

**Submission to the New South Wales Independent Planning Commission
re Russell Vale Colliery**

Philip Laird, University of Wollongong, October 2020

This submission is based on research conducted at the University of Wollongong. However, the views and research findings are the responsibility of the writer.

This submission updates earlier submissions as far back as 2010 to the NSW Department of Planning re this coal mine.

1. It is appreciated from the September 2020 Planning Secretary's Final Assessment Report that the Russell Vale Revised Underground Expansion Project proposal has some significant changes from earlier proposals. However, the proposal still has many problems that must be addressed and it submitted that it is doubtful that it should proceed.

2. It is noted that the new application envisages the transportation of 3.7 million tonnes over 5 years of run-of-mine coal with a maximum of 1 million tonnes per annum (mtpa). This could well be part of the consent conditions, along with other appropriate considerations regarding the road haulage of coal to minimize road safety risks and preserve amenity for residents.

It is noted that the new proposed consent conditions, unlike that of the 2014 Secretary's Environmental Assessment report of the NSW Department of Planning and Environment, now include a contribution to road maintenance costs of Bellambi Lane.

It is also noted that there may also be up to 0.2 mtpa of haulage of reject material from an on-site processing plant.

3. It is of note that the original consent granted in 1979 by Wollongong City Council for a coal loader at Port Kembla included a maximum of 2 mtpa of road haulage. This limit was imposed in June 1979 with the consent of the NSW Government.

4. State Environmental Planning Policy 7 (SEPP 7) was gazetted in December 1982 by the NSW Minister for Planning after the then new Port Kembla Coal loader had been officially opened on 22 November 1982; in part because the 2 mtpa limit consent condition became untenable in the absence of committed construction of a conveyor from the South Bulli Colliery to rail loading facilities near Bellambi Station.

Incidentally, and not as stated by another speaker at the public hearing held 19 October, coal from the original mine opened in the 19th century was conveyed to a jetty at Bellambi by rail (and not road).

5. SEPP 7 did, however, by way of compensation to Wollongong City residents, and users of the Mt Ousley Road and other highways, retain a curfew to preclude coal trucking at night, as well as Sundays and Public Holidays. In addition, SEPP 7 did effectively reserve coal from Tahmoor and Western Mines to rail.

Despite the provisions of SEPP 7, the road haulage of coal continued to impose adverse social and environmental impacts on the City of Wollongong. These included:

- Ongoing loss of life in fatal crashes involving coal trucks on public roads
- Air pollution and noise from coal trucks on and near public roads
- Increased road wear and tear
- Contributing to road congestion at certain times, and
- Increased dust pollution at the Port Kembla Coal Loader as receiving coal by road is a dustier operation than receiving coal by rail.

As a result, Wollongong City Council, reflecting the concerns of ratepayers and residents, formed a Coal Transportation Task Force that reported in 1990. This report noted, inter alia, that the NSW Roads and Traffic Authority based on 1989 Land and Environment Court proceedings (Baulkam Hills Shire Council and another party) that the average external cost of pavement wear and tear due to bulk haulage was 3 cents per net tonne kilometre.

This road pricing issue in relation to coal had been earlier taken up by Coal Resources Development Committee (1989, Strategic Study of the Southern Coalfield p49) that noted there is a potential to use "hidden costs" of road transport "*... as a form of cross subsidy for coal producers who do not use road transport.*"

Other reports of note include:

A. The report Air Quality in the Illawarra (1985) by the Illawarra Environment Centre (prepared with the financial assistance of the Federal Department of Environment) had recommendations including # 7 "*The state government should recognise the need for an adequate rail transport system for coal in the Illawarra so that the coal loader can operate at its originally planned level of road receipt.*"

This still applies. As noted above, the original planned limit was set at 2 mtpa.

B. The Federal Bureau of Transport Economics in a 1992 report found, inter alia, that train operating costs in terms of cents per net tonne km for Southern NSW coal train operations on existing lines could be appreciably lowered (by over 30 per cent) if the Maldon - Dombarton link was completed and electrified. This conclusion was reached after extensive analysis.

