

Hume Coal Project (SSD 7172) --EIS submission of Peter Stone

I am a resident of Exeter. Our house lies within the mine lease area, close to the southern boundary. I am opposed to the mine proposed by Hume Coal for a number of reasons, but most particularly because :-

- A.** The EIS is seriously defective; the problems inherent in the project are ignored or understated and there is no adequate contingency plan for dealing with what could be disastrous consequences of the project;
- B.** The failure of the EIS to recognise the whole range of risk in many areas suggests that the proponent is not fit to operate the proposed mine;
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- C.** The project is not commercially viable, and the motivation of the proponent's proprietor, POSCO, is mysterious, to the extent that there must be serious doubt as to whether the mine will ever go into production, though it is likely that the damage caused by the preliminary works would doubtless occur if permission were given. It may well be that NSW receives little in the way of royalties from the operation of the mine, but may incur costs in respect of it.

A. The form of argument in the executive summary of the EIS (the ES)

It is common for a submission which is solely a piece of advocacy to exaggerate benefits and minimise problems, and that is certainly found in this ES. However this should not be solely a partisan document; the proponent owes a duty to the public and the state to set out the issues fairly. This duty is not discharged by pooh-poohing the problems which necessarily arise in the commencement and operation of a coal mine. Examples are:-

Surface subsidence impacts will be minimal (ES.1)

This gives little clue as to what these impacts may be – in particular what the worst case scenario is. ES9 concedes that there will be some subsidence. Since neither the nature and severity of the impact nor the probability of its occurrence (or occurrences) is given, it is impossible to assess the risk. The risk may be regarded as the product of the probability of the event and its severity if it does occur, most conveniently assessed in dollars. Even if the probability is low the risk may be high, depending on the extent of the damage).

The method of mining is one which gives the least risk of subsidence, if it works as intended. However it is a rarely attempted method, and its reliability is difficult to assess. In particular the plugging of completed sections and the filling of the voids must be regarded as liable to fail. This has further implications for groundwater loss.

Groundwater

The ES concedes that there will be loss of groundwater availability. It suggests that the only impact which needs to be considered is confined to 91 bores on 73 properties which will suffer a drawdown of 2 metres or more. This treats the AIP as

determining that lower drawdowns need not be considered. The relevant part of the AIP is concerned with the sharing of groundwater within a water sharing scheme; the commissioners are concerned with wider issues. It cannot seriously be suggested that a loss of available groundwater is not a loss to the community, even if it is less at some points than 2 metres. We are all affected in some way by a major loss of groundwater for a period of many years. There is, for example, the opportunity cost for those who would have sought a water licence, which is now impossible as a result of the mine's use of water.

The groundwater modelling relies on what data is available for the past. The pace of climate change makes it unwise to accept point estimates based on that data; a range of possibilities should be considered. If rainfall increases the rate of recharge of the aquifer increases, but on the other hand the risk of flooding with consequential contamination of surface water from the mine workings increases. If rain comes in larger packets, which seems to be the recent experience, the risk of flooding is more severe.

Economic consequences.

This is the most misleading part of the EIS. It appears to have been written by PR people with no understanding of the structure and dynamics of the region. Other submissions deal with these issues more fully. Suffice it to say that the tourism industry is likely to suffer a contraction if the mine goes ahead, with consequential business failures and job losses, which may outweigh the mine employment, even if the mine proceeds as planned. It is more likely that, given its commercial impracticability, mine employment will be limited, and there will be little benefit to the state and this region.

B. Risks.

It is difficult to assess the risks to the region as a result of this proposed mine, because they are dealt with in such a summary and dismissive manner in the EIS. I urge the commissioners to take a broad view of the risks, and in this I imagine they will be assisted by the submissions of experts not qualified by Hume Coal. Unless they are satisfied that the proponent of the mine has done all that is necessary to guard against the risks to which the mine has given rise, and to indemnify those damaged by them, they should not allow the mine to proceed.

Moreover the proponent should be required to lodge a substantial sum to cover both the risks while the mine is operating and in the subsequent decades, together with the cost of rehabilitation of the land and the aquifer. As a matter of prudence, and considering the costs which have fallen on the taxpayer as a result of other abandoned mines, and considering the fact that Hume Coal is the alter ego of a corporation not subject to the jurisdiction of the courts of New South Wales, there is no good reason to minimise the deposit. It is difficult to imagine that a sum less than five billion dollars would suffice. Any surplus after remediation and rehabilitation would be returned to Hume Coal.

C. The suitability of Hume Coal/POSCO as the operator of this mine.

I have submitted that the EIS shows such disregard for many of the issues it should have dealt with that it should not be accepted to operate this mine. The same applies in principle to POSCO or any of its subsidiaries. There are moreover stories of wrongdoing by POSCO in India and South Korea. I do not know the truth of these matters, and I could not properly make any submission based on them, but it would be appropriate for the commissioners to make their own inquiries. The commission is not a court restricted to hearing from adversaries – its responsibilities are wider.

Conclusion

It is difficult to understand why this thoroughly unprofitable venture is being pursued with some vigour by Hume Coal. Is it a game in which it seeks to show that the interests of the local people are as nothing to a large multinational corporation? Is it an attempt to insure against a future shortage of metallurgical coal? Is it designed to preempt the extraction of this coal by another entity? Whatever the motivation of the proponents, we who live in Wingecarribee feel that we are being gamed by them, and we are not at all comfortable about it.

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30 June 2017