

# LOCK THE GATE ALLIANCE

AUSTRALIANS WORKING TOGETHER TO PROTECT OUR LAND, WATER, AND FUTURE

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## **Submission: Mangoola Continuation Project**

### **Introduction**

The proposal being made to the IPC about this project, is that it should allow permanent inter-generational harm to be inflicted on a local community, endangered flora and the stable climate to accommodate the over-exploitation and over-hasty mining strategy by Glencore that has brought forward the closure of the mine. The impacts of this mine expansion are profound and some will be of many generations duration, or even permanent. In contrast, the economic benefits are narrow and short-lived. The ostensible extension in time of mining employment based on the original consent is only thirteen months, but Glencore's aggressive mining strategy will bring on closure four years early. As a result, the company is using its workforce as a bargaining chip to get consent to doubling the frequency of blasts, double of number of voids add nearly a third again as much woodland clearing and land disturbance, nearly half again as much greenhouse gas emissions and ten percent more groundwater flux from the Wybong Creek alluvium.

On the reverse side, the air, noise and social impacts being experienced now by people living in the Wybong Valley will begin to be alleviated when the mine moves to closure and the re-establishment of biodiversity will accelerate. This too must be weighed in the ledger of the public interest of this project.

And so too must the opportunity cost for Muswellbrook, a local government area with social and economic conditions that do not reflect the rich wealth of coal mining represented by a council that has urged you to refuse this project.

### **Justification**

The project consists of an extension of mining to the north of the existing operation, enabling the extraction of 52 million tonnes of coal and keeping the mine churning out the maximum rate per year, 13.5 million tonnes of coal.

Effectively, the impacts are increasing substantially, but the life of the mine will only extend for an additional 13 months to December 2030. This application then is an intensification of impacts and economic dependence, delaying end of mine planning and workforce support and consequently creating economic and social risk to Muswellbrook Shire.

Glencore has informed the Department that "based on anticipated production rates it is likely to exhaust approved coal resources by 2025," even though the consent allows for mining to continue to 2029. Without this intensification and expansion of impacts, Glencore claims it will close the mine early. Glencore made business decisions to mine at a rate that will lead to the coal resource being exhausted early. Its actions cut short the expected employment of their workforce in the mine by four years, and now the company uses this as a justification for extending and expanding the

considerable impacts the mine has had on the Wybong community and the biodiversity of the district. This is a fundamentally unjust proposition.

As usual, the Department's "Strategic context" section misses most of the important strategic context for this project and Muswellbrook Shire. The Department selectively cites the Strategic Statement on Coal as if that statement were an endorsement of this specific project while ignoring the overall strategic context that makes this project high risk.

Crucially, several aspects of the Strategic Statement on Coal are not yet implemented, including measures to address air pollution and impacts on water resources and regionally-targeted diversification measures, which are specifically needed in the Hunter. This raises serious questions about whether the region and the Muswellbrook LGA can afford to proceed with this project, questions that were very clearly raised by Muswellbrook Council in its meeting with the IPC.

The Assessment Report notes for example that the Strategic Statement, "seeks to reduce the impacts of mining on regional communities" by supporting improved management of impacts on air quality and water resources. New measures to achieve this are yet to be introduced.

The Assessment report acknowledges that the Strategic Statement on Coal outlines how global transition new energy sources "will continue to reshape our regional communities that are currently rely (sic) on the export coal industry" and that the Hunter in particular will "need time and support to diversify their economies and develop new sources of employment." This support, too, is yet to be implemented.

In the absence of this support, there is a genuine and very serious threat that this project will do economic harm to the Muswellbrook LGA particularly because it continues and deepens its dependence on the export industry to the detriment of other economic activity. That threat is reflected in Muswellbrook Council's objection to the project. Council cited contraction of other industries, particularly agriculture, that is already occurring. Similar warnings have been expressed by the Hunter Thoroughbred Breeders Association. This project threatens the resilience of this community and its capacity to adapt and respond to changes that are underway: by enabling Glencore to continue mining here at the maximum rate for another four years, the IPC will be delaying measures to prepare Muswellbrook for these changes, and as Council has warned, that runs the risk of leaving Muswellbrook a "ghost town."

Finally, the Department claims that there are future expansions of the Newcastle coal export terminal that aim to facilitate the expansion of export volumes to around 230 million tonnes of coal and that NSW coal production and exports are expected to rise in line with this capacity. Such statements are patently at odds with the deep strategic threats of climate change and declining markets for thermal coal.

