

SUBMISSION LETTER OPPOSING WALLARAH 2 COAL PROJECT

Email to: information@planning.nsw.gov.au
The Director, Planning Services
Department of Planning and Environment
GPO Box 39 SYDNEY 2001

From: Brian Davies
191 Palmdale Road
Palmdale NSW 2258
Email: bnbdavies@bigpond.com

RE: Wallarah 2 Coal Project SSD 4974 Amended Development Application

I wish to object to the current ADA on exhibition and to the further progression of the Wallarah 2 coal mine proposal itself.

The negative impacts of the mine include:

- The application falsely portrays the economic benefits and job figures for the whole project rather than confining itself to this Amendment alone.
- Central Coast water supply catchment and rivers will be undermined and subsided.
- Aquifers to be fractured and water lost.
- Fresh water to be contaminated by saline waste water from the mine
- Kores bad track record on environmental issues
- 245 homes and farms to be subsided.
- Subsidence of up to 2.6m under the Central Coast water catchment, homes and feeder rivers.
- A 9 story tower at the coal dump collecting coal off the conveyor.
- The coal dump and stockpile only 200m from Blue Haven's homes.
- An overland conveyor running from Jilliby to Blue Haven.
- Coal trains operating adjacent to homes 24/7.
- Coal trains obstructing the commuter trains on the Newcastle to Sydney line.
- The prospect of KORES having a second go at undermining the coal seams once the initial mining is finished.
- Burning of the coal will contribute to catastrophic global warming that will at best cost Australia countless billions of dollars and the loss of the Barrier Reef. At worst it will destroy most of the liveable habitat for humans and our ability to feed ourselves.

The amended application does not reduce the overall negative impacts of the mine proposal, which far exceed any benefits it would bring to NSW. This Amendment should be rejected and the whole project stopped due to many areas of risk.

SUMMARY

The proposed mine:

- Is of highly dubious commercial viability. The ultimate owners of the project, the Korean Government, recently announced a strategic restructure for their resources companies, including Kores, away from thermal coal saying they would withdraw

from international projects¹. In fact, the thermal coal industry is in the throes of terminal decline – many analysts expect the market will never recover with accelerating global climate change and the rapid development of renewable energy. The “economic assessment” put forward by the mine proponents is completely untrustworthy, and there is no reason to expect the mine would provide the long term financial benefits to NSW – in the form of jobs and royalties – that are promised. The fact that the proponent KORES is withdrawing from overseas development due to massive debt ratios, as recently expressed in the Korean press, tells the community that the future job prospects, development and most importantly environmental repair, compensation and rehabilitation have little hope of being realised. Kores have also been shown to have a callous disregard for the environment and were said to have been associated with “Ecological Terrorism” in the Korea Times for environmental devastation on Rapu-Rapu in the Philippines.

- Is almost certain to destroy Wyong's drinking water supply. It will undermine a major tributary and the void is modelled to soak up 2.5 million litres of water per day for at least 500 years – water diverted from creek and groundwater systems. This will result in the need to spend billions of dollars in taxpayer funds to provide an alternative water supply either by building dams elsewhere or building a desalination plant. For these reasons, the mine is opposed by the Central Coast Water Corporation. It was for these reasons that the former Labor government rejected the mine and why Barry O'Farrell, Chris Hartcher and other politicians gave a “Guarantee” to the people of NSW that the mine would never proceed. ICAC has shown us why they changed their minds – and it wasn't because the mine was any less damaging.
- Is opposed by the directly affected communities of the Dooralong Valley, Blue Haven, and Wyee and Newcastle areas, whose health and livelihoods are threatened by the project. It is unfair and undemocratic to ask local residents to bear the impacts of a project that will provide no overall public benefit and in fact will only cause public harm.
- Is opposed by Darkinjung traditional owners. Rather than seek to make amends with the Darkinjung land council, the company has sought to cut them out of the process with the connivance of various government land holders.

FURTHER DETAILS

Costs/Benefits

Page 85 of the ADA states that the royalties to the State over the proposed and overstated 28 years life of the mine is \$200 Million which equates to just over \$7 million per annum. With falling coal prices and Government concessional rebates this figure is inflated. The costs of repair and rehabilitation, particularly in the Jiliby Valley water catchment and Hue Hue subdivisions following subsidence, easily negates the benefits to the State and local authorities. Then there are the billions of dollars required to provide an alternative source of water for the hundreds of thousands of residents of the wider central coast after the aquifers that currently provide drinking water are destroyed. By adding the long-term cost to public health and to greater airborne diseases in the population it is obvious that there is no economic benefit to NSW. The people of NSW are in effect being asked to subsidize the Korean government to the tune

of billions of dollars. I cannot believe that any Australian could for a moment consider approving this mine on these grounds alone.

