

17 June 2013

DEPARTMENT OF PLANNING AND INFRASTRUCTURE  
PO Box 1226  
NEWCASTLE NSW 2300

Dear Sir/Madam

**Subject: MISC/32/2013 - Wallarah 2 Coal Project**

## Key Findings

- Council does not support the use of the local road network/City's road network to transport any Coal between the development and the Port of Newcastle. The development needs to discuss the procedures available for transporting coal under conditions when the rail network is unavailable.
- The Social Impact Assessment as currently submitted is not supported by Council.
- The EIS does not adequately consider the likely environmental impacts resulting from the construction of the proposed Awaba rail loop, inclusive of stakeholder consultation and assessment.
- The EIS fails to adequately demonstrate how it meets Council's policies with regard to energy supply and demand and additionally fails to use current available assessment data.
- The Air Quality Impact Assessment is inadequate.

## Road Transport:

Traffic impacts from coal haulage are not expected unless the proposed rail operations are compromised. However, were such an event to occur, Council would not support alternative road based transport of coal due to the impact on traffic, road condition and the inefficient use of limited petroleum supplies to further the extraction of coal.

## Rail Transport:

Council is concerned about the level of impact on the Northern Sydney Freight Corridor (NSFC), both in the short term, and over the life of the project as passenger and other freight traffic increases. Council is promoting greater use of rail based freight and passenger transport as a key means of moving to a more sustainable transport system, however, the proposed coal train movements will constrain or conflict with that desired outcome.

Appendix R – Rail Study (Volume 5) indicates that whilst the proposed movements are predicted to average some 3.8 to 4.3 trains per day, on some occasions, higher numbers will be required to fill large Cape Size vessels (p9). Consequently, the impacts may be larger than predicted for the average conditions. The Rail Study also notes (p7 & 8) that the "South

of Newcastle" rail line is already severely constrained, with multiple limitations in the rail infrastructure between the proposed mine and the Port of Newcastle, as well as minimal scope to insert trains between the current commuter passenger train services.

Page 9 of the Rail Study discards local supply of coal to the Lake Macquarie and Central Coast power stations. This conclusion is apparently based on the commercial opportunity to secure a higher price for export coal over prices for local power station coal, in part due to lower ash content. Council rejects this conclusion on two grounds.

Firstly, notwithstanding Council's target of reducing greenhouse gas emissions by 3% per capita per year, local fossil fuel power stations should use coal from the closest sources to minimise additional greenhouse gas emissions from the transport of coal supplies. The export of local coal resources close to those power stations is contrary to that principle. Secondly, these local power stations create large dumps of ash tailings from combustion, including that created by Eraring Power Station north of Dora Creek. Eraring's only ash dump will reach capacity in about 2032, well within the life of the proposed mine. Any measures that can reduce the amount of ash would therefore be welcomed by Council.

In any event that the mine proposal is approved, the proponents should be required to significantly contribute to the upgrading of the line to be used and any ancillary infrastructure, including but not limited to, longer rail sidings (passing areas) to accommodate the longer and more frequent coal trains, tight low speed bends and road over passes. Examples of the last two are the "Teralba bends" and the St James/Glebe road crossing at Adamstown, respectively.

The infrastructure improvements proposed in the report's conclusions (p22) to overcome the current limitations are inadequate and do not come without detrimental impacts on the City. The report suggests only an additional passing loop and signals at North Awaba, and it is not clear whether these are to be funded and undertaken by the proponent. However, it appears that they are not, as the report does not provide detail around the location and impacts of any such loop. Given that the proposed loop is within the City, Council would also be concerned about potential socio-economic and biodiversity impacts on the area.

### **Awaba Loop**

The proposed infrastructure improvement in Lake Macquarie is one additional freight passing loop and signals at North Awaba. This is not considered adequate to address all the potential pressures on the existing rail services south of Newcastle.