## **Social**

The Department has provided the Commission with a superficial and negligent assessment of the real social and economic risks posed by this project.

The Wybong community is hanging on despite 54 properties being already bought out because of noise created by this mine. With this project, an additional 6 residences are proposed by the Department to be granted acquisition rights.

Lock the Gate receives calls and pleas for help from people still living near the mine who cannot sleep and tell us they have been treated appallingly by Glencore. There is not much help that we can

offer, as the planning process is designed to leave people with no recourse if their property is not granted acquisition rights. In any case, many people want to remain in their community. Decisions by the Department and consent authorities make it impossible for neighbours of mines to quietly enjoy their properties, forcing them to either leave or live with the intrusive pollution impacts of the mine. The “mitigation actions” for air and noise pollution essentially consist of shutting your house up. It is not a life anyone would choose and it is fundamentally unjust of the IPC to worsen this impact on Wybong and extend it further up the valley. Evidence presented to the IPC about the difficulty Wybong residents have had in selling their properties confirms that applying the “mitigation measures” available in the Voluntary Land Acquisition and Mitigation Policy is insufficient to address the damage inflicted by this project.

The Assessment Report notes that properties affected by the road closure and most that are affected by the intensification and spread of noise and air pollution are “mine-owned,” but does not appear to have inquired if there are people living in these properties. The Department and the policies of the Government are not concerned with the lives, rights and the health of renters and this is a major failing of the assessment. Not owning the property in which you live does not mean the impacts of noise, air pollution and social dislocation do not affect you. The impact of the project on renters has not been considered by the Department or Glencore at all.

In its meeting with the IPC, Muswellbrook Council declared “enough is enough” and put its formal objection to this project on the record. It is unusual for Council to object to a mining project and the IPC cannot ignore the substance and importance of this objection.

Council noted in its meeting with the IPC the tendency for people to “vote with their feet and live elsewhere” because Muswellbrook suffers the amenity and environmental impacts of mining and people, including those who work in the industry, don’t want to have to live with those impacts. It is claimed in the Assessment Report that 51 percent of the workforce lives in the Muswellbrook LGA, but that statistic has been queried by Council which argued that addresses in Muswellbrook are being used as boarding houses by mine workers who live in the Lower Hunter.

The Department did not adequately responded to Council’s concern about the further depopulation of the Wybong district, and the expectation that extending the mine area would reduce the number of residents available to volunteer in community organisations like the RFS, participate in local community events, provide neighbour support and ensure the resilience and transmit the heritage of the community post mining. The Assessment Report cites participation in the RFS by members of the Mangoola workforce as a counterpoint, but if that workforce doesn’t live in the Wybong Valley, that is no assistance to this community.

The impact extends beyond the local area. Muswellbrook Council told the IPC that, “we don’t want [to] become a ghost town” as coal demand reduces globally and the industry declines. Council has outlined the flow-on economic consequences of an economy too concentrated on mining, such as the contraction of veterinary practices as they struggled to maintain clientele. Crucially, Council acknowledged that employment in mining is male-dominated and the employment *lost* as a result of expanded mining affects women, Indigenous people and the socially disadvantaged. This means that expanding mining may well exacerbate existing socio-economic challenges in Muswellbrook.

The Hunter region has higher average incomes than many parts of NSW and generates more gross regional product than any other region. But these averages mask pockets of disadvantage. This affects young people, who have lower high school retention rates and worse mental health than the

average, Aboriginal people who have higher rates of unemployment, lower educational attainment and lower incomes and sole parent families who have higher unemployment and lower incomes.

Muswellbrook itself is a notable pocket of disadvantage amid the broader regional prosperity. Aboriginal unemployment is 21%, the percentage of people receiving welfare in the LGA is twice the Upper Hunter average and on the index of social disadvantage it scores poorly compared to other LGAs and NSW generally.

Beyond the superficial analysis of the Department, we urge the IPC to heed the warning of council that this project will decrease economic and social resilience in Muswellbrook and lead to real harm. The IPC has heard from council that, “whilst the mine does provide employment, it is actually going to be for a short to medium term and when the mine closes, we will have a community that actually is no longer functioning in a diverse way and people will suffer from the loss of employment, and there needs to be a lot of planning for the transition to other employment opportunities.”

