ALAN HAYES OAM

Submission to the PAC – Wallarah 2 Coal Project

During the time that the Wallarah 2 coal project held an exploration licence, they have not carried out any substantial underground studies in the lease area within the Wyong water catchment valleys. Nor have they attempted to gain a social licence for their project.

During the exploration period, by their own admission at a community consultative committee meeting, which I was a member, Wallarah 2 confirmed that their data was an extrapolation of data from the Southern and Northern coalfields. In a later presentation, prior to the previous application, Wallarah 2 stated that they adjusted the modeling data, in respect of subsidence, until they achieved a result that they believed was suitable to their submission. Nor during the previous application did Wallarah 2 engage rigorously with the community.

The previous application was rejected on the grounds that there were too many uncertainties in respect of the water and not in the public interest. Nothing has changed. Again, by their own admission, Wallarah 2 confirmed that this was nothing more than a re-submission of their previous application.

It was a recommendation of P&I, after they had commissioned a water report, prior to the rejection of the previous application, that no consideration for an approval to mining is given until at least a minimum of two years study of the water regimes is carried out, including the re-establishment of all the existing bores (more than 100 of them), to establish proper baseline data. This has not been done by the proponent, nor is there any apparent evidence that P&I have insisted that this criterion be met.

The proponent did nothing more than purchase 60 acres of land on the valley floor at Jilliby and put in five test-bores. Despite the fact that Wallarah 2 made public statements in the media that the information they would collect would establish a favourable baseline to prove that they were right about their claims of not impacting on the water regimes, there is no record that this data, along with the bore log records, was imported into their current EIS. The burning question is why?

The mining company’s claims are highly speculative, and no more than conjecture based on untested assumptions. In many instances they have failed to adequately address concerns raised. Concerns that have seem to have been set
aside by Planning & Infrastructure. There has been a lack of rigor in dealing with these issues. In the proponents reply to submissions made in respect of their EIS, they ignored many of these issues and skirted around the problem. This was especially evident in respect of the water and the concerns raised by local government, which Wyong Council reaffirmed in its answer to the Wallarah 2 reply. This is also evident in respect of soil and land capability impacts, where insufficient baseline data was collected. Both the proponent and Planning & Infrastructure have chiefly ignored this!

There has been no real consideration as to the real impacts this mine will have upon the community. Proper engagement with those affected, as stipulated in the Director General’s Requirements, has been ignored. Nor has P&I insisted that this criterion also be met. It was a requirement that there be rigorous engagement with all stakeholders – the proponents have only held two open days at their premises, requiring concerned individuals to attend during business hours. Considering that most people have to attend their place of work during this time, there was no rigorous engagement. All that Wallarah 2 has done is distribute a glossy newsletter, the contents of which were unsubstantiated claims. For example, in their June 2013 newsletter they promoted in glowing terms that the project would provide a benefit of $1.58 billion in State royalties and Federal taxes. Yet in the March 2014 newsletter, which has been confirmed in their EIS and the P&I press release, the economic benefit in royalties to NSW is only $207 million over the 28-year life of the mine – that’s less than $7.5 million each year – and only $134 million in federal taxes for the same period, based on 30% tax, which mining companies, with all their concessions, do not pay. One billion dollars has just vanished into the ether without any explanation. To claim there is a real economic benefit to the region is simply untrue.

Wallarah 2, in a document they produced to seek a Voluntary Planning Agreement from Wyong Council, state, in respect of direct local employment: Wyong Coal Pty Ltd will use all reasonable endeavours to sponsor one engineering scholarship and employ two apprentice positions per year for the life of the project. That’s only three local positions, and they’re not guaranteed! The claim that Wallarah 2 would bring a benefit of 300 jobs is also untrue. Mining requires trained personnel and not just the handing out of picks and shovels to locals seeking employment. The CFMEU would insist that their unemployed members from the Hunter Region and other mining areas take up the vacancies.