In addition there is no consideration given to the environmental impacts of the new Awaba loop, particularly if it was necessary to build on land zoned E2 Environmental Conservation. There is no clear indication of who will design, fund or construct this new infrastructure.

In this regard, Council considers that the application has not adequately considered the likely environmental impacts of the proposed development

### **Energy Supply and Demand**

The application does not demonstrate how it meets Council's policies with regard to energy supply and demand and additionally fails to use current data.

There are two major issues with this application:

1. Greenhouse Gas Emission Reduction Targets Policy (2008) sets targets to reduce the City's emissions by 3% per year. The application does not address Council's policy.
2. The Project Justification section 9.2.1 uses old and out of date reports from International Energy Agency (IEA) and Australian Energy Market Operator (AEMO). Both Agencies have more recent reports, which should be referred to instead of the 2011 publications. IEA report *Tracking Clean Energy Progress 2013*, shows under their 2DS scenario that coal consumption will start to drop in 2015. This directly opposes the assumption for the justification for the project.

### **Air Quality**

The information presented in the EIS is inadequate in the following areas, specific to Air Quality:

- 1- Background pollutant levels for PM<sub>2.5</sub> were acquired from State supported air quality monitoring stations in the City of Newcastle, located 40-50 km from the site. The AQIA notes that these are the closest state supported monitoring stations to the project site. Given the complex local airshed (mountain ranges, Lake Macquarie, Tuggerah Lake, coastal influences, etc.) and the extensive mining and associated facilities in the region, this background assessment is likely inappropriate for the Wyong region. A State supported air quality monitoring station was opened in Wyong in December 2013, and it is recommended that the proponent confirm background levels of PM<sub>2.5</sub> using data from the Wyong station, and revise the modelling inputs as required.
- 2- It is important that emissions from coal movements do not diminish the amenity for adjacent properties, or the surrounding area, during transit. The AQIA did not include a detailed assessment of cumulative air pollution in the rail corridor, and referenced the air quality study commissioned by Queensland Rail (Connell Hatch, 2008) for the Rockhampton (Qld) region and surrounds. This study found minimal risk of adverse impacts due to fugitive coal emissions from coal trains on the network. Similar results were found in the ARTC Pollution Reduction Program 4 – Particulate Emissions from Coal Trains (Environ 2012), however (and as acknowledged within the report), this study did not include compliance level monitoring or health impact assessments, and had other inherent limitations as documented.

With the lack of a comprehensive study on air quality and coal rail movements, specific to the local airshed, including compliance level monitoring, it is recommended to provide for compliance monitoring along the rail corridor, for both loaded and unloaded coal trains as part of this application. It is further recommended that air quality monitoring along the rail corridor be assessed using a suite of Tapered Element Oscillating Microbalance (TEOM, or equivalent) air monitoring systems for PM<sub>10</sub> and PM<sub>2.5</sub>. Sitting locations of monitors along the rail corridor should be designed to address cumulative impacts for sensitive receptors, including areas likely to have existing elevated levels of particulate air pollution (ie. close to significant emission sources along the rail corridor) and close to highly vulnerable sensitive receptors (ie. schools, hospitals, etc.).

- 3- It is anticipated that an Air Quality Management Plan will be required for the project. To ensure modelling constraints and other assumptions are appropriate, documented management strategies must be consistent with those defined in the AQIA. This should include pollution monitoring and best practice air pollution management strategies during coal movements (ie. wetting coal loads during freight, limiting coal load capacities, covered coal trains during transit, etc.).
- 4- Environmental management for this project will fall under a NSW Environment Protection Authority (EPA) regulated Environment Protection Licence (EPL), and it is anticipated that the EPA will thoroughly review the application. I would request the EPA to ensure that air pollution mitigation measures, and air quality monitoring, as specific to the rail corridor, be included in the EPL prescriptions - along with other air quality requirements for the project.

### **Water Quality**

The proposal is unlikely to impact on the Lake Macquarie catchment or any watercourses within the Lake Macquarie local government area.