The Department’s Assessment Report considers that the social impacts of the project will only last as long as active mining, but this fails to account for the long-term impact of diminished resilience and diversity in the local district and the region more broadly. In its social impact section, for example, the Department remarks that, “As these projects have a finite lifespan, the careful consideration and management of potential social impacts over this operational period must be weighed up against the potential benefits to the community and State.” This is a fundamentally mistaken analysis. In fact it is the financial benefits of this project that have short duration: the social and environmental impacts will last long after Glencore has left the Hunter Valley.

We note that unlike other mining projects, where conditions often require VPAs to be finalised before construction begins, the Department here recommends a condition that Glencore, “make all reasonable efforts to enter into a VPA with Council within 6 months of starting construction.” This leaves as highly uncertain one of the central mitigation actions for social and economic damage inflicted by the mine. Moreover, the central mitigation measures for social impacts, the Community Enhancement Program and Social Impact Management Plan have clearly been rejected by the actual affected community as inadequate.

## **Biodiversity**

This mining project already inflicted the most severe impact on biodiversity of any Hunter Valley mine, clearing 1,300 hectares of irreplaceable remnant woodland. This project will clear a further 356 hectares of remnant woodland, and displace hundreds of endangered orchids. We are frustrated by the Department and proponent referring to the Upper Hunter Strategic Assessment in the assessment of this mine. The impact report for that process was never released to the public, even in draft form, and the Strategic Assessment never been formalised under the *EPBC Act*. For a mine with such a significant biodiversity impact, the Department seems to have paid scant attention to the issue. The assessment that *has* been conducted fails in the obligation to meet the “avoid, mitigate, offset” hierarchy. Offsetting is the first and only consideration, and the offsetting that is proposed is grossly inappropriate.

Glencore’s proposal to offset the impacts of this project on the two threatened orchids is entirely dependent on “surplus” offset credits created from offsets already committed to the United Wambo project. A United Wambo offset site is also proposed to satisfy nearly 6% of the offset credits required for Narrow-leaved Ironbark - Bull Oak - Grey Box shrub - grass open forest of the central and lower Hunter. We note that when this community is cleared for United Wambo, which is under construction, it is considered clearing of a critically endangered ecological community. The

community is not considered critically endangered here because of the absence of Permian soils. No information is provided by the Department which accounts for how these United Wambo offset sites have managed to generate “surplus” credits. We note that the Department responded to our concerns about this during its second appearance at the public hearing, without actually providing any detail to substantiate the claim that these properties have surplus credits to be retired for this project.

With this proposal, too, Glencore continues the practice of using the area they are clearing as its own offset, with the promise of mine rehabilitation. For two ecological communities, the proposed offsetting strategy rests almost entirely on future mine rehabilitation. For Forest Red Gum grassy open forest on floodplains of the lower Hunter, 72% of the proposed offsetting relies on this, and for Swamp Oak -Weeping Grass grassy riparian forest of the Hunter Valley it is nearly 90%. This means the offset will not be established until after 2030 and could expect to be able to be ecologically functional for at least a couple of decades after that.

In the biodiversity section of the Assessment Report, the Department cites the claim that Glencore has “successfully rehabilitated” 490 hectares of land, but as the Council submission pointed out, this “success” does not mean the rehabilitation has been completed and the land relinquished, and there is no information offered about the successful establishment of independently functioning endangered ecological communities.

Furthermore, we note that one biodiversity offset is located in the Giants Creek area which has been earmarked by the Government for potential release for exploration and ultimately exploitation for coal mining.

## **Water**

The Assessment Report provided by the Department again incorrectly applies the Aquifer Interference Policy. It is stated that the project’s impacts are “predicted to comply with the Level 1 minimal impact criteria under the NSW Aquifer Interference Policy at all but one privately-owned bore within a 3 km radius of the site.” This is different from the IESC’s advice which claims there will be draw down in four “private bores” of more than 2 metres. Moreover, it fails to properly apply the AIP, which requires assessment against the minimal impact criteria at all water supply works.

This issue was clarified by the IPC in its Statement of Reasons for the Bylong coal project which made clear that the consent authority accepts that the minimal impact considerations must be applied to all water supply works. For the Department to persist in misapplying this policy, and to simply state, in response to the IPC’s query at the public hearing that it “disagrees with Lock the Gate’s interpretation” leaves the IPC without the information it requires to determine this application in accordance with the Aquifer Interference Policy. In the absence of that requisite information, the prudent course must be to refuse consent for this project.