C A 1993 report Land Freight Transport Energy Evaluation Main Report-Part One by P Laird and G Adorni-Braccesi at the University of Wollongong for the Energy Research and Development Corporation found in part that transport of coal to Port Kembla had a **low overall energy efficiency** of 1.34 net tkm per MegaJoule (MJ - which is less than one third of Central Queensland coal train operations). It also had **high land transport operating costs along with high social and environmental costs** .

D The Report of the Commissioners of Inquiry (1993) re the Port Kembla Coal Loader was followed by the NSW Minister for Planning making a determination in 1994 granting consent for expansion of the Port Kembla Coal Terminal. In addition, the Minister for Planning also acknowledged three other items. These included Noise Impacts on residents along Mt. Ousley Road (leading to noise walls).

E. Following approval in 1993 by the Federal Department of Local Government of funding for a \$100,000 feasibility study for completion of a St Marys/Badgerys Creek - Campbelltown - Maldon-Dombarton rail link, a report was presented to Wollongong City Council in May 1995. The Kinhill Engineers report recommended, in part that

"...establishment of an effective road use charging system whereby road coal freight vehicles pay for the full external costs" such as pavement damage, congestion, noise and environmental costs.

6. An outline of the past impacts of coal trucking to Port Kembla follows (from a joint authored book of this and other writers *Back on Track ...* UNSW Press 2001):

BOX 2.2 PORT KEMBLA COAL EXPORTS

In May 1979, no fewer than six lives were lost in two road accidents involving coal trucks. The public reaction was a massive petition signed by 40,000 people and presented to the NSW Parliament: *We, the residents of Illawarra and Southern Tablelands living on the road haulage routes used by heavy transport hereby request your consideration of our petition. I, the undersigned, am appalled by the continuing carnage on our roads and in particular Mt. Ousley, and join in demanding the local, State and Federal authorities take immediate action to ensure motorists' safety.*

I further demand the relevant authorities make provisions for the complete abandonment of coal haulage by road.

The immediate NSW Government response was a 40 km per hour speed restriction on heavy trucks coming down Mt. Ousley, and a thorough mechanical check of the entire coal truck fleet. The results, as reported in 1980 (McDonnell) by a Commission of Inquiry showed that some 30% of the coal trucks had major safety defects, mostly in the braking and steering systems. This led to the ongoing efforts of the NSW authorities in annual and random safety checks of the mechanical condition of heavy trucks operating in NSW.

However, in 1983, Illawarra coal trucks were reportedly involved in fatal crashes at rates, per 100 million vehicle kilometres, of up to three times higher than NSW averages for all articulated trucks. During the eight years from 1978 to 1985, trucks hauling coal to Port Kembla were reportedly involved in some 27 road fatalities. Further efforts by the NSW Government and the coal and trucking industry in the late 1980s, along with much road upgrading, lead to an appreciable improvement in safety in coal trucking. ...

In 1983, the NSW Government commenced work on a Maldon - Port Kembla railway. However, after an outlay of some \$50 million on new track, half a bridge, and a start on a tunnel, work was stopped in 1988 by the Greiner Government.

Other external costs of coal trucking to Port Kembla include road congestion in urban areas, air pollution, vibration, and noise. The noise from coal trucks was found to exceed NSW Government road side noise guidelines and was appreciably more than the noise from coal trains (Healthy Cities Illawarra/EPA, 1993). Subsequently, extensive noise walls extending for several kilometres along Mt Ousley, and other roads used by coal trucks near residential areas in Wollongong City, were installed.

The impacts were well summarised by a NSW Coal Development Strategies Industry Task Force report (1990, p59): "*Road haulage has significant community costs including noise and dust pollution, increased energy usage, increased road maintenance, safety hazards, negative effects on tourism and complaints from local residents*".

7. The current levels of road haulage of coal at about 5 mtpa (about 4.92Mt of combined private and public road receipt in 2018-19) to the PKCT impose social and environmental impacts as well as accelerated road wear and tear.

External costs do not appear to have been addressed in the 2020 Secretary's Environmental Assessment report. It is hoped that the Commission will consider them.

