levels and future NEPA air standard goals as sought by the Hunter New England Local Health District in its submission
- MACH Energy should not be allowed to discharge any water to the Hunter River (pursuant with advice from the EPA) and should seek other sources of water than drawing from the Hunter River
- MACH Energy should be required to reinstate all land impacted by the Mount Pleasant Mining Project in accordance with any new standards recommended through your Department's Rehabilitation Reform Project (a welcome and long overdue initiative).

More broadly, we think there needs to be a fresh look at the concept that mining is overwhelmingly beneficial and should therefore continue. Let's unpack the situation a little...

A company which in virtually every case is wholly or primarily foreign owned (in the case of MACH Energy, 100% Indonesian) will take the profits from exploiting a finite non-renewable resource owned by the Australian people. In creating these profits they will cause significant environmental damage (case in point, the open voids between Singleton and Muswellbrook that won't be reinstated), will damage the health of local communitiesⁱ both near their mine and adjacent to supporting infrastructure such as rail lines, will reduce the availability and quality of agricultural land and water, will compete with other established local industries for staff and potentially jeopardise their future (as in the case of the Equine Critical Industry Cluster), will place pressure on local infrastructure (especially roads) and will permanently change the local landscape for the worse. Moreover, when this coal is burned it will contribute to global climate change. To make matters worse, the companies we are talking about are increasingly second and third tier mining companies with questionable credentials who have purchased mothballed, marginal or troubled projects from first tier operators who are getting rid of them. These companies have little or no track record in

environmentally and socially responsible mining and are even less likely than their predecessors to clean up their mess when they are finished.

To compensate for this serious downside, mining companies such as MACH Energy will pay royalties to the NSW Government. Let's put this royalty issue in perspective. In 2016/17 the NSW Government estimated its total revenue at \$78 Billion. Royalties from the ENTIRE mining industry amounted to just \$1.558 Billion - far less than the \$2.251B that the Government raised from gambling taxes or the \$10.836B raised from stamp duties - yet somehow we're led to believe that mining is essential to the State economy? Mining companies such as MACH Energy will also invest a token sum in community grants. Again, to provide some perspective, a tiny, local volunteer run charity, Aberdeen Treasures, raised and reinvested over \$100,000 in the Aberdeen community last year, so to be considered significant, coal mines would need to do better than this. Finally, companies like MACH Energy will create several hundred jobs per mine. Let's be clear. Less than half of these several hundred jobs which will go to local people, while the remainder go to people who bounce from one mining community to another or who don't deign to live in the local community at all – perhaps because they don't want their families living with the health impacts?

There simply isn't enough upside to compensate for the downside in all of this.

The mining industry itself acknowledges that it has major challenges in achieving social license which is impacting the global competitiveness of the Australian coal industryⁱⁱ Despite what is a widespread lack of trust in the mining industry and a social license which is weak at best, the NSW Government appears to be of the opinion that mining should continue, primarily on the basis of its economic contribution.

In our opinion, if the NSW Government wants this industry to continue then the Government, and particularly the Department of Planning and Environment, has an important role to play in helping to ensure that coal mining companies do better in building and maintaining a social license.

We think that companies like MACH Energy need to be encouraged to get past the mindset that compliance with environmental conditions of consent is in some way a goal – rather than an obligation. They need to stop asking 'what's the bare minimum we can get away with and still operate?' and instead ask 'how do we create lasting, positive relationships with this local community who allow us to operate as GUESTS in their region and what kind of condition would a good guest leave this land, the local community and their economy in when we leave?'

Here are some ideas as to what we believe is required at an industry level, and how this should be applied to MACH Energy:

- 1. Modern environmental and health standards MUST be enforced with meaningful penalties for non-compliance and the mining industry and the State must deal with legacy environmental issues – ensuring that all mines are properly reinstated**

In addition to the matters already raised, MACH Energy could and should lead the way in NSW in employing the leading dust mitigation measures for coal transport – i.e. the venering measures employed in Queensland. Despite the bleats of the mining companies who don't want their overheads to rise, and the obfuscation of companies such as the Australian Rail Track Corporation, who want to keep coal freight on their rail network, more coal does actually mean more coal trains and more pollution. Granted, not all of the pollution is coal dust – some of it is regular dust, some of it is the toxic diesel emissions – but it is all fruit from the same poisoned tree and the simple fact is that coal mines should be

required to manage the pollution they create. This means installing veneering facilities, which in Queensland have made significant improvements in coal dust exceedancesⁱⁱⁱ.

2. The communities impacted by mining must see greater benefits

Take Muswellbrook, a town which has 'benefited' from decades of mining. If mining was really the ticket to prosperity, surely, we would have an excellent local hospital where you could have a procedure as simple as say, an epidural whilst giving birth; excellent local schools with first class equipment; well maintained roads and a thriving local economy? We don't. Services seem to be continually declining, the cost of living is increasing due to the two-speed economy, the local economy is beset by the usual boom and bust cycle of mining and the stream of traffic heading south out of town on every shift change shows where workers are living. Ms McNally, if you haven't already, we encourage you to read the excellent, internationally peer reviewed work from the University of Sydney on this subject titled 'Health and Social Harms of Coal Mining in Local Communities'. It will give you a good feel for what we've been dealing with for decades. To begin to address this issue, we believe funding for the *Resources for Regions* program should be significantly increased. While we applaud the Government for recognising the need for this program, like NSW Minerals Council CEO Stephen Galilee,^{iv} we believe regions like the Upper Hunter still need a fairer share of royalty income... \$50 million^v doesn't seem to be a fair share of the \$1.558 collected last year given the impacts that we live with - something closer to at least 50% of the total revenue collected would be appropriate. Further, we believe all mining operators should be required to demonstrate that greater than 90% of their workers live in the local community... in the case of the Mount Pleasant mine, this means Muswellbrook, Aberdeen or Denman – not Maitland or Newcastle. Also, each mining operator should be required to devote a set percentage of revenue to community grants and should demonstrate comprehensive engagement with the local community and collaborative decision making in the allocation of grant funds. Such a participatory budgeting approach by the SA Dept of Premier and Cabinet was awarded by the International Association for Public Participation in its Australasian Core Values Awards in 2016.

