

OBJECTION to:

Hume Coal

1/Berrima Rail Project 7171 and

2/ Hume Coal Project 7171

Personal Private Submission by:

Holly Campbell – Resident of Mittagong

Declarations: I am a former Wingecarribee Shire Councillor 2012-2016 (Chair Economic Development & Tourism); former Vice Chair Southern Highlands Chamber of Commerce & Industry)

Summary of Submission:

I am entirely opposed to both the Berrima Rail Project (7171) and the Hume Coal Project (7172) as per the following submission.

Submission to IPC & NSW Department of Planning, Industry & Environment in direct relation to Hume Coal Project (Rail and Mine - SSD 7172 and SSD 7171) – Berrima NSW

INTRODUCTION

In considering the Hume Coal Project and Berrima Rail Project (respectively SSD 7172 and SSD 7171) we find on page 77 the Department's closing words: "...*the project is not in the public interest*".

1. **Public Interest** is generally accepted by a court of law to include among other things, **open justice, public health and safety, the prevention of crime and the economic wellbeing of the community**. The Department's assessment largely refers to surface and groundwater impacts, the health and safety of mine workers and economic benefits to NSW.
2. **Social license** refers to the acceptance granted to a company or organisation by a *community*. Social contract is regarded as the *relationship of power between state and citizen* as a consensual exchange – and explains why the **state has duties to its citizens, in this case to the citizens of the Southern Highlands**.

I wish to focus issues that relate to public interest and social license as regards the Hume Coal Project in the Southern Highlands.

Why has the community of the Southern Highlands fought so hard, so passionately, so long and for some, at such great personal cost, against POSCO's Hume Coal project?

The answer is quite simple: because we value what we have here in the Highlands.

What we have is a community that has a reputation as one of the most scenically beautiful regional areas in NSW. It is a shire composed of not one town, but many with a rural character that remains strong and indeed prosperous. It is a shire that has seen significant growth in population that most recently includes an upswing in young families looking for 'quality of life'. It is a shire that has also seen important growth in terms of business across industries as diverse as manufacturing to tourism and health.

I'd like to give the Panel an idea of how the Southern Highland 'rates' as reported by Microburbs.com.au a company that relies on data from the Australian Bureau of Statistics (the ABS) and Rapid Intelligence, and whose clients include the CSIRO, Monash University, NewsCorp, Woolworth, CBUS and the Urban Development Institute of Australia. In other words, the following ratings should not be dismissed lightly:

Family, Safety, Lifestyle and Tranquillity all rate 9/10 while Community rates 10/10, all of which I am sure the IPC would recognise as highly important considerations by any one choosing where they want to live and why.

In the last 18 months Australia has been impacted by Covid-19. **One of the most dramatic outcomes has been the migration of populations from capital cities to regional Australia.** ABS figures show regional migration figures over 223,000 moving from capital cities **to live in regional areas with *lifestyle markets* such as the Southern Highlands.** In January, the Southern Highlands and Shoalhaven region were rated the best performing regional housing market nationally.

In 2019 the Department of Planning and Environment projected the shire's population to increase by 2,500 between 2016 at 49,000 to 51,500 by 2041. Those pre-Covid predictions are already defunct: during 2020 our shire's population reached 51,760. I have been told by local property industry people we have a housing supply shortage (both sales and rentals) with demand continuing to rise strongly and showing no sign of abatement.

Why is the Highlands so popular, not just to retirees but young families, couples and even singles? People see regional Australia offering benefits that big cities can't. The **Southern Highlands**, just 1.5hrs from Sydney, is a destination with a **valuable and valued reputation** – for people seeking respite for a day, a weekend or permanently. Think back to those rating scores for Family, Safety, Lifestyle, Tranquillity and Community. We are a desirable location to live work and play in; and we one of Australia's most in-demand wedding destinations. We have retained and fiercely fought for our rural character and agrarian-based lifestyle.

