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Objection to the Dendrobium Extension Project (SSD 8194)

I am Executive Officer of the Sutherland Shire Environment Centre but am submitting this objection in a personal capacity. I have a doctorate in Political Science and International Relations from the Australian National University. My research focused on consumption and ideological preconceptions informing analysis of consumption and material culture, including within different schools of economic theory.

I have experienced first hand the community outrage and disgust about mining taking place in our Special Area catchments. Over 10,700 people signed the Sutherland Shire Environment Centre hard copy petition calling for a halt to the mining underneath Woronora Reservoir which was submitted to State parliament earlier this year. Sutherland Shire is a politically conservative area, but support for the petition has shown the community as a whole regards protecting our water supply is critical – even people who support coal mining did not believe mining under a protected water catchment was acceptable. They were appalled that the advice of WaterNSW, the agency charged with protecting our catchments was being dismissed.

Part 2 Division 2 Section 7 of the Water NSW Act 2014 states that a Function of WaterNSW is “to protect and enhance the quality and quantity of water in declared catchment areas.”

There is no aspect of the South 32 Dendrobium Mine Extension Project that promises to protect and enhance the Metropolitan Special Area catchment in which this mining will take place. I have carried out independent research into what is proposed, and listened to most of the speakers at the Independent Planning Commission public hearing. The environmental, societal and economic grounds for rejecting this project are conclusive.

After the decision on the Santos coal seam gas fracking project at Narrabri and the approval for the Russell Vale expansion I take seriously the views of Paul Stein QC, from the Centre for Public Integrity, and am considering the extent to which Independent Planning Commission decisions can be regarded as ‘independent’.¹ I suspect the Independent Planning Commission will ignore expert opinion regarding detrimental environmental impacts, disregard the need to protect our land and water, and approve this project regardless.

Despite my cynicism, I am submitting this objection so that my opposition is noted. As the Independent Planning Commission members seem focused primarily on economic rather than environmental outcomes, I will speak to these issues.

I do not believe the so-called economic benefits of this proposal will outweigh the costs to the public.

I was horrified to read the Department of Planning note a minimum of 170 years of damage to this integral part of the Greater Sydney water catchment, and theorise what would be ‘reasonable’ for South32 to pay as compensation. On this point I note Dr Sharyn Cullis’s account of the BAEconomics Report commissioned by the Department of Planning, and the ideological bias of that company’s associations.²

I ask the Commissioners to investigate if what has happened here is a situation of regulatory capture, and explain their conclusions regarding this matter in detail. Why, for instance, it is not abuse of process when consultants employed by the mining industry and beholden to the industry are used to validate the

¹ <https://www.theguardian.com/environment/2020/oct/01/narrabri-gas-project-former-judge-questions-independence-of-nsw-planning-commission>

² <https://www.ipcn.nsw.gov.au/resources/pac/media/files/pac/projects/2020/10/dendrobium-extension-project-ssd-8194/public-submissions/201126-dr-sharyn-cullis.pdf>

continuation of a project that will damage critical public infrastructure, when this project will guarantee these consultants further employment?

That this is being done under the auspices of the Department of Planning lends a veneer of legitimacy, when a conflict of interest is apparent to the most casual observer. The catch all excuse of “industry experience” is not sufficient to address concerns, especially when the views of genuinely independent scientists are being sidelined and bypassed, as is the advice of WaterNSW, and the legislative requirements of the Water NSW Act. On this point I note the open letter by 20 independent scientists who have noted the government’s “dependence on assessment reports prepared by consultants selected and funded by mining companies”, and stated that “such reports cannot be regarded as independent and nor are reviews of these reports undertaken by consultants dependent on subsequent engagement by mining companies.”³

Our Special Area catchments are meant to be protected. An approval for this project will make a mockery of that protection, with terms such as “residual impacts” used to describe damage that will continue for hundreds of years, if not in perpetuity, while the Department of Planning hands over critical public infrastructure to a private corporation, at the behest and on the recommendation of consultants employed by the industry on an ongoing basis and dependent on the industry for employment. If there is anything ‘independent’ about your judgment, and if this commission is to act in the public interest, then this approval should not be granted. This is our water supply.