There is no map provided by the Department or list of water supply works that will experience draw down or water quality deterioration greater than the minimal impact criteria, though the report does note that “Glencore has observed that as drawdown from the existing Mangoola operations has reduced water levels, groundwater in its bores has often become more saline which likely represents the mixing of water from different depths within the groundwater regime” and that “exceeded the ANZECC guideline limits for aquatic ecosystems, irrigation, drinking water and stock.”

The water assessment demonstrates the reliance of the mine on rainfall runoff. Close to 40% of water inputs, more than 2GL, are sourced this way. Coal mines in the Hunter do not generally obtain

surface water licences for the diversion of run-off for use in running their operations, and this is leading to substantial cumulative take of surface water that remains unaccounted for in the two Water Sharing Plans that manage surface water in the region.

Moreover, catchment alteration as a result of the proposal is expected to potentially result in a 1.2% reduction in average surface flows to Wybong Creek, with most of this a permanent loss of flows following the cessation of mining. It would have been useful for the Department to contextualise this loss not just in relation to average flows, but also in relation to low flows. It would also have been useful for the Department to describe the combined impacts on Wybong Creek of both surface and groundwater impacts, since the groundwater impact assessment also cites a 1% reduction in baseflow to Wybong Creek – resulting in an overall impact of over 2% of average surface flows. Capture and use of run-off would also be additional to this. It is not possible, from the information presented in the Assessment Report, to understand the implications of this loss in below average years or to understand the cumulative impact of surface water loss and diversion as a result of this project.

### **Greenhouse**

In preparing for this hearing, we returned to the Assessment Report prepared in 2007 by the Department for the Anvil Hill coal project, as this operation was then known. Unlike the Assessment Report before the Commission this year, in the 2007 report the Department acknowledged, “that global warming/climate change poses a significant threat to society and the environment” and described in broad detail the environmental consequences of global warming, including increased temperatures in Australia, more extreme weather and bushfires, impacts on river flows and water supply to communities and the environment and the extinction of between 18% to 35% of species by the middle of this century.

In 2007, the Department wrote, “The Department acknowledges these concerns, and the impacts posed by global warming/climate change, but does not believe that the threat posed by global warming/climate change should necessarily preclude the approval of the project.”

Further, the Department wrote that, “With regard to the principles of ESD, the Department acknowledges that global warming/climate change presents a clear threat of serious or irreversible environmental damage, as well as a threat to intergenerational equity and a threat to the conservation of biological diversity.”

The treatment of climate change and intergenerational equity in the Anvil Hill Assessment Report fourteen years ago was more detailed, candid and even-handed than its treatment in the report that has been provided to the panel for this project. The panel will not find any consideration in the Assessment Report for this project of the actual impacts of climate change on this region or any other part of New South Wales. Nor will the panel be able to come to an informed understanding of the role of this project in contributing to those impacts. All we find is a series of evasions and excuses for the Department’s continued failure to treat this issue with any seriousness.

The scientific analysis of our current situation is very clear: there will be permanent, enormous and incalculable environmental, social and economic consequences of failing to achieve the temperature goals of the Paris climate agreement. Leaving aside its moral culpability, the Department of Planning steadfastly refuses to accept its statutory responsibility to assess the role of this project in that disaster. It has made no effort to assist the panel in reaching a rational and reasonable conclusion about this issue. It has not even required Glencore to prevent and mitigate the direct emissions that will occur as a result of methane escaping from the coal seams exposed by this project. Nor has it

even considered the possibility that Glencore should be required to offset the 100 million tonnes of greenhouse pollution this project will add to the burden we are loading onto future generations.

If this project would not be “economically viable” if it was required to mitigate fugitive emissions on site, for example, then that is not a reason to accept these emissions as inevitable. It simply means that the release of these emissions must become part of the panel’s determination of the project.

Finally, there is a statutory responsibility on both the IPC and the Department to consider intergenerational equity. The Department relegates this issue to an appendix, and opens its consideration of it with a declaration that, “Intergenerational equity has been addressed through maximising efficiency and coal resource recovery and developing environmental management measures which are aimed at ensuring the health, diversity and productivity of the environment are maintained or enhanced for the benefit of future generations.” No reasonable person can accept that this is a true statement. Not after hearing Muswellbrook Council describe how this project jeopardises the resilience of the local community and the Muswellbrook Shire more broadly. Not when it is clear that the Department considers this project to be part of a global trajectory that will see average temperature rise of 3 degrees, which will dramatically transform and degrade not just the environment, world heritage and biodiversity of New South Wales, but the lives and wellbeing of our population. It is nonsensical.