3. The mining industry must engage comprehensively and respectfully with local communities and must maintain this dialogue throughout the life of operations

MACH Energy's performance in community engagement seems to come from the same era as the project approval. Buttering up local organisations such as the St Heliers Correctional Centre (itself a contributor to the decline of amenity and public safety in the Muswellbrook community) with relatively small grants, undertaking mandatory engagement with the Local Council and NSW Government Agencies, speaking to a smattering of immediate neighbours and hosting a Community Consultative Committee does not constitute comprehensive engagement. It wouldn't fly in Sydney on a project like WestConnex and it shouldn't fly here. A great number of people I have spoken to in Muswellbrook, Aberdeen, Scone and Denman were unaware until very recently that Mount Pleasant was going to go ahead and had not had any communication from MACH Energy. As a brand new operator in the Upper Hunter that isn't subject to the rules of continuous disclosure that would apply to an ASX listed company surely MACH Energy should want to address the information vacuum and create a strong, transparent relationship with the local community? Instead comments from Mount Pleasant managing director Scott Winter, a former Tinkler Group executive, in the Muswellbrook Chronicle in 2016 that "We have a fully-approved mine and we intend to work within our consent guidelines" seem to indicate that in MACH Energy's view, all the talking is done and they should be allowed to get on with the job.

In our view, MACH Energy needs to get a clear, contemporary understanding of community expectations preferably through a series of workshops with local residents and particularly

with opponents of mining. It needs to clearly communicate its plans to residents and non-resident landowners throughout the Muswellbrook and Upper Hunter Shires and to take the feedback and expectations of local people into account. It needs to engage with other local industries to clearly understand their aspirations and the challenges that the mine's operations may create. MACH Energy and the Department of Planning and Environment should not interpret the relative silence from the local community as acceptance... rather as the actions of a community so accustomed to having their concerns ignored that most of us no longer bother raising them.

4. The mining industry must acknowledge and fulfil its responsibility to support and cultivate a strong, diverse local economy which will be viable after they leave

Unfortunately, when the mining industry comes to town it increases competition for available land, water and staff. This is particularly problematic for the local farming sector. We wholeheartedly support the *Hunter Regional Plan 2036*^{vi} produced by your Department and particularly *Direction 5 – Transform the productivity of the Upper Hunter* which, among other things, highlights the need to protect the Equine Critical Industry Cluster, deal with land use conflicts and transition the Upper Hunter economy toward renewable energy production, the equine industry and food production. In order to ensure that MACH Energy fulfils its corporate social responsibility we would suggest a special financial contribution or levy to the Upper Hunter Economic Diversification Project. Something in the order of \$25 million over the next five years seems reasonable.

Finally, Ms McNally, before a determination is made on this application we would like to invite you and the relevant members of the Independent Planning Commission to take an informal drive to the Upper Hunter. It will only take about 3.5 hours. Take the New England Highway to Singleton and then head north to Muswellbrook. Note the moonscape just north of Singleton near Camberwell and the now barren looking area through Ravensworth complete with man-made overburden mountains - it used to be home to family owned dairy farms. Drive further on to Muswellbrook and look at the two dust-bowls smothering what were previously fertile river flats around the Bengalla and Mount Arthur North Mining Projects. Look around you and note the ring of brown dust around the sky – it wasn't always there. Then drive in and around the four, massive proposed open cut mines at Mount Pleasant, Dartbrook, Muswellbrook West and Manobolai and ask yourselves a few key questions: 'Is this what good planning and environmental oversight looks like? Do these communities look prosperous, happy and healthy? Do I want to put my name to more of the same?'

We appreciate your serious consideration of these matters.

Sincerely

Kirsty and Matthew O'Connell



ABERDEEN NSW 2336

ⁱ : Colagiuri R, Cochrane J, Girgis S. Health and Social Harms of Coal Mining in Local Communities: Spotlight on the Hunter Region. Beyond Zero Emissions, Melbourne, October 2012

ⁱⁱ National Energy Resources Australia *Coal Industry Competitiveness Assessment* Prepared by Accenture December 2016

ⁱⁱⁱ Aurizon website <http://www.aurizon.com.au/sustainability/overview>

^{iv} Australia's Mining Monthly '*Mining Royalties Surge in NSW Budget*' 21 June 2017
<http://www.miningmonthly.com/markets/international-coal-news/1308962/mining-royalties-surge-nsw-budget>

^v Resources for Regions website states that \$50 million was available in 2017/18 for the program <https://www.nsw.gov.au/improving-nsw/regional-nsw/regional-growth-fund/resources-for-regions/>

^{vi} Department of Planning and Environment *Hunter Regional Plan 2036*
<http://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/hunter-valley-regional-plan-implementation-plan-2016-21-10.ashx>