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Australian Coal Alliance

Submission

Wallarah 2 Coal Project

SSD 4974
Amended Development Application

Introduction

The Wallarah 2 Coal Project is State Significant Development (SSD) and, as such, is being assessed under Part 4, Division 4.1 of the Environmental Planning and Assessment Act 1979 (NSW). Section 89F sets out the requirements for public participation for SSD. Section 89F(4) provides that if a development application for SSD is amended before it is determined by the Minister, and the original development application has been publicly exhibited in accordance with this section, the amended development application must also be publicly exhibited if the Secretary determines that it substantially differs from the original application and the environmental impact of the development concerned has not been reduced by the changes proposed in the amended application.

The public exhibition of an amended development application must comply with the provisions set out in s 89F of the EP&A Act, which state that the Secretary must place the application and any accompanying information on public exhibition for a period of not less than 30 days (Submission Period). During the Submission Period, any person may make written submissions to the Minister with respect to the development application. The term development application is defined in the Act as “an application for consent under Part 4 to carry out development”. There is no separate definition in the legislation for “amended development application”.

The original development application for the Wallarah 2 Coal Project (Original DA), as proposed by Wyong Areas Joint Venture (WACJV) was placed on public exhibition, in accordance with s 89F, in 2013. To date, no final determination has been made in relation to the Original DA.

In July 2016, WACJV lodged an application to amend the Original DA (Amended DA) relying on clause 55 of the Environmental Planning and Assessment Regulation 2000 (NSW). The Minister’s delegate agreed to this on 15 July 2016. The Amended DA is now on public exhibition. As stated above, public exhibition of the amended development application must comply with s 89F of the EP&A Act. Section 89F(3) provides that

written submissions can be made with respect to the development application, which is an application for consent under Part 4 to carry out development. In this case, WACJV is seeking consent for the Wallarah 2 Coal Project as contained within the Original DA and amended by the Amended DA.

The original Environmental Impact Statement (EIS) for the Project was prepared in April 2013 by Wyong Areas Coal Joint Venture. In 2014, the Planning Assessment Commission (PAC) reviewed the Project and conducted a public hearing in Wyong. The PAC then prepared a Review Report, which made a number of recommendations and concluded as follows:

“... the Commission considers that, if the recommendations, concerning improved strategies to avoid, mitigate or manage the predicted impacts of the project are adopted, then there is merit in allowing the project to proceed. However, if the recommendations are either not adopted, or adopted only in part, then the Commission’s position would probably change in favour of the precautionary approach. This particularly applies to water-related impacts.”

The majority of the PAC’s principal findings and recommendations relate to subsidence and water-related impacts. In relation to water they said, *“The project predicts risk of reduced availability of water for the Central Coast Water Supply”* and wherein they (PAC) *“recommended there should be no net impact on potential catchment yield”*. The Central Coast water catchment supply in the Wyong valleys is at real risk of destruction due to massive subsidence and loss of potable water to the mine area below.

None of the PAC’s recommendations for improved strategies have been implemented.

In July 2014, the Proponent prepared a Response to the PAC Review Report and subsequently has prepared an amended development application (Amended DA) for the Project. According to the Proponent, the Amended DA involves changes to the proposed coal transportation infrastructure and the re-alignment of a sewer connection. All other aspects of the Project will remain as previously proposed. The Amended DA documents do not include amended Appendices in relation to subsidence, groundwater or surface water.

The Amended DA does not propose to change the number, depth or location of the longwalls.

Therefore, our submission in relation to the Wallarah 2 Coal Project is made on the basis of the entire DA (copy of original submission attached), which includes both the Original DA and Amended DA documents. In general terms, our objections to the Project remain largely the same, with some exceptions, as set out in this document, which is an annexure to our original submission. We further object to the Amended DA on the grounds set out in this attached annexed document.

Executive Summary

Wallarrah 2 Background

The mine proponents Wyong Coal Pty Ltd, who trade as Wyong Areas Coal Joint Venture, hold the exploration lease for the Wallarah 2 Coal Product and the same proponent would likewise hold any licence to mine. It should also be noted that the major shareholder (82.25%) is Kores Australia Pty Ltd, a wholly owned subsidiary of South Korean Government-owned Korea Resources Corporation.

