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Submission: Rejecting Wallarah 2 ADA (SSD-4974) PAC

5 April 2017

The Central Coast Greens are strongly opposed to the Wallarah 2 coal mine proposal on a number of environmental, economic and social grounds.

No business case

The world is moving away from coal. According to the Institute for Energy Economics and Financial Analysis, the global market has entered 'structural decline',¹ with prices in free fall. Even BHP's head of coal has acknowledged that 'there are no signs of things getting better in the immediate term'.² The rapid decline in Australia's coal exports in recent years is not a cyclical blip but a structural and terminal decline that will not recover. China, Japan and India are all diversifying their energy sectors away from imported coal. In that light, we view the suggested royalties to the State in this proposal to be grossly over-estimated and to not come close to covering the long-term costs to our community and our environment.

Many mines are operating at a loss, mines are regularly shutting down and many more closures are inevitable.³ The hardest hit from this global energy transition will be the coal workers as coal companies go bankrupt or leave Australia and return to their headquarters. The next hardest hit will be State governments who are financially exposed to sudden closures with only a fraction of mine rehabilitation costs secured.

Risk of failure to rehabilitate

New South Wales has so far done a dismal job of cleaning up the abandoned mine sites where companies have walked away. Around Australia there are 50,000 abandoned mines which are not being adequately rehabilitated.⁴ If we cannot even deal with the legacy of past coal mine closures, the new wave of abandoned mines heading towards us will be a national disaster. Let's not add another one here on our doorsteps.

Mining companies have a long history of walking away without rehabilitating the land and leaving their workers in the lurch. There is a real risk that companies will sell spent coal mines to anyone or transfer them to empty shell companies to avoid the significant liabilities that arise once a mine is officially closed.

The Isaac Plains mine in Queensland was bought for \$600 million a few years ago by a Brazilian company Vale and Japanese company Sumitomo and subsequently sold for just \$1 after being

¹ Institute for Energy Economics and Financial Analysis, The Australian Thermal Coal Industry Facing Global Structural Decline Headwinds. September 2015, page 2.

² Dow Jones Newswires BHP coal boss warns on outlook 18 September 2015.

<http://www.businessspectator.com.au/news/2015/9/18/resourcesand-energy/bhp-coal-boss-warns-outlook>.

³ Peter Ker SMH Business Day "Another mine bites the dust in Australia's struggling coal sector" 1 September 2015.

⁴ Corrinne Unger et. al, 2014, Life-of-Mine 2014 Conference Maturity of jurisdictional abandoned mine programs in Australia based on webaccessible information.

placed in 'care and maintenance' (rather than closed) specifically to avoid rehabilitation costs. Vale and Sumitomo wanted to dump the \$32 million cost of cleaning up the mine after it became unprofitable to operate.⁵

Unless rehabilitated properly, derelict coal mines can cause massive pollution, especially from Acid Mine Drainage during massive flooding events. This represents a threat to the future of regional jobs in agriculture, tourism and fisheries. It happened in the Fitzroy Basin during the 2012-13 wet season and the 2013 cyclone season which hit the abandoned Mt Morgan mine near Rockhampton. In both cases, these mines discharged toxic waste into the surrounding rivers.⁶

Job losses

The job prospects from this project are inflated. Further, we will actually lose jobs if this mine is allowed to go ahead. The conveyor system landlocks Darkinjung Local Aboriginal Land Council land, downgrades value and restricts projected developments – and therefore threatens hundreds of valuable jobs in construction.

Risk to water catchment

Both Labor and the Coalition have over the years claimed that they would not support this mine due to the risk to the water catchment in the Wyong area.⁷ The current proposal would see thousands of cubic metres of semi-solid salt waste put into underground storage and capacity every year for at least 14 years, and an unacceptable salty brine discharge into the Wallarah Creek system. The water catchment supply in the Wyong valleys is also at real risk of destruction due to massive subsidence and loss of potable water to the mine area below.