Let's be clear - we are not seeing an influx of visitors or new residents to the Highlands because we have a reputation as a mining region with mining jobs.

If we did become a shire with a new mine development – and this is the only greenfield site under assessment by the NSW Government – *what do we gain?*

1: Crime:

One of the least studied impacts of the mining sector on communities is that of crime. It is a critical research gap. In Lockie et al., 2009 p336 the authors concluded that the rapid development phase of a new mining site in Queensland noted *'increases in criminal and anti-social behaviour'* representing an *'acute social impact'*.

In their report "The Resource Boom's Underbelly: Criminological Impacts of Mining Development" (December 2011) Carrington, Hogg and McIntosh could locate only three EISs which "...*acknowledge the risks that resource developments are likely to adversely impact on alcohol abuse, domestic violence and other crimes (such as assault and illegal drug use), organized prostitution, motor vehicle accidents and other accidental injury (BHP Billiton, 2009; Sunderland, 2008; Synovate et al., 2009)*". The authors further say "*most large mining companies operating in Australia acknowledge their corporate social responsibility to effectively manage social and human capital, as well as economic and environmental impacts on key stakeholders (CSR, 2007; Minerals Council of Australia, 2005). These policies are often couched in terms aimed at mitigating business risk and creating business opportunities (Innes, 2009), rather than long-term social sustainability. But self-regulation in relation to social impacts has severe limitations. There has been no investigation of the short- and long-term criminological impacts, and many other social impacts remain un-investigated.*

The report goes on to say “... *community consultation has increasingly become part of the accepted methodology for the preparation of EIS documents... recognizing the need for the industry to commit to the concept of a ‘social licence to operate’ (MCA, 2005). **At best such a licence would represent an unwritten social contract with host communities, lacking enforceability when it counts. At worst, it appears as little more than a public relations exercise aimed at defusing criticism.***

“Identified long-term, cumulative and serious social and human impacts (see e.g. [Carrington et al., 2010](#); [Haslam McKenzie, 2010](#); [Lockie et al., 2009](#); [Petkova et al., 2009](#); [Rolfe et al., 2007](#)) appear to receive inadequate consideration when planning for resource projects. Recognition and/or recommendations for amelioration of potential or realised negative effects have been narrow, overlooking the depletion of social and human capital within communities directly affected by resource projects.”

The Southern Highlands is not crime free, but equally it is not regarded as a high crime area. Indeed, it was reported in 2018 that there had been a reduction in most major crime categories in the Wingecarribee Shire.

As the aforementioned reports verify, with the resources sector comes an increase in crime – an increase that is undesirable, unwanted, unaccountable and not in the public interest. It could not be said that the community of the Southern Highlands endorses an increase in crime as an acceptable impact of Hume Coal’s social licence to operate.

2: Misleading Economic Growth (Royalties & Jobs - Mining’s Mythconceptions).

“Seeing Through The Dust” published in 2014 by the Australia Institute revealed much about the mining industry, exploding many **myths about mining’s economic contributions via job creation, royalties and so forth, inflating the real value of mining.**

The Department states in its Assessment of Hume Coal: *“In weighing the merits of the project, the department acknowledges that it would have a number of benefits, including generating some 415 jobs during construction and up to 300 jobs during operations ...”*.

Let’s understand clearly that modern coal mining is capital intensive, relying on machinery rather than labour. It rates well behind industries like **health care, retail, education, manufacturing and construction, all of which are well established, indeed currently booming sectors in the Shire**. Our retiree population continues to generate high quality health care jobs, our schools are at capacity and we have surprisingly robust retail and manufacturing sectors. New and expanding building companies are experiencing labour shortage as residential construction is stretched to meet demand.

In short, it could be said this Shire is not dependent on Hume Coal for job creation at all.

The Hume Coal project will mine using an untested and highly questionable method called Pine Feather. Given it’s novelty and unproven success in geology such as the Hume Coal Project encompasses, surely it will require highly experienced labour.