However, from a regional perspective the following comments are made:

The Surface Water Assessment identifies plan development & monitoring as the primary means of mitigation. However, as with many mining proposals it fails to address the ability to effectively mitigate an environmental impact should it arise. The practicalities of repairing damaged creek beds/banks and associated hydrological changes can be prohibitive. Monitoring plans imply an ability to 'fix' an issue should it arise. In practice affected creeks may be inaccessible to required machinery and unacceptable damage to vegetation in order to access the site. Should access be available, the ability to repair subsidence impacts effectively is questionable with many examples of ineffective repairs documented.

### **Economic Drivers**

The proposal is for an underground coal mine delivering 5 million tonnes pa of thermal coal to export markets over an operational period of 25 years. The EIS argues that thermal coal is in increasing demand in Japan, Korea, China and India. This conflicts with International Energy Agency predictions that coal consumption will drop after 2015. According to the Australian Coal Association, the country's coal industry directly employs 50,000, and the downturn is already clear in its eastern coal towns.

### **Social Impacts**

The SIA identifies that there would appear to be significant local social benefits arising from the Project.

It identifies that the Project will generate additional employment for the area (which will assist with addressing Wyong LGA's continuing employment problem) with a very low risk to any significant change to lifestyles or amenity impacts, from the surface facilities in the Directly Affected Area.

However, whilst the SIA did consider impacts on employment, the population and housing, community infrastructure and local business, this investigation was very brief and the SIA failed to consider the full range of social impacts on both the Directly Affected Area, and the wider Secondary Study Area.

Documented issues and concerns that impact on communities affected by mining projects include:

- Declining sense of belonging in the community as a result in changes in the social make-up of the area;
- Shiftwork impacting on many aspects of community life (for example, volunteering);
- Low level of pride in the area;
- Increased living costs, such as housing and food costs;
- Higher rates of domestic violence;
- Increased wealth divide in the local community;
- Increased demand for health and support services, resulting in long wait for doctors appointments, and limited access to mental health services;
- Increased stress on families associated with the 12 hour shifts typically employed by the mining industry;
- Impacts on the population's health particularly through respiratory disease and cancer;
- Increased community anxiety about air quality and health impacts, as well as increased demand for health services;
- Environmental impacts on the community's quality of life;
- Emotional distress associated with changes to the place where people live, and the loss of their attachment or sense of belonging to places and people; and
- Loss of housing affordability (increased housing costs driven by low vacancy rates and high demand from an incoming workforce, makes finding appropriate housing very difficult).

Therefore, without the SIA investigating or providing any evidence to the contrary, then these impacts that are evident in other mining projects, are also likely to occur for this Project.

In addition, the Project is also very close to Wyee (about 6km away), with this area being identified for substantial growth. However, the SIA has not considered any impacts of the Project on this community (both current and future community)

The Environmental Impact Statement also identifies that the Project will result in additional train movements. This will increase delays for road traffic at level crossings, with the closure times at Adamstown Crossing and Islington Crossing increasing by 56 minutes per day. This will have considerable impacts on these local communities, as well as commuters travelling through these areas. However, the SIA also fails to consider/address this concern.

Finally, the SIA also fails to make any recommendations regarding measures that can be implemented by the Project to mitigate any negative social impacts, or enhance any social benefits.

Therefore, due to these issues and concerns, there is no support for the current proposal due to the considerable social impacts that are likely to arise. These will negatively impact on the

quality of life of those living in the Directly Affected Area, as well as the wider Secondary Study Area.

**Recommendations**


It is recommended that the EIS be revised in consideration of the above-mentioned issues.

Council be provided with the opportunity to review the revised EIS prior to determination.

Should the Department countenance approval of the proposed development, Council be provided with the opportunity to recommended conditions of consent.

Should you require further information, please contact the undersigned on 4921 0197 or by e-mail on [dlovell@lakemac.nsw.gov.au](mailto:dlovell@lakemac.nsw.gov.au).

Yours faithfully



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