Dust pollution, noise and health

The proposed coal conveyor belt and coal loading area are unacceptably close to existing residential neighbourhoods and may impact on plans by the Darkinjung Local Aboriginal Land Council for residential development in the area. Blue Haven and Wyee are now just 200 and 400 metres (respectively) from the site, and residents will be subject to constant dust and noise for 24 hours a day. We are concerned that there are many schools, preschools and other establishments within 5kms of the proposed facility, which will expose our children and other residents to dangerous emissions. We are very concerned that the proposed 9 storey coal loader will be only partially enclosed, and that there are to be unenclosed coal train movements as part of the proposal.

Approximately 3% of all coal is lost in transit.⁸ Covering wagons would reduce coal dust emissions by 99%.⁹ Coal dust washing into our waterways is toxic and in the US successful legal cases have been brought against coal transportation companies for failing to prevent coal from entering waterways due to uncovered coal wagons. As coal trains pass, particle pollution concentrations increase up to

⁵ Corey Stern Business Insider "A \$600 million coal mine sold for just \$1" 1 August 2015.

⁶ Queensland Government 2011-12 Flood Impacts and Ian Townsend ABC RN Background Briefing "Mining's dirty secret" 14 February 2013.

⁷ <https://www.australianmining.com.au/news/greens-criticise-labor-over-wallarah-2-coal-mine-opposition-2/>.

⁸ BNSF Railway (2011) Coal Dust Frequently Asked Questions <http://www.bnsf.com/customers/what-can-i-ship/coal/coal-dust.html>.

⁹ Connell Hatch (2008) Wagon lids analysis : Environmental evaluation, Commissioned by Queensland Rail Ltd.

13 times pre-coal train levels, and the effectiveness of cheaper alternatives to covering loads, such as veneering, are not backed up by any independent evidence.¹⁰

The 2013 Senate inquiry into health impact of health of air quality recommended that “state and territory governments require the coal industry to implement covers on all coal wagon fleets” throughout Australia to protect community health.¹¹ Uncovered wagons expose communities to harmful emissions of coarse (PM₁₀ - measuring up to 10 micrometres in diameter) and fine (PM_{2.5} - measuring up to 2.5 micrometres in diameter) particles. Particle pollution is a major contributor to respiratory and cardiovascular health problems – triggering heart attacks and strokes, causing asthma, hospital admissions and premature death. Fine particulate matter has been deemed carcinogenic by the World Health Organisation and, despite lower levels obviously being better than higher levels, there is, according to the World Health Organisation, no threshold below which particle pollution exposure is not harmful to health.¹² Community health is improved by reducing particle pollution right down to zero. Health impacts are associated with short-term as well as long-term exposure.

It has been estimated that the health costs associated with particle pollution in the Hunter Valley is almost \$700 million per year.¹³ Additional health costs will be associated with extra coal wagons travelling through the southern suburbs of Newcastle from this project if it’s allowed to go ahead, and of course the Central Coast community will need to bear the health costs associated with this mine if it is allowed to go ahead.

We have no confidence that air quality will be monitored properly or that any meaningful action will be taken to protect residents if higher levels of particle pollution than permitted are detected.

Subsidence

Subsidence is also of great concern, particularly given how difficult it is for people to claim compensation from the Mine Subsidence Board in practice. Residents will be unprotected from subsidence, and subsidence poses a real risk, as stated earlier, to our water supply.

Conclusion

Coal is the number one cause of climate change and we know that globally 82% of coal reserves and 95% of NSW coal reserves need to stay in the ground if we are to have even a 50% chance of keeping global warming under 2 degrees, a point past which we will face catastrophic consequences. Climate change will not just impact on our environment here on the Central Coast, on our biodiversity and habitats, but it will also result in damage to property and considerable risk to the health of the people of the Central Coast. The Central Coast community will not, and cannot, welcome a new coal mine when we know full well the impact that more coal will have on our children and our children’s children. This coal mine must not be allowed to proceed.

¹⁰ ABC (2013), Coal Dust, <http://www.abc.net.au/catalyst/stories/3831563.htm>.

¹¹ Commonwealth of Australia (2013) Senate inquiry into health impacts of health of air quality.

¹² World Health Organisation (2015) “Ambient (outdoor) air quality and health”, <http://www.who.int/mediacentre/factsheets/fs313/en/>.

¹³ Armstrong, F. (2015) “Coal and Health in the Hunter: Lessons from one valley for the world”, Climate and Health Alliance, Melbourne.