

October 2016

OBJECTION TO:

Rocky Hill Coal Project – Application No. SSD 5156

AND

Modification to Stratford Extension Project

I object to Rocky Hill Coal Mining Project and the associated Modification to the Stratford Extension Project. I believe Gloucester Resources Limited (GRL) have presented a biased assessment of the Rocky Hill Coal Project (RHCP) which ignores the economic, social and environmental risks and impacts to Gloucester, the Hunter region and the State.

By way of introduction, I have family members who reside in Gloucester and my family have a long, personal association with Gloucester and the Hunter region. I own a property in the Mid Coast Council area.

Gloucester has recently merged into the new Mid Coast Council area – now comprising the Great Lakes, Manning Valley and Gloucester regions. Coal mining in the Gloucester region is seen by the writer as an extension of the Hunter coal mining industry. I know that many young people from Gloucester further their education and work experience in Newcastle and the Hunter region, and that there are close social and commercial links to Newcastle and the Hunter through tertiary education, tourism, retail and specialist services including health services. Gloucester has long been identified and valued as a ‘weekend get-away’ in the region.

In 2009 Gloucester’s State MP, National Party Member George Souris, raised a private member’s bill opposing GRL’s exploration license. He stated that *“Future mining within the boundaries (of these explorations) will seriously damage the scenic and social features that define the character and the appeal of the region”*. He noted that *“The possibility that future mining will occur in such close proximity to the township and closely settled areas is creating great anxiety and uncertainty and will undermine the development and growth of businesses”*¹.

Coal mining is an intrusive and polluting industry. There are presently two other coal mines in the Gloucester Valley located approximately 12km south of the town. The RHCP will be on the edge of town joined via internal link road to the Stratford Coal Pty Ltd (SCPL).

The cumulative impact of another mine will irreparably damage the nature and social capital of the Gloucester Valley. If the RHCP is approved, three coal mines will operate - effectively shrouding the Valley in dust, noise and other pollutants, regardless of mitigation measures undertaken by GRL. It is the nature of the industry.

¹ *The Race to Mine: The Hunter Valley*, Sarah Jane Collins June 13, 2012 *The Global Mail*

SCPL are concurrently applying for modifications to their recently approved mine extension to facilitate the RHCP so that coal infrastructure and transportation to Newcastle Port can be shared². It is assumed the RHCP could not have gone to Project approval stage without this mutually beneficial, commercial arrangement.

When the NSW Government approved the Stratford Mine Extension, it did so knowing that SCPL had overstated their mine's economic benefit and knew that the project would not proceed until there was an "*upturn in the market*"³.

Recently interviewed on Brisbane ABC Radio⁴, the CEO of the Queensland Resources Council predicted the Queensland coal industry will seek assistance from their State government to cut rates and costs associated with "water, energy, rail and port services". One in three Queensland coal mines are presently not covering costs and operating at a loss.

Contrary to GRL's claims that they can "*justify*"⁵ their project, the potential impacts likely to occur from one coal mine as compared to the cumulative impacts of three, cannot be justified, especially when one considers the potential of three local coal mines operating at a loss.

Both GRL and Stratford Coal fail to recognize the issue of cumulative impacts – either environmental or economic. In fact, GRL irresponsibly labels valid community concerns about their proposal as "*overstated*"⁶ and unreasonable⁷.

As a result of continued "atrocious" planning laws⁸ in NSW which favour the roll out of new mines no matter the social and environmental costs, GRL is able to arrogantly conclude "*the residual risk posed by the various potential environmental risk sources would be acceptable and therefore enable the amended Project to proceed*"⁹.