Employment

Pages 86 and 87 state job creation beginning with 79 through to direct and indirect job figures in year 2 of 1,111 jobs. This application states very clearly that this assessment is only looking at this Amendment and not the whole Project yet the job figures are obviously being included for the whole project such as a larger 'intersectoral' linkages job quotation during construction of 1605 direct and indirect jobs.

Because the original rail spur is not being built and will be replaced by a conveyor system (essentially being the main thrust of this Amendment) then it does not create an additional 1605 jobs. As in the original EIS the job prospects are not defined and again highly inflated and misleading.

Because of accelerated global warming and increasing international pressure and agreements then demand for coal is failing so the lifetime of the mine will inevitably be very short meaning anyone employed will soon be back on the dole queue. There would be far more long term jobs if we encouraged investment in renewable energy. The only long term jobs generated will be those funded by the taxpayer to undo the massive health and environmental damage done by the mine.

Dust and Health and Noise

Dust still remains a real issue for health in the Blue Haven and Wyee precincts despite partial coverage of infrastructure. There is no attempt to cover coal wagons, which will travel through the southern suburbs to Newcastle affecting all those communities of southern Lake Macquarie and Newcastle 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. This project exacerbates the problem adding to the congestion toward the Newcastle terminal. The added times of daily rail crossing closures at Adamstown and Islington need to be disclosed to the Newcastle community. Pm10 emissions from the site are conservative as usual 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 respectively from the new proposal bringing even greater problems for families in the area for both constant dust and noise 24 h/per day. There are many schools, pre-schools and establishments within 5 kms of the facility and they will suffer from emissions from the site.

Please refer back to the submission by Dr. Peter Lewis, Area Director of Public Health for North Sydney and the Central Coast wherein he outlines greater risks to children and health sufferers in this region should this project be approved.

Noise exceedences' are admitted to for "residences to the north of Bushells Ridge Road at Wyee" and general noise 24 h/per day for those living in Blue Haven and Wyee areas are issue of concern.

Destruction of the Central Coast Water Supply

Massive subsidence figures represented in the proponent's EIS affect 245 homes and their infrastructure, 86 of which are destined to suffer a metre or more drop right up to

2.3 metres and the valley floor suffering subsidence up to 1.8 metres fall right up to 2.6 metres near the Jilliby Conservation Area. This provokes "inevitable uncertainty concerning subsidence predictions" as a PAC principal finding. The regular flooding of the Jilliby Valley means that this proposal condemns the area to degradation and to long periods of separation from facilities and emergency services.

The Mine Subsidence Board refuses the vast majority of claims across the state so this does not protect residents as is claimed in the application.

"The project predicts risk of reduced availability of water for the Central Coast Water Supply" according to the PAC wherein they... "recommended there should be no net impact on potential catchment yield". This is an impossible condition. A proper interpretation of the EIS, and the experience with over 30 other rivers in NSW destroyed by coal mining, show that the aquifers will be destroyed.

The Central Coast water catchment supply in the Wyong valleys is at extremely high risk of destruction due to massive subsidence and loss of potable water to the mine area below.

The federal government has an obligation to stop the approval based on the water trigger. Even if they do not, the courts should overrule them on this occasion wasting more time and money for Kores with an ultimate refusal.

ICAC

Findings from ICAC point to the conclusion that the mine application may only have progressed this far because of decisions made as a result of donations to members of the Liberal party. The whole process should be stopped immediately as there is enough indication of corrupt behaviour to warrant a full judicial inquiry. If an approval is given, it is likely to be overturned in future. If the current government will not act to stop it, then a Labor government will pursue the matter when the Liberals are voted out. Because of the way the approval would have been obtained, there would be no requirement for the government to pay compensation for terminating the project.

The Labour government rejected the original application on the grounds that it would destroy the Central Coast water supply. Before being elected to government, Barry O'Farrell, Chris Hartcher and other Liberal candidates for the Central Coast admitted that the Wallarah 2 mine would destroy the Wyong catchment. They went on record to say they would introduce legislation to prevent mining in the catchment – "a guarantee". So there is no argument that the mine will destroy the water supply. The only question is whether public servants and the government are willing to sacrifice the billions of dollars of taxpayers' money to build an alternative for reasons known only to themselves.