There is no absolute condition of approval or oversight to guarantee Hume Coal’s labour will be sourced from existing residents within the Shire. It could be imported from overseas or brought in from outside the Shire, possibly from POSCO’s other mining concerns in Australia – WA or Qld – where more highly skilled labour is likely to be found.

The Department further states benefits from Hume Coal include “... *generating around \$200 million in royalties and company taxes for NSW.*”

Let’s pick that apart. That \$200 million in royalties is over *the lifetime* of the mine – some 19 years, so around \$10 million per annum, welcome but hardly significant as far as NSW’s budget is concerned. Most coal mines are foreign owned, meaning the profits go overseas. Hume Coal is no exception, being owned by Korean giant POSCO. Coal mining is also a heavily subsidised sector, pays a much lower company tax rate than that paid by Australian industries. In NSW, coal royalties barely make up 2% of State Government revenue – about the same amount received from fines and licenses and less than from gambling and betting taxes. Neither do those royalties come directly to Wingecarribee Shire Council for much needed roads upgrades or bypasses to ease traffic congestion. Even if this Shire garnered \$10 million per annum of royalties, let’s put it in perspective: quite simply \$10m would not only cover half of next years’ planned sewerage works upgrades, listed in our 2021 Operational Budget at an estimated \$20.5million.

In comparison Tabcorp contributes over \$1.3 *billion* per annum to NSW including, in 2018 around \$460 million in NSW taxes and around 2,000 jobs. In addition, Tabcorp supported around 30,000 racing industry jobs throughout the State. Which brings us to the next point...

3: Negative Impact to Shire’s Economic Resilience (Protecting what we have gained - Existing, Appropriate & Developing Industries)

The Shire is known for **exceptional Tourism** (including weddings), **quality Agriculture**, a **burgeoning Equine sector** and interestingly a **strong manufacturing** base. For example:

1. **Nexport**, the largest supplier of electric buses in Australia, has recently purchased a 51ha site in Moss Vale for its e-bus and e-vehicle manufacturing hub with as many as 2000 new skilled jobs envisaged (as compared to Hume Coal’s 300 operational jobs). This \$700 million enterprise is an exciting development for the Shire with Nexport’s chief executive announcing the Moss Vale industrial production site would be a zero-emissions site and would be producing buses, trucks, vans and passenger vehicles when it was at full strength and that their aim is to attract other "cleantech" businesses to the site. Nexport is exactly the type of ‘business’ this Shire needs, welcomes and can benefit from – high employer, clean-tech, pathways for apprenticeships and careers, and ideal for young people in a regional/rural shire.
2. Braemar manufacturer **XCEM** is due to grow from 18 employees to more than 250 after receiving a grant from NSW Government allowing it to increase productivity six-fold.
3. Beautiful, **historic Berrima** recently won the 2021 NSW Tourism Industry Council's Top Tourism Town Award. Tourism is what fuels Berrima but should a coal mine with stockpiles shedding dust, underground blasting, a new rail line with coal trains and heavy vehicles eventuate at its doorstep just a kilometre or so away, it will likely commit the town to a very uncertain economic future. Not to mention a future that could see structural problems arise for its Georgian stone buildings dating from the 1830’s. Can we afford to risk losing it or the livelihoods of those whose businesses make it so popular, or diminish the lifestyle amenities it offers its residents?
4. Agri-Tourism: The Shire offers wine tasting tours, truffle hunting, berry picking, agricultural shows, competitions and special events for tourists that combine food experiences with our picturesque, pristine environment. One brand – **Wildfest** – which started here just 4 years ago, epitomises all that is special about the Shire and now holds premium events all year round. It has

won awards and built an international presence in a very short time. What could Hume Coal possibly add to Wildfest's future other than uncertainty, potential job losses and risk of failure.

Tourism is a major focus for the Shire which hosts an average of 1.3 million visitors who spend approximately \$200 million on a wide range of goods and services. Council's own report states ***"this expenditure supports somewhere in the order of 2,300 full time equivalent jobs..."***.