² Stratford Mining Complex Statement of Environmental Effects Main Report Yancoal, Executive Summary ES-1

³ PAC Approves Stratford Coal Mine ABC News June 2015 <http://www.abc.net.au/news/2015-06-02/pac-approves-stratford-coal-mine/6514886?site=midnorthcoast>

⁴ 612 ABC Brisbane, Michael Roche, CEO Queensland Resources Council Sep 19 2016 <http://www.smh.com.au/business/coal-industry-jobs-evaporate-20160918-grivuj.html>

⁵ Amended Rocky Hill Project, Report No. 806/13 EIS Executive Summary pES-27

⁶ Response to Submissions Report 806/12 4.2.7.2 Suggested Grounds for Refusal, p559

⁷ Amended RHCP Report No 806/13 Executive Summary pES-28

⁸ Why good planning Counts and why we should respect the courts Louise Nichols 18 Jul 2016 The Singleton Argus, <http://www.singletonargus.com.au/story/4038709/how-did-it-come-to-this-ignoring-justice/?cs=2038>)

⁹ Amended Rocky Hill Coal Project Report No 806/13 Executive Summary pES-27

⁶ Key Threat: Moderating Asian commodity demand Prospects and challenges for the Hunter Region, vii Deloitte Access Economics: A Strategic Economic Study, Regional Development Australia Hunter March 2013

SCPL's proposed Modifications assist GRL "to realise the direct and indirect social and economic benefits" of their RHCP and make greater use of SCPL's existing infrastructure¹⁰.

Neither mining project can be viewed to be in the NSW community's best interest, when their self-assessment focusses on what is best for the Proponents.

ECONOMIC JUSTIFICATION

GRL should be able to assure the government that predictable and sustained net production benefits will result from the RHCP. Their Cost Benefit Analysis (CBA) notes that the risks to the project include operating expenditure, capital investment and coal price¹¹.

GRL note that the Gloucester basin has been a significant source of high fluidity coking coal in NSW since the 1990s; that this coal is sold for export and for blending purposes¹². This statement is supported by other sources¹³ and the NSW Government website that states "Duralie Coking is a major blend component to Gloucester coking coal. Duralie Thermal coal sold as blends"¹⁴. It should be noted GRL have stated that both Yancoal's Stratford and Duralie operations predominantly produce a thermal coal product¹⁵, but it appears the Duralie coking coal is a comparable product to the RHCP.

GRL say that their proposal will predominantly produce a "semi-hard"¹⁶, "high quality"¹⁷ coking coal product¹⁸ and that their product is "increasingly" in demand by Asian steel mills with "expected" demand to increase in the future¹⁹. However, GRL fail to identify markets that will demand their coal product beyond that produced by Duralie or any other coking coal producer.

Despite censoring the projected selling price of their product, GRL disclose in chart 5.2²⁰ the forecast for their coal prices to be in excess of \$160 per tonne (for coking coal) and \$100+ for

¹⁰ Stratford Mining Complex Statement of Environmental Effects 4.10 Social and Economic Aspects p52

¹¹ Deloitte Access Economics, CBA & Economic Impact Analysis of RHCP 5.4.2 Sensitivity of Project Financials p59

¹² Amended RHCP Report 806/13 Section 1 Introductions p1-13

¹³ **Duralie Mine Produces High Fluidity Coking Coal** "a high fluidity coking coal that is blended with other raw coal and washed to maximise recovery and improve the project's bottom line. The finished product is a low ash coking coal together with a high ash thermal coal"

<http://mininglink.com.au/site/duralie>

¹⁴ http://www.resourcesandenergy.nsw.gov.au/investors/investment-opportunities/coal/nsw-coal-producing-companies-and-product-specifications#_yancoal-australia-ltd

¹⁵ Response to Submissions Report No 806/12 Rocky Hill Coal Project p160

¹⁶ Response to Submissions Report No 806/12 Rocky Hill Coal Project p160

¹⁷ Amended Rocky Hill Coal Project Report No 806/13 Executive Summary p ES-27 Project Evaluation and Justification

¹⁸ Response to Submissions Report No 806/12 Rocky Hill Coal Project p160

¹⁹ Amended RHCP Report 806/13 Section 1-Introduction p1-13

²⁰ [Cost Benefit Analysis and Economic Impact Analysis of the RHCP 2014 Deloitte Access Economics p22 Coal Price Forecasts – Rocky Hill 2018-2031](#)

thermal coal. These prices are in contrast to industry predictions and indicate an unrealistic long term expectation²¹. Last year Australia's exports fell 23%, the lowest level in nearly a decade as direct result of global oversupply²².