The Korean Times published in June 2016 that the project's parent company, South Korean Government-owned Korean Resource Corporation (KORES), will quit its overseas resources development operations. KORES became actively engaged in overseas resources development during the former President Lee Myung-bak administration, but a price plunge for global resources has dealt it a deathly blow. KORES's debt ratio stands at a staggering 6,905%. According to the Korean Board of Audit and Inspection, a total of 35.8 trillion won was invested in overseas resources development, with little gains so far. KORES will also be slashing 118 international jobs.

The announcement came as part of a government-led plan to rationalize and reorganize its bloated state-run energy businesses. According to the plan the South Korean government will now open its power supply market in phases to the Korean private sector and allow the listing of power-generating subsidiaries on the stock exchange. The South Korean government hopes that the new business model will be able to invest in new energy businesses, on top of paying off their debts and enhancing transparency. This is a major strategic shift by the South Korean Government and a puts in doubt the ability of the proponents of the Wyong Coal Project to sufficiently carry out any remedial work or rehabilitation, in particular in the water catchment area where a high degree of subsidence is forecast.

This problem of remedial work and rehabilitation could well be unrealized because the proponents, Wyong Coal Pty Ltd, only have a paid-up capital of \$400. Therefore, the total liability of this company is limited to the total amount of its paid-up capital. They could

simply walk away and leave the Central Coast community and the State Government having to bear the burden of cost.

However, given the reported financial woes of the parent Company and their move to withdraw from overseas resource development, it is highly unlikely that the current proponent would be wanting to develop this mine, but merely on sell an approved licence.

Darkinjung Local Aboriginal Land Council

Impact on proposed land subdivision for housing

The Darkinjung Local Aboriginal Land Council (**LALC**), via a Planning Proposal, intend to initially subdivide 500 building lots on land directly adjacent to the mine project boundary.

From legal advice received by the Australian Coal Alliance it is our view that the Department is bound to take into account the proposed development under the Planning Proposal, given that it has progressed to a stage where the Department has determined that the Planning Proposal should proceed, and has directed Central Coast Council to make the LEP.

It is our further view that the requirement to consider the Planning Proposal falls within section 79C(1)(e), which requires the Department to consider the “public interest” when assessing applications.

Likewise, the Department is also required to consider the Planning Proposal under section 79C(1)(b), which requires the Department to consider the social and economic impacts in the locality of the development.

In both cases, it is necessary to show that the impacts of the Coal Project on the development proposed under the Planning Proposal is relevant, and that the

Department is bound to take it into account because of its relevance and has so far failed to do so.

Background of Darkinjung proposal

- In June 2014, Darkinjung LALC lodged a multi-site rezoning proposal to Wyong Shire Council seeking to facilitate residential and employment development and conservation outcomes on five sites in northern Wyong.
- Relevantly, Council resolved to support Site 3 Doyalson but deferred consideration of Site 4 Bushells Ridge.
- Darkinjung LALC then submitted a pre-Gateway review request for Site 4 Bushells Ridge, which was considered to have merit by the Deputy Secretary in proceeding to the Gateway determination stage. The Site 4 Bushells Ridge proposal was then referred to the Joint Regional Planning Panel (JRPP) for advice.
- In November 2015, the JRPP reviewed the Site 4 Bushells Ridge proposal and recommended that it be submitted for Gateway determination. The JRPP also advised Council to consider combining Site 3 Doyalson and Site 4 Bushells Ridge into one planning proposal.
- On 19 April 2016, the Department received a planning proposal to rezone land at Bushells Ridge Road, Bushells Ridge and Wyee Road, Doyalson (Planning Proposal). It is relevant to note here that the land the subject of the Planning Proposal adjoins the Wallarah 2 Coal Project boundary in as much as both Site 3 Doyalson and Site 4 Bushells Ridge lie adjacent to the Main Northern Rail Line which will be used to transport the coal from the mine to the port, as well as three flooding assessment locations.
- The objective of the Planning Proposal is to enable low density and large lot residential development, development for the purposes of a neighbourhood centre and environmental conservation.

- On 2 May 2016, the Department determined that the Planning Proposal should proceed, subject to conditions (Determination).