Council's report goes on to mention something that is hard to quantify but is no less valuable, that

"The marketing of Tourism Southern Highlands... influences people's overall image of the Southern Highlands... Image plays a fundamental role in the 'place-buying' decision making process... related to establishing or relocating a business and choosing a place to live".

Should a foreign coal mine be allowed to potentially negatively impact the investment by businesses and individuals who have moved here, put at risk an entire section of the Highlands economy and possibly cause individual financial hardship?

The Shire's agricultural history, dating from the 1800s, has evolved and continues to develop through entrepreneurship and hard work spanning food and beverages – from dairy farms to viticulture, from berries and bees, to prime beef, craft beers and more. There are two aspects to this, one being food production, the other being agri-tourism which is tremendously popular in the shire.

Hume Coal is at odds with this Shire. It is at odds with our reputation and importantly our future – particularly our economic resilience. A 2013 Deloitte Access Economics study commissioned by the horse industry found that mining threatened the viability of the wider horse breeding industry in the Hunter and an estimated 640 jobs were at risk. What has this got to do with our Shire and Hume Coal?

Because within proximity to Hume Coal's areas of operation (including the mine and the transportation of coal by rail to the coast) are found many blue-ribbon thoroughbred studs and other equine businesses. The shire is rapidly becoming an 'equine centre of excellence'. And **equine sports are expensive pursuits. By this I mean their economic value to the Highlands is considerable, both directly and indirectly:** tourism as people come to watch events; job creation (horses are labour intensive); and goods services such as breeding, veterinary or training, feed, equipment and so forth.

Take the Drayton South Project impact on thoroughbred horse breeding as a case study: The Drayton South Coal Project near Muswellbrook was proposing to build coal mine within one kilometre of the two largest thoroughbred horse studs in Australia, Coolmore and Darley. They produced 2,249 live foals in 2011, 34 per cent of NSW's breeding, generating servicing fees of nearly \$100 million representing over half of the NSW total, and 40 per cent of Australia's total. Anglo American Coal, claimed that: [The] minor increase in dust levels should not result in any additional health or production problems for the horses on these studs. Submissions from the horse studs disagreed, describing this assessment as "fundamentally deficient and misleading". While disputing that noise and dust impacts would be minor, they also claimed that the *perception of their businesses would change* with a major coal mine so close, forcing them to suffer losses not included in the proponent's economic assessment: The structure and nature of the thoroughbred industry means that it is linked to high net worth clients who are highly mobile in their market choices, so reputation is fundamental to success. The NSW Planning and Assessment Commission (PAC) commissioned its own report to assess these competing claims, which concluded: *The Project, in its current form, is incompatible... If approved it will likely trigger the exit of Coolmore and Woodlands horse studs from the cluster. If these studs leave the cluster, this will cause the immediate decline and possible demise of the Critical Industry Cluster.* (Appendix 4 p37). The PAC recommended against the approval of the Drayton South project, due to its impact on the horse industry. References: (Gillespie Economics, 2012a; Marsden Jacobs Associates, 2013; PAC, 2013

Covid has put pressures on many businesses Australia-wide. The Southern Highlands, being in NSW, no doubt was restrained to a small degree, but nothing like businesses in the major metros. **However regional and rural areas like the Highlands are often delicately poised and subject to strong influencing**

factors: drought, fire, flood, pandemics and most certainly to a new industry **such as a major coal mine spread over a surface of more than 1,000ha (much greater underground) that commands ‘gateway’ positioning to the Highlands and whose cumulative effects will do little if anything to improve the economics of our Shire.** It will certainly do nothing to improve our lifestyle, air quality, landscape or reputation, sitting as it will hard up against historic tourist town Berrima, and alongside a number of equine businesses large and small, wineries with their cellar doors and wedding venues. Hume Coal is a business that does not ‘fit’ the Highlands, nor do we need it to ensure economic growth. **It is highly likely that Hume Coal could reverse and damage the growth we have developed in the Highlands to-date.**