Hunter coal producers have been unable to reliably predict demand for their coal for some years. In recent times the coking coal market has been in oversupply^{23 24}. Today's spot prices for metallurgical coal are high, but are not expected to last into the future as prices will be capped by weak underlying steel demand and overcapacity issues in China.²⁵

Projected benefits arising from the RHCP are contingent on the accuracy of GRL's sale price prediction for their product²⁶. They admit that the change in coal price is by far the most sensitive input that determines their capacity to create benefits²⁷.

The world's biggest coking coal exporter, BHP, says it is not counting on current prices for coking coal to last until the end of the year²⁸. The RHCP won't be ready for export for at least three years, and obviously GRL cannot better predict an increase in coal value than other Australian (major) coal producers.

RHCP is clearly dependent on growth in global demand outweighing supply. Since this is unlikely to occur, the risk to the community of another coal mine approval must be rated as high²⁹. No evidence has been produced to substantiate GRL's claim that there is, or will be, a sustained and "*very high*"³⁰ demand for their product. In fact the opposite seems to be the

²¹ DAVID SCUTT APR 27, 2016, [HTTP://WWW.BUSINESSINSIDER.COM.AU/CBA-THERES-A-CLIFF-AHEAD-FOR-SURGING-COAL-PRICES-2016-4](http://www.businessinsider.com.au/CBA-THERES-A-CLIFF-AHEAD-FOR-SURGING-COAL-PRICES-2016-4)

²² As Coal Prices Fall, Miners Cut Output Wall Street Journal China imports less for steelmaking, and India has yet to fill the gap June 2, 2015 <http://www.wsj.com/articles/as-coal-prices-fall-miners-cut-output-1433269071>

²³ *Coking Coal's sensible response to China's steel boom, Reuters May 25 2016*
<http://www.reuters.com/article/us-column-russell-coking-coal-idUSKCN0YF120>

²⁴ Coking coal, used to make steel, has slumped from more than \$US300 in 2011 to around \$US87 a tonne. *Peabody Energy: 'Business as usual' in NSW, QLD, despite near \$3bn loss ABC News Sue Lannin* 3 Jun 2016, 6 <http://www.abc.net.au/news/2016-06-03/peabody-energy-says-business-as-usual-in-nsw-ql/7476096>

²⁵ The insane rally in coking coal prices is ready to reverse Greg McKenna Sep 15 2016, Business Insider [HTTP://WWW.BUSINESSINSIDER.COM.AU/?ATTACHMENT_ID=1374394](http://www.businessinsider.com.au/?attachment_id=1374394)

²⁶ *Deloitte Access Economics CBA & Economic Impact Analysis of the RHCP 5.2 Valuing Costs and Benefits p20*

²⁷ *Cost Benefit Analysis and Economic Impact Analysis of the RHCP 2014 Deloitte Access Economics*
 pxiii Summary Report Table iv Sensitivity Analysis – comparison of net benefits

²⁸ The Australian Business Review, 'Coking coal's on a high, but how long will it last? Matt Chambers Sep 2 2016 <http://www.theaustralian.com.au/business/mining-energy/coking-coals-on-a-high-but-how-long-will-it-last/news-story/51d7f1935d54a2ade929ebf199512604>

²⁹ The Monthly, "Coal Crash How long can Australia ride in the coal wagon?" Paul Cleary <https://www.themonthly.com.au/issue2015/october/1443621600/paul-cleary/coal-crash>

³⁰ *Amended Rocky Hill Coal Project, Report No 806/13, EIS Executive Summary pES-27*

case. Contrary to the assertions of the RHCP consultants, the anticipated “*current trajectories and measures*”³¹ for their mining project cannot be assured.

The Stratford Coal operation is not producing coal at the present time, and the Duralie mine has just laid off 45 workers and reduced their hours of operation³². Even so, the RHCP proposal is proceeding because it has reached an undisclosed commercial agreement with Yancoal’s Stratford Mining Complex (Modification) to share infrastructure arrangements necessary for the transportation of its coal to Newcastle Port, including use of SMC’s handling and processing infrastructure.