Darkinjung Summary

The Darkinjung proposal, which includes the CASAR Motor Park development, which will encourage tourism similar to Bathurst to the Region, will return to the Region over a twenty-five period \$900,000,000 and will provide far more local job opportunities than can be provided by the Wallarah 2 Coal Project.

It should be noted that the Wallarah 2's job figure after construction of the mine, which is overstated, is 300. They claim that 60-70% would be local employment, with a proviso that applicants be qualified in mining. There would not be very many Central Coast residents that would be miners. In any event, the CFMEU would demand that retrenched workers from the Hunter Region, whether they currently reside on the Central Coast or not, take up those positions. Therefore, the new jobs being touted by Wallarah 2 are false and of no significance to the local economy compared to the financial flow on guaranteed by the Darkinjung proposal.

A 1

Annexure to Coal Dust, Health & Noise

Sections 15 & 16 of our original submission

A1.1

Coal Dust and Health

New data has shown the air quality across Australia has deteriorated to alarming levels, with the coal industry clearly the nation's worst polluter!

The most concerning rise in air pollution is from PM10, a coarse pollution particle about the width of a human hair. Nationally, total PM10 emissions have increased 69 per cent in one year, and 194 per cent in five years.

The figures come from the National Pollutant Inventory's 2014-15 report, which collects information about toxic pollution. Air pollution kills more than 3000 people in Australian every year, almost three times the annual road toll, and costs the nation more than \$24 billion in health care costs each year. The economic return from coal mining is no longer viable, and its high cost to human health - mortality and morbidity - is unacceptable.

Dust will be a real issue for health in the Blue Haven and Wyee precincts, despite partial coverage of infrastructure by the Wallarah 2 mine proponents. There is no attempt to cover coal wagons, which will travel through one of the largest growing residential settlements in NSW, and through the southern suburbs to Newcastle affecting all those communities long the route as has been demonstrated in the Hunter to Port line. There has been great concern about the mapping of coal dust and the lack of authorities to control those emissions.

Pm10 emissions from the site are conservative and do not take into account the changing nature of intense wind and storm events in the recent years. Blue Haven and Wyee townships are now as close as 200 and 400 metres from the conveyor belt respectively, and the nine-story coal loader is 300 metres from the new Darkinjung LALC housing subdivision, which will bring even far greater problems for families living

in the area from both constant dust and noise 24 hours per days seven days a week. The northern area, of what was previously Wyong Shire, is designated for housing development under the current Regional Plan. The encompassed precinct has many schools, pre-schools and retirement villages and hospital within 5 kilometres of the proposed coal conveyance, coal stockpiles and coal loading facility.

With the construction of new homes and the steady influx of large numbers of young families it is not appropriate for this type of development, which would have an adverse and long-term impact of human health. Dr. Peter Lewis, previous area director of public health had grave concerns in his previous two submissions of the increase in morbidity arising from airborne coal dust exposure. In particular the impact in younger children and the elderly with increased visits to the doctor. In his report to the PAC hearing on the Wallarah 2 coal project in April 2014 he said, "that there would be an alarming and unacceptable increase in health problems associated with coal dust particulate exposure for people living in the northern parts of Wyong Shire." That was when the coal loading facility was to be sited on the coal miner's land adjacent to Tooheys Road. By their own admission Wallarah 2, in the executive summary of their "Environmental Impact Statement" in April 2014, stated that 1 in 100,000 people would die from coal dust particulate exposure. This problem would be exacerbated many times over sited so close to a suburban housing estate.

Walarah 2 consultants, in Appendix C of their (pages 2 and 3) said:

"Fugitive emissions can be expected during operation from loading stockpile to conveyor, wind erosion and maintenance of stockpiles and from up-cast ventilation shafts".

Of all the air pollutants produced by coal mining activities, particulate matter is the most significant health threat. This threat would only be exacerbated by the transport of the coal to the loader by partially covered conveyor belts.

As a major component of outdoor air pollution, particulates, such as PM10, can trigger heart attacks and strokes. The World Health Organisation has deemed that coal dust

particulate matter is carcinogenic! Fine particles travel deep into the lungs and pass into the blood stream, posing a risk of heart attack and stroke. There is no threshold below which particle exposure is not harmful to human health. (Dr. James Whelan, Environmental Justice Australia).

