PRESENTATION TO THE PLANNING ASSESSMENT COMMISSION

MR TIM DUDDY
CEO, 11 DECEMBER 2014
CAROONA COAL ACTION GROUP

- Represents over 400 local businesses, landholders and individuals formed in 2006 in response to mining challenges & land use conflicts in Liverpool Plains

- Committed to the protection of the Liverpool Plains

- Dedicated to the protection of world class agricultural resources, land and water

- Committed to the long term protection and preservation of the Liverpool Plains so that it can continue to be a viable producer and exporter of food and respond to Australia’s food security needs and food production opportunities as result of expanding world population.
Rossmar Park

Rossmar Park in the Duddy Family since 1934

• My family has farmed the lands in North West NSW for 18 decades.

• Proud pastoral history since the first fleet

• Long history of innovation and investment
  – 1935 : first irrigators
  – 1955 : first broad acre wheat
  – 1966 : developed the largest bore in the Southern Hemisphere
Mining comes to town!

- 9 Years of Uncertainty, Distraction & Paralysis since November 2005
- Fighting for our future
- 27 court cases defending a property rights
- $ms invested in fighting not innovating
- Sovereign Risk to Agriculture is often overlooked – it suffocates longs term investment
- Concerns raised at the beginning of this process remain today, CCC, Namoi Water study, LGA
Economic Benefits?

Economic experts advise Shenhua Watermark’s analysis:

• lacks transparency and cannot be independently verified
• fails to meet DGRs and NSW Government economic analysis guidelines
• suffers from material bias in favour of the project
• over-estimates the benefits and under-estimates the costs
• over-estimates royalty payments to NSW
• ignores the unique nature of the Liverpool Plains agricultural industry
• ignores the property value impacts on neighbouring properties
Economic Benefits?

Shenhua Watermark Analysis:

• uses overinflated coal prices – when realistic coal prices are used value of coal production falls by $2.2b

• underestimates operation costs – by nearly $1 billion

• excludes non-market values by $324m

• overestimates royalties by $365m

When these factors are combined the mine would no longer be economically beneficial and would not yield a net public benefit.

*Is $18m per annum in royalties is worth destroying the Liverpool Plains?*
Damage to Heritage - Irrecoverable

Heritage experts find that:

• The AECOM Historic Heritage Impact Assessment report is inadequate - fails to provide a detailed history and land use summary of the site as required by the DGRs;

• There is no rigorous assessment or comparative analysis of the history and heritage values of the Liverpool Plains in the course and pattern of pastoral and agricultural evolution and development of the State of NSW.

• The assessments of significance for individual heritage items are deficient

• The project area has not been identified, analysed or assessed as a form of evolved cultural landscape that evidences a complex system of continuing historic rural agricultural land use within the context of the Liverpool Plains.

• The change in land use from a rural agriculture landscape to a mining landscape, should the project proceed, will result in a fundamental and irrecoverable change to the history and pattern of pastoral and agricultural development that has evolved nearly 200 years following colonisation.
Water risks

Water experts confirm:
• Previous concerns regarding absence of information or inconsistency in data sets remain - including
  – Inadequate information on field investigations and geophysical survey work;
  – Incomplete information on aquifer interconnectivity;
  – Absence of appropriate testing of possible geological scenarios to provide a complete or clear assessment of groundwater impacts

It is therefore not possible to transparently and independently verify:
• Shenhua’s groundwater impact predictions (due to lack of transparency and insufficient information);
• Key geological model and associated underpinning predictions (as these assumption and predictions are not publicly presented).

Our experts therefore conclude it would be inappropriate to accept Shenhua Watermark’s groundwater modelling without reviewing the adequacy of the geological modelling
Damage to Black Soils?

Soil Expert confirms:

• exceptional water holding capacity, fertility & rarity of the black soils of Liverpool Plains

• Threats posed by Shenhua’s Watermark project - including:
  – Physical encroachment
  – Undermining that may lead to subsidence
  – Compaction caused by traffic, machinery & other factors limiting filtration
  – Disturbance that promotes concentration of flood water or gully erosion
  – Chemical, salt or salinity, heavy metal or other toxic contamination
  – Contamination from fuel spillage or deep excavation materials
  – Dust contamination that may reduce crop productivity or value

He strongly recommends the black soils of the Liverpool Plains be protected.
Damage to Soils and Floodplain

• The proponent and the DPE have stated that this mine will not intrude on to the Black Soils or the floodplains

• But a simple series of maps derived from the Proponent's own EIS and mapping undertaken by State agencies demonstrates that this is not correct.

• Most importantly the footprint of the mine, including its planned overburden dumps, will sit squarely on the floodplain.

(Show Slides)
SLIDE 1 – AERIAL SHOWING WATERMARK HILL
SLIDE 2 - FLOODPLAINS
SLIDE 3 – SCHENHUA WATERMARK MINE PITS
SLIDE 5 – PROPOSED MINE PITS, IN RELATION TO FLOODPLAINS AND BSAL
SLIDE 6 – SHENHUA OVERBRUDEN DUMPS
Liverpool Plains – Rich and Rare

“The Southern Plains area (Liverpool Plains and Gunnedah LGAs) has the highest agricultural productivity in NSW, with an exclusive combination of volcanic soils, rainfall reliability, climate (sunshine hours, moderate temperature and protection from hot westerly weather) and availability of surface and groundwater.” (NE NW SRLUP, September 2012, p16)

“The black earth and chernozem soils found in the Liverpool Plains are classified as some of the most fertile in Australia. These fertile soil types are rare in Australia, making up less than 1 per cent of the nation’s surface area (0.7%). The major concentrations are found in the Liverpool Plains and the Darling Downs and central highlands of Queensland.” (NE NW SRLUP, September 2012, p16)
Review PAC Recommends Protection

• The Review PAC acknowledged the significance of the black soil plains and agreed with the view the plains should be preserved for agricultural production.

• It recommended the NSW Government should protect the highly valuable, fertile black soil plains where mining should be prohibited.
Government Policy

Strategic Regional Land Use Plan for NENW:

• Maintaining or enhancing future opportunities for sustainable agriculture;

• Defining and protecting strategic agricultural land;

• Ensuring protection of strategic agricultural land and the water resources it relies on.

“... What we determined was that intuitively we knew that it was extremely likely that whatever process, whatever decision making went on, the Liverpool Plains, for example, ... would be protected” NSW Planning Minister, March 2012

"The message I want to leave you all with today is this: if any proposed mining or gas extraction activity is likely to harm our prime agricultural land or other important rural industry clusters or the water resources associated with those areas, it will not go ahead under this government.” NSW Deputy Premier 1 May 2012
State Significant Agricultural Land

• Liverpool Plains:
  – unique and critical to state’s and nation’s food security
  – recognised by the NSW Government as some of the most rare and fertile lands in Australia comparable to Nile Delta which has of 2000 years of Agricultural History, LP has an exciting Agricultural Future.
  – NSW Government and Review PAC recognises it is State Significant Agricultural Land that should be afforded highest level of protection from mining
In the Public Interest?

- Economic experts advise that this mine is not economically beneficial
- Environmental experts advise this mine poses unacceptable risks
- Heritage experts advise the damage to the Liverpool Plains is irrecoverable
- The risks to the Liverpool Plains and the legacy of the loss of productive agricultural lands to NSW are not worth $18m pa in royalties
- The precautionary principle should be applied
- Shenhua Watermark’s proposed open cut coal mine is NOT in the public interest.