Regional coal producers, including Stratford, are locked into “take-or-pay” contracts in order to transport their coal to Newcastle Port, even if they don’t have enough material to ship. These contractual arrangements have created a situation where it is cheaper for coal companies to sell coal at a loss than to halt production and close down. Miners are tied to these transport contracts paying transport fees, even if they don’t ship any coal³³.

Stratford Coal states that their arrangement with GRL allows for “*the more efficient use of SMC’s existing infrastructure and is substantially the same as the original SMC because the Modification would not change the existing approved conditions*” of their consent³⁴.

Obviously, the commercial agreement with RHCP can be viewed as a ‘life-saver’ for Stratford Coal, who are locked into their take-or-pay contracts: - “*Chinese company Yancoal, with a roster of Hunter Region mines, told the stock market it will pay an estimated \$50million to \$55million this year for rail and port capacity it will not use. The take or pay system means coal companies must commit to taking rail or port capacity 10 years in advance, **and must pay for any capacity they don’t use or can’t trade***”³⁵.

The NSW Government should not be seen to be facilitating a commercial agreement between GRL and SMC without providing details of the agreement to the public. It is the Government’s responsibility to ensure that an equitable balance of shared benefits – that includes benefits to the community - results from project approvals. It was highly unlikely the RHCP could

³¹ Response to Submissions Report 806/12ES9 Economy p10

³² ‘Gloucester coal mine lays off 45 people but other projects on display’ IAN KIRKWOOD 17 Sep 2016 Newcastle Herald <http://www.theherald.com.au/story/4170257/45-jobs-to-go-from-duralie/?cs=305>

³³ Coal Glut Foils Price Rally with Miners Tied to Exports, Ben Sharples, 24.4.14 Bloomberg “Australian mining companies are prolonging a supply glut that’s driven coal prices to a four year low because of freight contracts that make it cheaper to ship at a loss than cut output” <http://www.bloomberg.com/news/articles/2014-04-22/coal-glut-foils-price-rally-with-miners-tied-to-exports-energy>

³⁴ Stratford Mining Complex, Statement of Environmental Effects Main Report and Appendices A-F, Executive SummaryES-1.

³⁵ ‘Take or pay’ hitting coal companies IAN KIRKWOOD Reporter May 2013 Newcastle Herald <http://www.theherald.com.au/story/1508106/take-or-pay-hitting-coal-companies/>

economically sustain itself in 2013³⁶, and now the amended project rests on the tenuous viability of Stratford Coal's operation and infrastructure to transport RHCP coal. The community requires tangible assurances that GRL and SMC's commercial agreement demonstrates flow on benefits to the community and not just to the companies.

In order to assess the "economic benefits" as opposed to the "economic costs" to the community of the RHCP, the direct government subsidies afforded to the industry, and shared by the other operational mines in the Valley, should be accounted for. These subsidies come in the form of infrastructure funding, fuel tax credits, company tax credits, and clean coal research. Government subsidies are not permanently assured, and the absence of such subsidies (especially the fuel tax credits) will affect GRL's ability to commit to the level of capital investment required to set up and maintain their mine³⁷.

At best, the RHCP can only afford transference of employment in the industry – not employment opportunity.

In 2013 at least 60 job cuts occurred at the Duralie and Stratford coal mines³⁸. Numerous reports state that the industry in general continues to reduce its workforce as part of on-going cost-saving measures³⁹. The RHCP simply does not offer predictable and sustainable employment opportunity for Gloucester or the region and the recent lay-offs at the Duralie mine are testament to this fact.

The CBA compares the costs and benefits of the RHCP against a baseline of "business as usual"⁴⁰ stating there is no reliable method available to value external costs to the community such as, say, visual amenity⁴¹. GRL present the case that as long as the RHCP can show potential economic benefits, the unquantifiable external costs of their project to the community are worth the risk. The list of "non-priced externalities" is wide ranging and includes⁴² -

- Offsite Agricultural revenue

³⁶ *Economists at Large Submission on Socio Economic Appendix of Environment Impact Statement of RHCP prepared for Gloucester Shire Council 25 Oct 2013 p181*

³⁷ *Open-Cut Coal Mining in Australia's Hunter Valley: Sustainability and the Industry's Economic, Ecological and Social Implications*, Drew Cottle, Angela Keys, UTS Press International Journal of Rural Law and Policy Mining in a sustainable World).