4: Health Risks: The Economic and Social Cost of Particulates – from Coal Dust, Topsoil and Diesel

Particulates can trigger heart attacks and strokes, and particulate matter has been deemed carcinogenic by the World Health Organisation’s International Agency for Research on Cancer. In 2013, the World Health Organisation stated in relation to Particulate Matter: *“There is no evidence of a safe level of exposure (to PM10 or PM2.5) or a threshold below which no adverse health effects occur.”*

Where will these particulates come from? Quite a number of sources actually both within the mine site area and outside it. The list is extensive and needs to be considered as it includes:

- Coal dust from underground blasting (yes there will be blasting even though this is not an open cut mine: blasting was confirmed to me by Hume Coal’s Project Direct Greig Duncan in a WSC Councillor Q&A with Hume Coal representatives during 2012-2016 term);
- coal dust from the huge above ground, open-air 6-storey high Product Stockpile that will be almost 1 kilometre in length;
- coal dust from the large Rejects Stockpile and the ROM coal stockpile, both additional to the main Product Stockpile;
- coal dust from the several kilometres long surface level conveyor belt system;
- coal dust from what appears to be lengthy above ground CCP (coal preparation plant) stockpiles
- coal dust from the daily rail ‘coal trains’ heading east through Moss Vale, Avoca, Burrawang and Robertson and beyond to the coast
- topsoil dust from several indicated above-ground stockpiles
- coal dust and likely diesel emissions from the ventilation shafts and,
- diesel particulates from above ground machinery and vehicles which I shall come back to.

The full cost to taxpayers of pollution from mining coal in Australia, is unknown. However the significant health impacts of air pollution provide some insight into total costs. A 2013 study in the Hunter estimated the economic damages to health from each tonne of PM2.5 in the Singleton area as \$36,000. The same study suggests the costs in the larger and less populated Muswellbrook area as \$13,000 per tonne.

Exposure over long periods to increased levels of PM2.5 is associated with serious health impacts: an increase of 10 micrograms per cubic metre in PM10 was associated with a 1 per cent rise in hospital admissions for respiratory disease is associated with a 4 per cent increase in deaths from all causes, a 6 per cent increase in cardiopulmonary deaths, and an 8 per cent increase in deaths from lung cancer. Short term exposure is harmful too: exposure to a 10 micrograms per cubic metre in PM10 was associated with a 1 per cent rise in hospital admissions for respiratory disease rise in PM2.5 can increase daily mortality by 1 per cent and increase hospital and emergency room visits for cardiovascular illness by more than 3 per cent and for respiratory illness by 4 per cent.

The Hume Coal Assessment Report makes mention of the increased road traffic. Particulate matter is thought to be the most important component of diesel engine exhaust, which was recently classified as a human carcinogen by the International Agency for Research on Cancer. Diesel emissions must therefore be considered as an additional risk, being particularly toxic. They emit fine particulate matter (PM2.5)

containing polycyclic aromatic hydrocarbons (PAHs), a known carcinogen. Diesel emissions also include volatile organic compounds which can, in the presence of sunlight, combine to form ground level ozone which is harmful to respiratory and cardiovascular systems.

“Coal and health in the Hunter Valley – Lessons from one valley for the world”, a report by the Climate and Health Alliance in 2015 documented that the production of coal is one of the most greenhouse gas intensive activities in the world, and is one of the main drivers of climate change – considered the biggest threat to global public health. Coal production also poses serious risks to the health of local communities, as well as causing substantial environmental damage – both of which incur substantial economic costs. Recommendations accompanying that report called for, among other things, the implementation of mandatory health impact assessments as part of all coal project assessment processes still in the planning phase and comprehensive health research studies to evaluate the environmental health risks faced by local communities from exposure to pollutants associated with the coal industry, and the social impacts associated with disruption to communities, to landscapes, ecosystems and other industries. Muswellbrook has consistently poorer health outcomes than the rest of NSW. In 2006 it had the highest number of emergency presentations for asthma for people aged 0-14 years. New diagnoses and prescription rates are higher than elsewhere in the State.