When elected to government the "guarantee" was thrown out. We now have a better understanding of why this happened thanks to ICAC. Apart from Chris Holstein, all those Liberal MP's were forced to resign over illegal donations. Unfortunately, Mr Baird has removed powers and funding from ICAC and electoral donation laws had too short a statute of limitations so no-one has been truly held to account for their actions. I expect

a future Labor government will choose to restore the powers that voters expect ICAC to have and will look into these matters more fully.

Wallerah chose Nick di Girolamo as their lobbyist. He was a business partner of a lawyer for the Obeid family and an associate of Arthur Sinodinos. He was involved with Chris Hartcher in making illegal donations². Barry O'Farrell was forced to resign as a result of receiving an undeclared gift of wine from Mr Di Girolamo³. Mr Di Girolamo's donations, gifts and lobbying appear to have caused Mr O'Farrell to do an about face and decide to allow Wallarah 2 to be reconsidered⁴.

Mr Hartcher also introduced suspect laws to prevent environmental factors from stopping mining application and removed the right of appeal to the land and environment court. These laws were most definitely not in the best interests of the people of NSW. They have already led to the unwarranted approval of the massively destructive Whitehaven Coal Mine that had previously been rejected by the Land and Environment Court on environmental grounds. Mr Baird has changed some of these laws since the PAC made its findings so the whole process should be restarted under current laws.

Global Warming

The reality is that burning coal is destroying our planet. It is now recognised that almost all coal, gas and oil reserves need to stay in the ground if humanity is to have any chance of living a semblance of the way we now live. The world has set a target of 1.5 to 2 degrees of warming. Approving new coal mines such as Whitehaven, Carmichael and Wallarah 2 will tip us over these limits. The Great Barrier Reef is already on the brink of destruction. The Garnaut report from 8 years ago found that it would destroy the Murray Darling Basin and with it the chance for Australia to grow its own food. John Kerry has labelled Climate Change as *"the world's most fearsome weapon of mass destruction"* and said *"the entire way of life that you live and love is at risk"*.⁵

Governments receiving massive donations from fossil fuel companies do not insist that the carbon from burning of coal be included in EIS's but there is a moral imperative. Just because someone tells you to do the wrong thing does not absolve you from your personal responsibility to do what is right.

Please reject this abomination now.

¹ <http://www.theherald.com.au/story/3993935/korean-government-power-move-raises-questions-about-nsw-coal-mines-poll/>

A KOREAN Government restructure of state-owned resource companies has raised big questions about the future of the controversial Bylong and Wallarah 2 coal mine proposals.

Under the surprise restructure KEPCO, which has poured more than \$600 million into the Bylong coal project in the Upper Hunter, will "stop overseas power generation resources development and gradually sell shares it holds in nine mine fields", said a Korean Ministry of Strategy and Finance media release.

State-owned Kores, behind the Central Coast Wallarah 2 proposal, will also withdraw from international resources projects, said the release.

² Extract from the many references to Mr Di Girolamo in the Operation Spicer report from ICAC - <http://www.icac.nsw.gov.au/docman/investigations/reports-1/4865-investigation-into-nsw-liberal-party-electoral-funding-for-the-2011-state-election-campaign-and-other-matters-operation-spicer/file>

Mr Hartcher was a party to an arrangement with Nicholas Di Girolamo and Mr Koelma, whereby Mr Di Girolamo made regular payments through Australian Water Holdings to Eightbyfive. Under this arrangement, between April 2009 and May 2011, Eightbyfive received \$183,342.50 from Australian Water Holdings. These payments were ostensibly for the provision of services by Eightbyfive to Australian Water Holdings but were in fact political donations made to assist Mr Hartcher by providing funds to Mr Koelma so that Mr Koelma could work for Mr Hartcher in the lead up to the 2011 NSW state election.

Mr Hartcher and the others involved in this arrangement intended to evade the election funding laws relating to the disclosure of political donations. The payments totalling \$36,668.50, made after 1 January 2011, exceeded the applicable cap on political donations (chapter 18).

³ <http://www.smh.com.au/nsw/nick-di-girolamo-sent-barry-ofarrell-a-3000-bottle-of-penfolds-grange-icac-hears-20140415-36oqz.html>

A prominent Liberal Party fund-raiser and associate of the Obeid family "battered up" NSW Premier Barry O'Farrell by sending him a \$3000 bottle of Penfolds Grange, a corruption inquiry has heard.

Nick Di Girolamo, a key player in the Independent Commission Against Corruption's inquiry into Obeid-linked company Australian Water Holdings, said he had Mr O'Farrell's mobile number and would call him "once a month, once every couple of weeks".

