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The Secretary  
Dept of Planning and Environment  
GPO Box 39  
Sydney NSW 2001

Dear Ms McNally,

**Re : Drayton South Coal Project Application Number: SSD 6875**

**I object to his application and recommend it be declined**

I have lived for nearly 20 years in the Hunter Valley and in that time have seen it turn from a beautiful lush landscape to a moonscape pock marked with mine voids and slag heaps.

When we first came here, sure, we knew coal mines were around, but they were relatively small and QUIET!

With the boom in coal mining in the last decade has come visual pollution, dust and noise at unprecedented levels, levels that are injurious to the public health.

The annual health costs in the Hunter Valley due to coal – coal fired electricity generation, coal mining and transport have been calculated at over \$600 million<sup>1</sup>.

Is this cost ever taken in to consideration when assessing the economics of coal mines ?  
NO, but It should be as it comes out of the same tin that the coal mining royalties go into.

Royalties comprise only 2% of NSW State Revenue<sup>2</sup>.

That 2% equates to \$1,592 million.

If the health costs to the Hunter Valley are deducted from that it equates to \$992 million net to the state.

This application proposes to contribute to the NSW Government by way of royalties \$233 million over 15 years, which equates to \$15.53 million per year. If the health costs to the Hunter are proportionally applied to this figure, it becomes \$9.68 million.

To say that this funds infrastructure across the state is laughable when for example it is compared even only to the NSW State expenditure on Health - approx. \$7,600 million

The competing business interests in the Hunter Valley, coal mining, horse breeding and wine and tourism cannot co-exist without damage or loss.

World class horse breeding cannot take place adjacent to a coal mine. Horse breeding can go on almost indefinitely; coal mining is very short term by comparison. If the coal mine goes ahead and the horse breeders leave, as they say they will, then they are lost forever, and when the coal runs out all we are left with are mine voids, toxic water and land that is good for nothing.

Wine and tourism suffer in a similar fashion. People don't want to come to an area that is being over dumped with mine slag and riddled with voids. Grape growers are suffering already with the extent of the dust pollution. Again, Wine and tourism are industries that can go on almost indefinitely; coal mining is very short term by comparison.

Coal mining companies always chant the mantra of jobs jobs jobs, yet the horse breeding industry and wine and tourism also employ thousands of people – who says that mining jobs in a short term industry are of more value than jobs in long term sustainable industries?

Mining employs only 1% of the work force in New South Wales<sup>3</sup>.

In the recent past a number of mine expansions have been given approval, and in every case one of the core tenets of the applicant's proposal was the preservation of mining jobs.

However, in nearly every case, very soon after the approval is handed down, the company begins laying off workers.

**The mining companies cannot be trusted.**

This company has applied, and been knocked back previously, for approval to mine this same piece of land. In the previous proposals it was suggested that they could not be as expansive, in order to give the horse breeders some protection.

Their response was NO, any smaller plan would be uneconomic.

But here they are with a reduced proposal – uneconomic?

That was obviously untrue

**The mining companies cannot be trusted.**

Anglo American have stated that if given approval they will stay behind the ridge to protect the equine industry.

I have direct experience of mining companies giving such undertakings.

In 2003 Rio Tinto, as part of the 2003 Warkworth mine approval, signed a Deed of Agreement with the government to NEVER mine an area west of Saddle ridge. Today they are applying for approval to do exactly that, after having the exact same proposal, disapproved in the Land and Environment Court, a decision that was subsequently upheld by the Supreme Court on appeal.

**The mining companies cannot be trusted.**

A major flaw in the approvals process is the lack of consideration given to the cumulative impacts of the coal mines in the Hunter Valley.

Dust levels in the Hunter are at hazardous levels on many occasions and this is exacerbated by the close proximity of open cut coal mines all operating under approval conditions that take no account of their neighbours.

Approval conditions state limits for PM10 dust particles at 50 ppm (the WHO top limit for human health) for each mine, yet with mines in close proximity the cumulative effect of all these "50s" is over 100 ppm, a level deemed hazardous by WHO and NSW Health, yet mines continue to be approved. These dust levels are deleterious to residents' health and it is completely unethical, nay immoral, to continue to approve mine expansions and new mines which can only add to this cumulative pollution catastrophe.

There is a surfeit of coal in the world, as evidenced by the falling price of coal. NSW Mineral Council and others would have us believe that there is strong demand and it is increasing. However, basic marketing theory on supply and demand confirms the opposite. When demand is high and supply is scarce, prices are high. When demand is low and there is over supply, prices are low. Just like tomatoes or bananas. That is exactly what has happened with the coal business.

So, the world is in a state of oversupply of coal.

Why do we need any more ?

The answer is that we don't, and certainly we don't need any more coal mines in the Hunter Valley.

1. Coal and Health in the Hunter : Lessons from one valley for the world

2. [http://www.treasury.nsw.gov.au/data/assets/pdf\\_file/0015/124314/Ch\\_6.pdf](http://www.treasury.nsw.gov.au/data/assets/pdf_file/0015/124314/Ch_6.pdf)

### Summary of Revenues

In 2014-15, state own-source revenue accounts for 59 per cent of total revenue. The largest source of state own-source revenue is taxation at 38 per cent of total revenue, followed by sale of goods and services at 9 per cent. The remainder of NSW total revenue comes from Commonwealth Government payments. Commonwealth payments represent the largest single source of revenue to New South Wales, accounting for 41 per cent of revenue (Chart 6.2).