While the Hume Coal project is not an open cut mine, there are a considerable number of open-air stockpiles planned across the mining lease area, stockpiles being by definition, above-ground. With the **shires well documented strong prevailing winds**, and the ability of particulates PM10 to travel up to nearly 50 kms while PM2.5 have been traced over hundreds kms, very few towns and villages will not be affected, with the worst experiences likely in the higher residential areas. The most affected residential areas will be Medway, Berrima, Sutton Forest, Moss Vale, Bowral and Burradoo.

It must be pointed out that Moss Vale and Bowral-Burradoo have numerous schools and retirement and aged care facilities. These three suburbs carry the highest responsibilities in terms of numbers caring for the youngest and oldest in our community, our most vulnerable. The main Hospital is in Bowral.

Health impacts from coal are not just physical.

Coal mining and production are also associated with serious mental health impacts. Many farmers and other people in rural communities have strong emotional connections to their land, and place great value on the physical environment as well as the social values of their rural lifestyle and community. Community concerns include:

- anxiety about the health impacts of mining
- feelings of loss and disempowerment associated with the information ‘asymmetry’ between the community and government/industry
- social divisions due to inequitable compensation and unequal wages in the community
- distress in relation to environmental harm and the negative impacts of coal mining and combustion on future generations.
- long periods of uncertainty about the impact of the project
- distress at the disruption to generational succession plans
- sense of powerlessness about their inability to intervene in the process
- anxiety about a negative economic impact on land values
- the fear of loss – of the landscape, friendships, social networks, and of the land itself.

IN SUMMARY

Cumulative Impact of Hume Coal

Cumulative impacts can be understood as what is most important to communities and environments, **because such impacts are what is ‘experienced’**.

Cumulative impact will be seen in the Highlands as Hume Coal interacts with our past, current and future activities unrelated to mining.

Hume Coal cannot but interact with our activities and industries, such as horse breeding, agriculture and tourism. In the case of coal, the heightened prominence of climate change, a cumulative impact writ large, adds a further layer of complexity.

Hume Coal will also interact and therefore have impact upon the health and wellbeing – physical, mental and emotional – of many who live and work here now. Muswellbrook is in many respects an indication of what awaits and threatens us: “Formerly a rural town in a dairy and farming district the community suffer from the cumulative impact of mining with feelings of ‘social dislocation’ and a changing sense of place, biodiversity, dust, noise, vibration, visual amenity, water quality and community infrastructure’ (Brereton et al., URS 2000, 192, 219).”

The coal industry’s downsides are difficult to hide – impacts on air quality, health, the environment, our economy, other industries and of course water, while attempts to mitigate and rehabilitate have been widely seen as unsuccessful.

Said Hume Coal’s project manager Mr Rod Doyle "It has been a brutal report from the DPIE, but I maintain faith in the IPC that it will judge the merits of the case and not the emotion of the department's report."

I asked earlier ‘**What would we gain**’ if we became a shire with a new mine development.

I said earlier that Hume Coal is at odds with this Shire. Our mining history, small and such as it was, is long gone. Our Shire’s future does not lie in coal mining. It does lie in agriculture, tourism, the equine sector, health care and manufacturing.

I believe the question should more accurately be ‘**What do we lose**’ and can we and the NSW Government afford it?

Social licence has not been earned by the Hume Coal Project because it fails utterly to prove itself to be in the public interest.

I maintain faith in the IPC to find that, contrary to Mr Doyle’s view, any *merits*, if such exist, for the case for Hume Coal are negligible, so outweighed as they are by its many *demerits*.

Thank you.
Holly Campbell