In his second stint in the witness box, the former chief executive of Australian Water admitted on Tuesday that he sent Mr O'Farrell a bottle of Grange costing \$2978 in April 2011, shortly after the Liberal Premier won the March election.

The gift was not declared on Mr O'Farrell's pecuniary interests register.

"That's a \$3000 bottle of wine," counsel assisting the inquiry, Geoffrey Watson, SC, said.

"What were you attempting to secure?"

"My sincere congratulations on finally getting into office after 16 long hard winters in opposition," Mr Di Girolamo replied.

"Did you ever get a thank-you note or a thank-you call?" Mr Watson asked.

"Yes I did. I thought it was a call," Mr Di Girolamo said.

The commission is investigating allegations that the Obeid family were "secret stakeholders" in Australian Water and stood to make up to \$60 million from a proposed public-private partnership.

The month following the bottle of Grange being couriered to Mr O'Farrell's northern suburbs home, Mr Di Girolamo attended a meeting with the Premier on May 27, 2011 to lobby him about the proposal.

Former water minister Greg Pearce has given evidence of being summonsed to this meeting and that he was annoyed to find that Mr Di Girolamo had gone behind his back to lobby the Premier directly.

Mr Pearce said he felt like a schoolboy being called to the headmaster's office for not doing his homework.

"I was quite taken aback that it seemed to be so cosy," he said of the meeting.

Mr Watson accused Mr Di Girolamo of "trying to butter Mr O'Farrell up", a suggestion Mr Di Girolamo denied.

"I didn't need to buy my access to the Liberal Party," he said.

"Wasn't it an attempt to grease the wheels?" Mr Watson said.

"No," Mr Di Girolamo replied.

The inquiry has heard Australian Water became one of the biggest donors to the NSW Liberal Party in the months before the state election.

Mr O'Farrell's meeting with Mr Di Girolamo occurred six days after the latter emailed the then chairman of Australian Water, Liberal President Arthur Sinodinos, asking him to "ring BOF".

Senator Sinodinos told ICAC he did not make the call.

Mr Di Girolamo also said that he thought Mr Sinodinos would have known of the donations to the Liberal Party because of "his position on the board."

However, he could not recall specifically whether the donations were discussed at board meetings.

⁴ The following is a quote from the website <http://www.wendybacon.com/2015/obeids-old-lawyer-hired-for-welfare-street-deal/>.

Wallarrah 2 coal mine

In March 2012, Di Girolamo became the official lobbyist for the controversial Wallarah 2 coal mine in the Hunter Valley.

While in opposition, Premier Barry O'Farrell and Resources and Energy Minister Chris Hartcher had promised Wallarah 2 would not go ahead. At a 2009 rally opposing the mine, O'Farrell, wearing a T-shirt bearing the slogan "water not coal", had famously proclaimed, "the next Liberal-National government will ensure mining cannot occur here ... no ifs, no buts. A guarantee."

One month after the election, Di Girolamo sent Premier Barry O'Farrell a \$3000 bottle of 1959 Penfolds Grange Hermitage to his Roseville home as a gift. O'Farrell wrote a note to Di Girolamo, thanking him for the gift. He later lied to ICAC about receiving the wine. This led to his resignation as Premier in April last year.

In June 2012, Chalabian comes into the picture again when he and Di Girolamo jointly establish an unusual company called Anconna Holdings. Not long afterwards, the then Treasurer Mike Baird signed off on Di Girolamo's appointment to a \$100,000 job on the State Water Corporation board.

Chalabian and Di Girolamo continued to work together at Anconna Resources until June 2013.

Another Anconna Resources shareholder was Tinnette Koelma. After the LNP government was elected in March 2011, her husband Tim Koelma had worked in the office of Resources Minister Hartcher. Koelma resigned in March 2013 over allegations that he had managed a slush fund for Hartcher which was used to hide illegal political donations.

After he resigned, Koelma also joined Chalabian and Di Girolamo at the Anconna Resources offices in Sydney's CBD. Tim did research for Di Girolamo who was lobbying the Premier Barry O'Farrell and others for LNP government approval of the Wallarah 2 coal mine. Contrary to O'Farrell's original promise, the NSW Planning Assessment Commission allowed the mine application to proceed and last year gave it approval.

Chris Hartcher resigned as Minister for Resources and Energy in December 2013 after ICAC raided his office. He stood aside from the parliamentary party in February 2014 after ICAC commenced investigating allegations of illegal LNP donations. He is resigning from parliament before the 2015 election.

⁵ <http://www.reuters.com/article/us-kerry-climate-idUSBREA1F0BP20140216>