8. One external cost is the under-recovery of road system costs from articulated trucks hauling heavy loads over large aggregate distances each year. Although the subject is open to debate, there is general agreement at the Federal and State level of government that the operation of heavy trucks hauling heavy loads and large aggregate annual distances are subsidised. Here, the Productivity Commission found in 2006 that the current methodology used by the National Transport Commission for determining road user charges for heavy trucks is "conservative" by international standards (i.e. resulting in lower charges) and that payments made by certain six axle articulated trucks do not meet NTC allocated costs. In

addition, it is noted the difference between New Zealand and Australian road user charges for a heavily laden 9 B-Doubles and semitrailers hauling long annual distances, translates to about one cent per net tonne kilometre.

9. External costs were also addressed in a 2001 Australian Rail Track Corporation Track Audit (by Booz Allen and Hamilton) which gave unit estimates for '*... noise pollution, air pollution, greenhouse gas emissions, congestion costs, accident costs, and incremental road damage costs*' for road and rail freight in both urban and non-urban areas.

These unit estimates were revised as part of research at the University of Wollongong for Queensland Transport and the former Rail Cooperative Research Centre (CRC) as follows (in year 2000 values): 2.75 cents per ntkm for road haulage in urban areas, 1.98 for road haulage in non - urban areas, 0.43 for rail haulage in urban areas, and 0.17 for rail haulage in non - urban areas.

The NSW Independent Pricing and Regulatory Tribunal in its 2012 *Review of Access Pricing for the NSW Grain Line Network* gave (page 31 and 32) two sets of values for external costs for road and rail freight in non-urban areas. The higher value unit cost (that include an allowance for unrecovered road system costs from articulated trucks in urban areas of one cent per net tonne kilometre (c/tkm)) was put at **3.88 c/tkm**.

Road systems cost under recovery from heavy truck operations represent real dollars to tax payers and motorists.

10. The Russel Vale Mine is approximately 14 km from Port Kembla. Setting aside say one kilometre of road between the mine and memorial drive, the coal trucks will move along 13 kilometres of highways. Based on the above cited 3.88 cents per net tkm estimate **then for each tonne of coal hauled by truck from Russell Vale to Port Kembla, there is a hidden subsidy of 50 cents**. So, for 3.7 million tonnes of coal trucking from Russel Vale to the PKCT, there is an estimated hidden subsidy amounting to \$1.85 million.

11. It is suggested that rather than allow for such a hidden subsidy, it is submitted that if the proposal is conditionally approved, a further condition should be that a contribution be made to Roads and Maritime Services to provide for the unrecovered road system costs incurred by the additional road wear and tear caused by the road haulage of coal, and funds to improve road safety along the route and measures to better control heavy truck noise.

An amount of 50 cents per tonne is suggested as reasonable in this case.

12. It is of concern that the September 2020 report appears to overlook heavy vehicle safety. It is submitted that a condition be imposed that if the proposal is conditionally approved, as well as a code of conduct for coal truck drivers moving between South Bulli and PKCT that all trucks should be fitted with tachographs, and be modern trucks with low emissions without noisy engine brakes.

13. If the proposal is to proceed, the proposed condition of a road curfew for the haulage of South Bulli/Russell Value Coal is supported. These include:

- An average of 16 coal truck loads per hour between 7.00 am - 6.00 pm Monday to Friday and 8.00 am - 6.00 pm Saturday
- No coal transport Sundays or Public Holidays

14. When commenting on conditions imposed by the government of New South Wales on the operation of a new coal loader at Newcastle, the Sydney Morning Herald on 4th September, 1976, the Deputy Premier, the Hon Jack Ferguson MP noted that these included:

“All existing rail shipments must continue, and all coal from future new mines and increased output from existing mines also go by rail”, and

“Road haulage of coal will be ‘the subject of tough environmental protection action’.”

It is recommended that the second of these two principles should be applied to the operation of any conditional re-opening of the Russell Vale mine, and, that a contribution should be required for the maintenance of public roads, the improvement of road safety and reduction of truck noise impacts.

15. As above, the proposal has many problems that must be addressed. These include mining under stored waters in the Sydney Water Catchment area and possible consequences, difficulty of predicting impacts of triple seam mining, the mines proximity to residential areas, potential impact on wetlands, greenhouse gas emissions, site rehabilitation and the adequacy of the rehabilitation bond. It is hard to understand the stated support of the NSW Department of Planning for the proposal, and, it is submitted that it is very doubtful that it should receive approval by the Commission.