³⁸ *Yancoal cuts jobs, chases expansion Newcastle Herald IAN KIRKWOOD Sep 2013 AT least 60 jobs will go from the Duralie and Stratford coalmines at Gloucester as owner Yancoal cuts production in response to falling coal prices.* <http://www.theherald.com.au/story/1783271/yancoal-cuts-jobs-chases-expansion/>

³⁹ <http://www.abc.net.au/news/2016-04-28/mount-arthur-voluntary-redundancies-finalised/7365966?site=newcastle> , <http://www.abc.net.au/news/2016-03-08/bhp-billiton-cuts-290-jobs-from-coal-mine-in-nsw-hunter-valley/7229352?site=newcastle> , <http://www.abc.net.au/news/2016-02-02/forced-redundancies-at-drayton-mine-start-wednesday/7131824?site=newcastle>

⁴⁰ *Deloitte Access Economics CBA & Economic Impact Analysis of the RHCP Introduction p3*

⁴¹ *Deloitte Access Economics CBA & Economic Impact Analysis of the RHCP 4.1 Baseline Case, 4.2 Project Case p14*

⁴² *Deloitte Access Economics CBA & Economic Impact Analysis of the RHCP 5.2 Valuing Costs and Benefits p20*

- *Groundwater Quality*
- *Surface Water Quality*
- *Subsidence*
- *Carbon Emissions*
- *Air pollution – particulate matter*
- *Air pollution – other pollutants*
- *Noise pollution*
- *Visual amenity*
- *Traffic*
- *Biodiversity*
- *Conservation*
- *Quality Open Space*
- *Rural Amenity and Culture*
- *Aboriginal Heritage Historical heritage*
- *Health*

In nearly all of the above, GRL irresponsibly consider potential negative impacts as minor or negligible and that their expected gross mining revenue will justify the RHCP.

Everyone wants to see “value for money” - but in the case of RHCP the idea of “value” is distorted because -

- the high risk of social and environmental costs remains unquantifiable,
- Government subsidies to the industry remain outside of the scope for consideration in the Government’s approval process,
- long-term global demand out-stripping supply for “high quality” coking coal cannot be established, and
- details of the commercial agreement between GRL and Stratford Coal are not on the public record.

GRL’s economic case in support of RHCP is overstated and biased. Their case unfairly compromises the economic and social stability of Gloucester, the region and the State.

SOCIAL LICENCE TO OPERATE:

GRL recognise that the Gloucester area is an area of “*high social capital*”⁴³ yet, underscore and deny the uncertainty and risks associated with their proposal on the existing environment, lifestyles, businesses and people that have created this social capital.

⁴³ *Response to Submissions Report 806/12 4.2.3.4 Suggested Ground for Refusal p555*

Suggesting strategies to address perceived problems that may or may not be carried out, is of no credible assurance to the majority in the community. Superficial identification of the “*concerns and hopes*”⁴⁴ of the community belie the potential and permanent adverse impact their proposal will have. It seems that fair consideration of feasible options to their project for Gloucester, was not within the consultant’s parameters for analysis - as only a “business as usual” approach was considered.

Obviously mining isn’t the only option for the economic prosperity of Gloucester. In fact, it is contended that the RHCP places undue risk on the realization of alternate future opportunities for the community. There is no evidence to show that the RHCP would be ‘good’ or is even desired by the community.

GRL state that objections to their proposal exhibited a “*resistance to change*”, “*denial of existing growth path*” and “*lack of regard to the employment perspectives of future generations*” and finally, that objector’s submissions reflected an “*unrealistic view of the community’s alternate option*”⁴⁵. Such conclusions fly in the face of social and economic experts who have argued that the case for new coal mines in the Hunter region is convincingly negative - especially for the people who live close to those mines.