Chart 6.2: Composition of Total Revenue, New South Wales, 2014-15

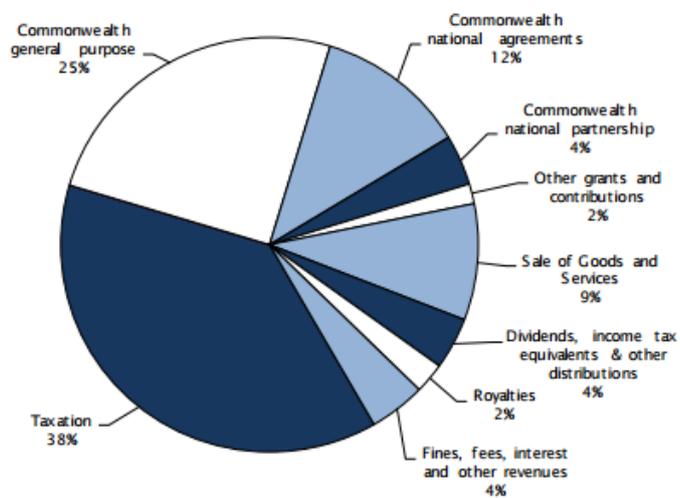


Table 6.3: General Government Sector Summary of Revenues

	2012-13	2013-14	2013-14	2014-15	2015-16	2016-17	2017-18	% Average Growth p.a. 2013-14 to 2017-18
	Actual	Budget	Revised	Budget	Forward estimates			
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
<b>Revenue from Transactions</b>								
Taxation	21,980	23,455	24,129	25,489	26,904	28,078	29,664	5.3
Grant revenue								
Commonwealth - general purpose	14,777	15,588	15,895	16,810	17,624	18,330	18,975	4.5
Commonwealth - national agreements	7,153	7,339	7,401	7,829	8,486	9,269	9,760	7.2
Commonwealth - national partnership	2,536	2,903	3,986	2,632	2,673	3,447	2,281	-13.0
Other grants and contributions	941	949	975	1,029	1,023	975	724	-7.2
Sale of goods and services	5,434	5,460	5,605	6,094	6,483	6,769	6,862	5.2
Interest Income	406	483	593	543	463	443	469	-5.7
Dividends and income tax equivalents from other sectors	2,648	2,155	2,110	2,336	1,683	1,628	1,571	-7.1
Other dividends and distributions	595	467	690	370	408	440	466	-9.3
Royalties	1,318	1,513	1,360	1,592	1,743	1,891	2,046	10.7
Fines, regulatory fees and other revenues	2,344	2,261	2,694	2,389	2,436	2,461	2,491	-1.9
<b>Total Revenue</b>	<b>60,131</b>	<b>62,573</b>	<b>65,437</b>	<b>67,113</b>	<b>69,925</b>	<b>73,730</b>	<b>75,310</b>	<b>3.6</b>
<i>Annual change</i>	<i>1.9%</i>		<i>8.8%</i>	<i>2.6%</i>	<i>4.2%</i>	<i>5.4%</i>	<i>2.1%</i>	
<b>Revenue without NPs</b>	<b>57,596</b>	<b>59,670</b>	<b>61,451</b>	<b>64,481</b>	<b>67,253</b>	<b>70,283</b>	<b>73,029</b>	<b>4.4</b>
<i>Annual change</i>	<i>6.5%</i>		<i>6.7%</i>	<i>4.9%</i>	<i>4.3%</i>	<i>4.5%</i>	<i>3.9%</i>	

3. <http://lmip.gov.au/default.aspx?LMIP/DownloadableData/LabourForceRegionLFR>

Region Name	Industry	Employment by Industry - Total	Employment Distribution (%)
New South Wales	Agriculture, Forestry and Fishing	92,300	2.5
New South Wales	Mining	34,800	1.0
New South Wales	Manufacturing	280,300	7.7
New South Wales	Electricity, Gas, Water and Waste Services	39,900	1.1
New South Wales	Construction	322,600	8.9
New South Wales	Wholesale Trade	131,100	3.6
New South Wales	Retail Trade	375,500	10.3
New South Wales	Accommodation and Food Services	260,100	7.2
New South Wales	Transport, Postal and Warehousing	204,000	5.6
New South Wales	Information Media and Telecommunications	80,800	2.2
New South Wales	Financial and Insurance Services	180,300	5.0
New South Wales	Rental, Hiring and Real Estate Services	68,900	1.9
New South Wales	Professional, Scientific and Technical Services	313,300	8.6
New South Wales	Administrative and Support Services	118,400	3.3
New South Wales	Public Administration and Safety	196,500	5.4
New South Wales	Education and Training	285,600	7.9
New South Wales	Health Care and Social Assistance	435,500	12.0
New South Wales	Arts and Recreation Services	57,000	1.6
New South Wales	Other Services	158,700	4.4