The Department recognises that the economic assessments assume environmental impacts will be negligible, even though the department “expects there to be more than negligible impacts in relation to some, if not all, of these issues”. Wallarah 2 consultants continue to change their numbers and oversell the benefits of this project. However, the impact on water resources are much
more difficult to alter. The Wyong water catchment valleys are the major water resource for more than 300,000 people and even if there was only a 1% chance that the water catchment district would be compromised, the decision is clear: the project should not be allowed to proceed. We cannot put at risk the future of the Central Coast, as history clearly demonstrates longwall coal mining and water are not compatible. On the Eastern seaboard of NSW alone, there is ample evidence of water systems either disappearing completely or their integrity being so badly comprised they may as not exist from the destructiveness of a longwall coalmine. Imposed conditions on a project such as this invariably do not work and are difficult, if not impossible to manage and police, leaving communities and society with no means to pick up the pieces.

The PAC must objectively look at this proposal’s lack of merit and the vast gaps of information and all the other facts that have not been adequately dealt with in the EIS, but have a real bearing on the people and the environment. Not only in respect of the water regime, the flora and fauna, but the impact upon the people who will be adversely affected. Including the impact it will also have upon the health of those people in the northern suburbs of Wyong – Director of Public Health Doctor Peter Lewis has made it abundantly clear of unacceptable increases in morbidity and mortality. The mine proponents, in their EIS, admit certain mortality rates from coal dust exposure, which NSW Health claim will be seven-fold and morbidity rates will be six-fold greater than predicted. People have come to the Central Coast for its unique lifestyle – to raise their families so that they enjoy a good life. Not live in the shadow of a coalmine and suffer the health problems that have become endemic in other towns in close proximity to coal handling facilities.

It was because of undeniable evidence from experts in their field of the impact that Wallarah 2 would have on our water regimes that lead to Barry O’Farrell and the Liberal Party, when in opposition, to take a stance to protect the Wyong Water Catchment Valleys from coal mining. A commitment that was so strong that it was reaffirmed in writing not once, but three times. Barry O’Farrell and the other Liberal candidates wore the “Water Not Coal” t-shirts, waved the “Water Not Coal!” placards and Barry O’Farrell stated publically in front of the print and electronic media “The next Liberal/Coalition Government will not allow mining to occur here... no ifs. No buts. A guarantee.”

The day after that statement, Barry O’Farrell sent to me an email, which said: “Dear Alan,
I especially appreciate the opportunity to re-iterate the Liberal Party’s opposition to the coal mining proposal and our determination, in office, to prevent it from going ahead.
Regards, Barry O’Farrell.”
Although this may have been a political decision, there was no doubt in the mind of senior Liberal Party opposition members that the Wallarah 2 proposal would not have any real benefit to the Region. They expressed their grave concern to others, and myself in various meetings, about the impact the Wallarah 2 mine would have upon the water regimes. Accordingly, in writing, the Liberals promised to introduce legislation to protect the water catchment.

Something must have supplanted that "iron glad agreement." Because we have now learned, from the Sydney Media, of ICAC investigations into certain persons in the government and their alleged misconduct! Allegations that would suggest alleged inappropriate dealings with Wallarah 2. In recent times I have provided to the ICAC a comprehensive statement, along with supporting evidence, of alleged inappropriate behaviour by certain persons in government and the process of the Wallarah 2 coal project, which also includes alleged inappropriate behaviour by a senior Wallarah 2 executive.

The Wallarah 2 coal project is not in the public interest; the proponents have not demonstrated due diligence in its submission or dealings with the public and they know that the water will be lost. They have continued to refuse to debate the issue in respect of the mine, especially the water issue. No comprehensive water study has been carried out, nor has the DPI insisted that this take place. Interestingly, a person whom I have known since kindergarten and was groomsman at my wedding, was until recently employed as a senior financial controller with BHP Billiton. He told me, in no uncertain terms, why BHP didn't want to pursue the extraction of coal beneath the Wyong Water Catchment Valleys: it would destroy the water regime. When I asked him why Kores would purchase the lease knowing this, his answer was: "They were prepared to take the gamble." It's not the proponents who are taking the gamble! It's the Central Coast community.

Along with the uncertainty of the project to satisfactorily guarantee and prove that it will not impact adversely on the water catchment regimes, and the environment and people's lives, and the fact that there is an ICAC investigation into certain matters, some of which suggest the involvement of the Wallarah 2 project, it is sufficient to reject this mine proposal. This decision is also strengthened by the fact that NSW State Opposition has now introduced a Bill in the Upper House, although it has yet to be debated in the lower house, to protect the Wyong water catchment from coal mining.