To put RHCP in context of the regional coal mining industry, I refer you to the ABC website⁴⁶ where there are ten pages of recent headlines like –

- *Hunter air quality on the line as environment ministers discuss clean air standards*
- *NSW EPA investigates dam overflow at Hunter coal mine*
- *EPA investigates another mine dam wall collapse*
- *Wilpinjong coal mine extension to increase jobs but negatively impacts Wollar village*
- *Forced redundancies at Drayton mine start Wednesday*
- *Report sheds light on NSW mine gloom*
- *Concerns committee changes could help mining companies stonewall residents*
- *Developer of Bylong coal mine slashes projected job numbers*
- *Toxic mining legacy: report warns of unfilled mining voids in NSW covering area bigger than harbour*

GRL’s consultants stated that many of the submissions opposed to the project are not “*evidenced based*”⁴⁷ and that those in support of the project recognised the same “*possible*” benefits they do.

⁴⁴ Amended Rocky Hill Coal Project Report No 806/14 Part 14 Social Impact Assessment

⁴⁵ Response to Submissions Report 806/12 RHCP ES9 Economy p10

⁴⁶ Latest Mining Stories on ABC Newcastle NSW
<http://www.abc.net.au/newcastle/topics/environment/mining/?page=2>

⁴⁷ Socio Economic Response to Submissions ES33 p18

GRL's identified benefits⁴⁸ include –

- ***Employment for the generations who are typically leaving the area to find work -***

GRL claim that “*the amended Project would provide sought after employment, particularly for young people*”⁴⁹. However, in the absence of any information confirming demand for their coal product, or a need for the project, GRL are not in a position to promise anything.

GRL have failed to show that local people are skilled in, or are looking for work in the coal industry and that they are likely to seek employment in the industry. Due to the industry's “take or pay” contracts, the regional coal producers continue to both accept production losses due to low coal export prices and instigate cost cutting measures – including employment lay-offs.

Various reports show that health care, education and training, hospitality, business services, retail and construction are the leaders in job growth in the region. The Hunter Research Foundation, Future of Hunter Jobs 2016 Report gives a comprehensive overview of the major drivers for future employment in Newcastle and the Hunter region (mining is not included) and notes the decline in resource-sector investment⁵⁰.

In 2012 the Hunter Regional Plan noted “***A more diverse economic base, including more employment in higher ‘added value’ industries and more future facing sectors, including renewable energy are essential elements for economic growth***”⁵¹ for the region. Supporting these findings are further reports of new services occurring to facilitate alternative employment opportunities in coal mining communities⁵².

Should the RHCP be approved and fail, it is the local community and any employees that carry the cost in the first instance.

- ***a reason to return to the locality -***

This “*identified benefit*” has got to be a reflection of wishful thinking at its best.

⁴⁸ Response to Submissions Report 806/12 ES9 p10

⁴⁹ EIS, Executive Summary Report 806/13 GRL

⁵⁰ <http://www.hrf.com.au/uploads/research/Future-of-Hunter-Jobs-May-2016-Final.pdf>

⁵¹ Regional Development Australia (Hunter) Regional Plan 210-2012 p11

⁵² Coal communities in NSW's Hunter Valley trying to survive the mining slowdown <http://www.abc.net.au/news/2014-12-14/coal-communities-trying-to-survive-the-mining-slowdown/5966418> 4,000 coal mining jobs in NSW lost in 2014 – Singleton diversifying its economy away from coal

GRL's unsympathetic and biased response to Gloucester Council's concern that a further coal mine so close to town will "exacerbate the loss of sense of place" was to state "Gloucester is already a township bordered by a mine"⁵³.

GRL acknowledge that "The main concerns in the Gloucester community in relation to the approval of the amended Project are the potential for negative impacts on the rural amenity and character of Gloucester and subsequent impacts on tourism and agriculture, and environmental impacts on air quality and water and subsequent potential health risks"⁵⁴.

There is plenty of recent data showing that people who live in coal mining communities suffer from adverse health conditions⁵⁵. In fact, a 2011 medical study was definitive in its assessment of the negative health impacts of coal mining in the Hunter Valley⁵⁶.