A1.2

Noise

Noise levels as admitted by the proponent for “residences to the north of Bushells Ridge Road at Wyee” will cause severe health problems. With the conveyance, coal loading and train movements now within hundreds of metres of existing suburbs the extent of that general noise 24 hours per day, seven days week, for those living in Blue Haven and Wyee areas would become unbearable. Insomnia, stress related illness and depression will become a debilitating problem for people living next door and in the surrounding suburbs.

A 2

Annexure to Transmission Tower Concerns

It is noted, Wyong Coal (Wyong Areas Coal Joint Venture (WACJV)) and TransGrid have reached a commercial agreement to deal with potential issues relating to the Project's impact on electricity transmission towers, poles and wires. In the Agreement, WACJV have agreed to bear the costs of any transmission line adjustments or repairs that arise as a consequence of carrying out the Project. Furthermore, WACJV accept responsibility for the issues surrounding the reduction in ground clearance, being an electricity safety issue.

WACJV has also agreed to remunerate TransGrid for any damage caused to its transmission lines and towers, or for mitigation and management measures that it needs to carry out.

It is noted in the Department of Planning's Proposed Conditions that Power lines and timber poles need only to be 'always safe'. However, the poles and lines should be functioning where possible, and any loss is to be compensated. Any damage is to be fully repaired, replaced or fully compensated.

It is further noted in the Planning and Assessment Commission Report that WACJV has entered into a commercial agreement with TransGrid to pay for any damage caused to the latter's infrastructure.

Given that the proponent only has a paid up capital of \$400, and that its parent company is withdrawing from overseas resource development and is currently carrying a massive debt ratio of 6905%, it is highly unlikely, should the proponent receive a mine approval and proceed with its development, that any significant damage caused to the TransGrid system would be fully realised. Despite agreements and reassurances by WACJV, there is no liability beyond their paid up capital and certainly no liability in excess of that paid up capital by their shareholders to cover the cost to rectify any damage, especially if it was excessive.

CONCLUSION

The Central Coast, in particular the northern region, is the fastest growing residential development area in NSW. Alongside this is the continual growth of tourism to the area, and is without doubt a major contributor to ongoing and increased employment.

On the 9th December 2015, then Wyong Council received a Director's Report updating Tourism in the Shire.

"Tourism is big business on the Central Coast and according to the National Visitors Survey produced by Tourism Research Australia, since 2012, Central Coast visitation has seen a four year trend increase of 30.58% in total visitor expenditure.

Wyong Shire Council (WSC) recognises that tourism is an opportunity for the Central Coast, through the creation and support of jobs, the economic benefit it brings to local businesses and the destinations and attractions that it delivers for all residents."

Clearly, the building trades (new residential homes) and the tourism industry have traditionally been the largest employers on the Central Coast for decades. Despite the spurious claims of the highly mechanised mining industry, they will never match either of those industries in job growth, in particular young people in apprenticeships, nor make a significant financial contribution when compared to the loss of tourist dollars. The long-term devastation of this project impacts directly on housing and tourism.

Injurious and debilitating health problems, loss of the fresh water catchment, subsidence of a grand scale and contamination of waterways will have a degrading effect of people's lives and the environment.

Loss of the water catchment will not only impact on Central Coast residents but just as severely on industry and the growth of new industry. Water is essential for the survival of the Central Coast and in driving the Region's economy. Likewise, loss of air quality through airborne coal dust particulates not only creates an unhealthy future for residents, but will also cause a decline in population expansion and the construction of

new homes. The underlying theme being voiced by many people and visitors in respect of the northern region of the Central Coast is “who would want to come here and buy a home and live in Coal Dust Central”.

The Central Coast Council, the State Members for Wyong, The Entrance, Gosford, Swansea and Lake Macquarie, along with the Federal Member for Dobell, all vehemently oppose this destructive development. It has no real benefit to the Region when balanced against what will be lost.

This Amendment should be rejected and the whole project extinguished due to the many areas of risk above.

Alan Hayes OAM
Campaign Director
Australian Coal Alliance