The Social Impact Assessment suggests that a "strategic approach"⁵⁷ in partnership with the local health care system will be required to address potential health impacts from their proposal. GRL's consultants give reference to a New England Area Health Services Report which concludes that more research needs to be conducted with regard to pollution issues from coal mining. In this instance, the research they refer to is dated 2010. Clearly the report they rely on is outdated and selectively chosen.

The consultants also refer to a recent report, selectively stating that the report concluded "The latest Australian research on mining health impacts in rural communities finds that: This systematic review highlights the broader health and well-being outcomes associated with mining activity that should be monitored and addressed in addition to environmental health impacts to support co-existence of mining activities and rural communities"⁵⁸.

Undoubtedly, more studies are required on the impacts of coal mining on rural communities and it is anticipated those studies will take place for as long as the negative impacts of the coal industry remain with us.

⁵³ Response to Submissions 4.2.4.20 Suggested Grounds for Refusal, Item 32 Gloucester Shire Council Submission P144, p.555

⁵⁴ Amended Rocky Hill Coal Project Report No. 806/14 Part 14: Social Impact Assessment p14-13 Key Concerns and Aspirations

⁵⁵ New report claims coal mining a public health burden, Hunter Valley News Sept 2015, <http://www.huntervalleynews.net.au/story/2904280/new-report-claims-coal-mining-a-public-health-burden/>, NSW urged to ban new coal mines in the Hunter Valley on health and climate grounds, The Guardian Feb 2015, <https://www.theguardian.com/australia-news/2015/feb/23/nsw-urged-ban-new-coal-mines-hunter-valley>, Coal the biggest contributor to toxic air pollution: study SMH April 2015 <http://www.smh.com.au/federal-politics/political-news/coal-the-biggest-contributor-to-toxic-air-pollution-study-20150401-1mcwbt.html>

⁵⁶ William M Castleden, David Shearman, George Crisp and Phillip Finch, 'The Mining and Burning of Coal: Effects on Health and the Environment', (2011) 195(6) The Medical Journal of Australia, 333

⁵⁷ Part 14: Social Impact Assessment Amended Rocky Hill Project Report 806/14 p 14-14 Key Insights

⁵⁸ Part 14: Social Impact Assessment Amended Rocky Hill Project Report 806/14 p14-14 Key Insights

However, GRL have irresponsibly failed to state the negative findings about coal mining impacts on the community contained in the study. The study identified possible determinants of the **health disparities exacerbated by mining** activity in rural communities compared to urban communities.

In summary, the results of the study showed:

“Evidence of increased prevalence of chronic diseases and poor self-reported health status was reported in the mining communities. Relationship breakdown and poor family health, lack of social connectedness and decreased access to health services were also reported. Changes to the physical landscape; risky health behaviours; shift work of partners in the mine industry; social isolation and cyclical nature of 'boom and bust' activity contributed to poorer outcomes in the communities”⁵⁹.

The expected health impacts from the RHCP likely to be experienced by residents of Gloucester, are reason enough not to return to the locality.

- ***an opportunity to work locally and not commute long distances -***

Can the proponents offer any data to back up this assertion?

In consideration of the reported 3,000-4,000 mining related regional job losses in the Hunter region over the last couple of years, no “new job” at the RHCP could be considered as a “new” job either locally or in the regional industry.

GRL’s Employment Strategies⁶⁰ and expectations are considered unrealistic in light of recent economic and employment trends diversifying away from the coal mining industry.

- ***increased trade to support their business -***

How many businesses will be positively impacted? Which businesses? Is there any data to substantiate this statement, given that **existing suppliers and contractors to the industry are located across the region and have already suffered from the consequences of the coal industry down turn and therefore desperate for business?**

- ***revenue for much needed infrastructure and services -***

⁵⁹ *Examining health and well-being outcomes associated with mining activity in rural communities of high-income countries: A systematic review* Fiona Mactaggart, Liane McDermott, Anna Tynan, Christian Gericke Australian Journal of Rural Health 2016, 24 (4): 230-7

<https://www.readbyqxmd.com/read/27086770/examining-health-and-well-being-outcomes-associated-with-mining-activity-in-rural-communities-of-high-income-countries-a-systematic-review>

⁶⁰ Amended Rocky Hill Coal Project Report No 806/14 Part 14: Social Impact Assessment

The proposal will add to and stress and presumed inadequacy of the existing road infrastructure.

GRL fail to acknowledge that their proposal will burden existing road infrastructure and couch their contribution to Council road funding as a benefit to the community. One must remember that the recently approved Stratford Coal Project has also assured the community of contributions to boost Council's road infrastructure expenditure to compensate for the impact on those services by their proposal.

- ***export revenue and capital investment to grow the State's and national economies***

At best, this statement is highly speculative and at worst, in denial of reality.

Export revenue will only materialise as a result of sustainable high global demand for their product. GRL are unable to substantiate that this will occur.

The capital investment in the RHCP infrastructure is single purpose and has no flow on value to the community – just like the presently idle Stratford Coal infrastructure.

The risk to the social capital of the Gloucester township and region is real, whether the Proponents wish to acknowledge it or not. This cost has not been quantified by the Proponents and, importantly, GRL are unable to substantiate reliable returns to the State or national economies for the next 21 years.

The obvious 'upside' of the RHCP not proceeding, is that the Valley's existing economic base is protected and enhanced by stable, long term, diversified, environmentally friendly and socially acceptable activities that add to the existing social capital of the area.

CONCLUSION:

The RHCP proposal has already negatively impacted the Gloucester community and adversely affected:

- residents who have been "forced" or "bought out" from their homes and land: real estate has been acquired and purchased by both GRL and SCPL in order to mitigate the noise and dust pollution to neighboring properties resulting from their Projects.
- the real estate values and market of properties close to the proposals
- the integrity of the area's clean air, land and water and the regional "image" that underpins their tourist industry
- the scenic values of the Gloucester Valley
- impacts on residents' health and existing livelihoods

- the social dynamics of the community, noting that 78% of the local community supported Gloucester Council's stated position in opposition to the RHCP⁶¹
- impacts of coal mining upstream and downstream of the project sites by way of dust contamination from the blasting, excavating, shoveling, drilling, loading, transporting and dumping of coal⁶². These projects not only impact on the Gloucester Valley. The cumulative impacts along the coal chain need to be accounted for by any new coal mining proposal. The RHCP will have further regional impacts on health.
- the tenuous viability of other existing and operational coking coal mines

GRL's consultants illegitimately state that their Project holds a "*compelling*"⁶³ case for approval, yet the cost of damage to the verifiable values of health, environment, infrastructure, and tourism are not given equal priority to the speculative benefits of the RHCP.

GRL fail to produce any credible evidence that supports long term benefits directed to the community. Short-term, token based gestures to sporting clubs etc. that will exist whether the RHCP goes ahead or not; are not in the community's long term interest. The RHCP threatens the potential for future, sustainable and socially acceptable activity in the Gloucester Valley and region. At the end of its life, the RHCP has no flow on benefit for the community.

The community's fears and objections are well founded. Too often, especially in the Hunter region, we have witnessed the negative impacts from coal mines managed in retrospect, after damage has occurred. We don't even know if the damage from coal mining expansion can be permanently "mitigated".

The very real risk of the RHCP is that natural advantages that sustain the Gloucester Valley – social harmony, clean air and water, agriculture, tourism and service industries – are threatened by a dirty, incompatible industry that may operate for 21 years but leave a lasting, negative economic, social and environmental foot print for future generations.

The anticipated economic benefits from the project are speculative at best, and in today's coal export market unrealistic. The RHCP and Modifications to the SMC should be rejected.

Megan Benson

56 Brighton Street, Bundeena, NSW 2230. October 2016

I have not made a reportable political donation.

⁶¹ Gloucester Shire Council 28.10.13 Submission to RHCP ref SSD5156 p8

⁶² *Open-Cut Coal Mining in Australia's Hunter Valley: Sustainability and the Industry's Economic, Ecological and Social Implications.* Drew Cottle, Angela Keys, UTS Press International Journal of Rural Law and Policy Mining in a sustainable World.

⁶³ Response to Submissions Rocky Hill Coal Project ES9 p10