I note again the account of Dr Sharyn Cullis who spoke at the public hearing: both Water NSW and the Department of Planning, Infrastructure, and the Environment (DPIE) agree that the following damage will occur if this mine is approved:

- Surface subsidence of more than 2 metres causing cracks in bedrock as great as 400mm wide, and fractures connecting the surface to the mine hundreds of metres below.
- The destruction of 25 upland swamps, plus an uncounted number of streams.
- The mine will come to within 300 metres of the edges of the Avon and Cordeaux dams, within 1000m of the dam walls, which WaterNSW claims is too close.
- WaterNSW object to the predicted loss of 3.3 Gigalitres per day. This equates to the daily drinking water of 130,000 people.

When considered in terms of total cumulative impacts, it is shocking these water losses are being considered acceptable. The compensation South32 is offering for draining water away from our catchments is \$103 million: the amount offered is ludicrous. Based on the Sydney Water pricing, WaterNSW, and Department of Planning information, this \$103 million represents 10-13 years of water loss, while the damage caused by this mining is predicted to continue for at least 170 years, and quite possibly longer. Why should taxpayers be expected to subsidise this cost - in addition to the loss of water we will be subjected to?

Already the Dendrobium mine has caused once permanent streams to become ephemeral, no longer holding water. Swamps have dried out – to the extent they are no longer swamps. These areas are now a fire hazard – once swampy wetlands where no previous fire hazard existed. The damage already caused by this mine has been greater than predicted. The company has also attempted to underplay the extent of that damage – even to the Commissioners.

The testimony of Julie Sheppard noted damage caused by the existing mine at Dendrobium that the Commissioners were not taken to see. The images she showed during her presentation were shocking. This is the drinking water of Greater Sydney: monitoring, access and control is being determined by a mining company whose motivation is profit, and minimising cost. If you, as Commissioners are not allowed to witness the damage, how can we rely on this company when they are prepared to manipulate information in relation to this critical public infrastructure?

With the damage the company agrees will occur how can the Commission be prepared to allow this extension to proceed given the likelihood this damage will be permanent? Given that previous damage was

³ https://ssec.org.au/wp-content/uploads/2020/06/Open_letter_to_Premier_re_mining_in_the_Special_Areas.pdf, pp.15-16

not predicted, how can the Commission rely on guarantees that the already unacceptable damage predicted will not become even worse?

That the Department of Planning has attempted to argue this mine will have a neutral or beneficial impact is shocking. Peter Dupen, formerly of WaterNSW, is a recognised expert in the mining taking place at Dendrobium. He noted that ‘current surface water loss estimates range from two to 6.5 gigalitres per year, increasing by yet another 3.5 gigalitres per year, if the Dendrobium extension is approved.’ The Independent Expert Panel for Mining in the Catchment itself stated in October 2019 that water loss here was likely to occur in perpetuity. Where does the application of the precautionary principle fit in the likelihood of permanent damage?

During the public hearing one Commissioner asked about sealing the mine as if this would be a solution to the water loss. It will not. The damage will be ongoing. I cite Peter Dupen’s account: ‘the mine is currently taking around five megalitres a day or 1.8 gigalitres a year from the special area catchments, almost none of which was predicted. Due to the extensive cracking and reduction in regional water tables, now strongly connected to the mine coal seams, most of the catchments, swamps and streams overlying the existing mine are now dry. Most of these surface water losses will be permanent.’

Another concern is the unknown quantity of contaminants accumulating on the bottom of our reservoir floors as a result of this and similar mining operations. The following WaterNSW graph plots the increasing levels of iron in Cataract and Cordeaux Reservoirs from 1941 to after 2012 following decades of mining impacts.

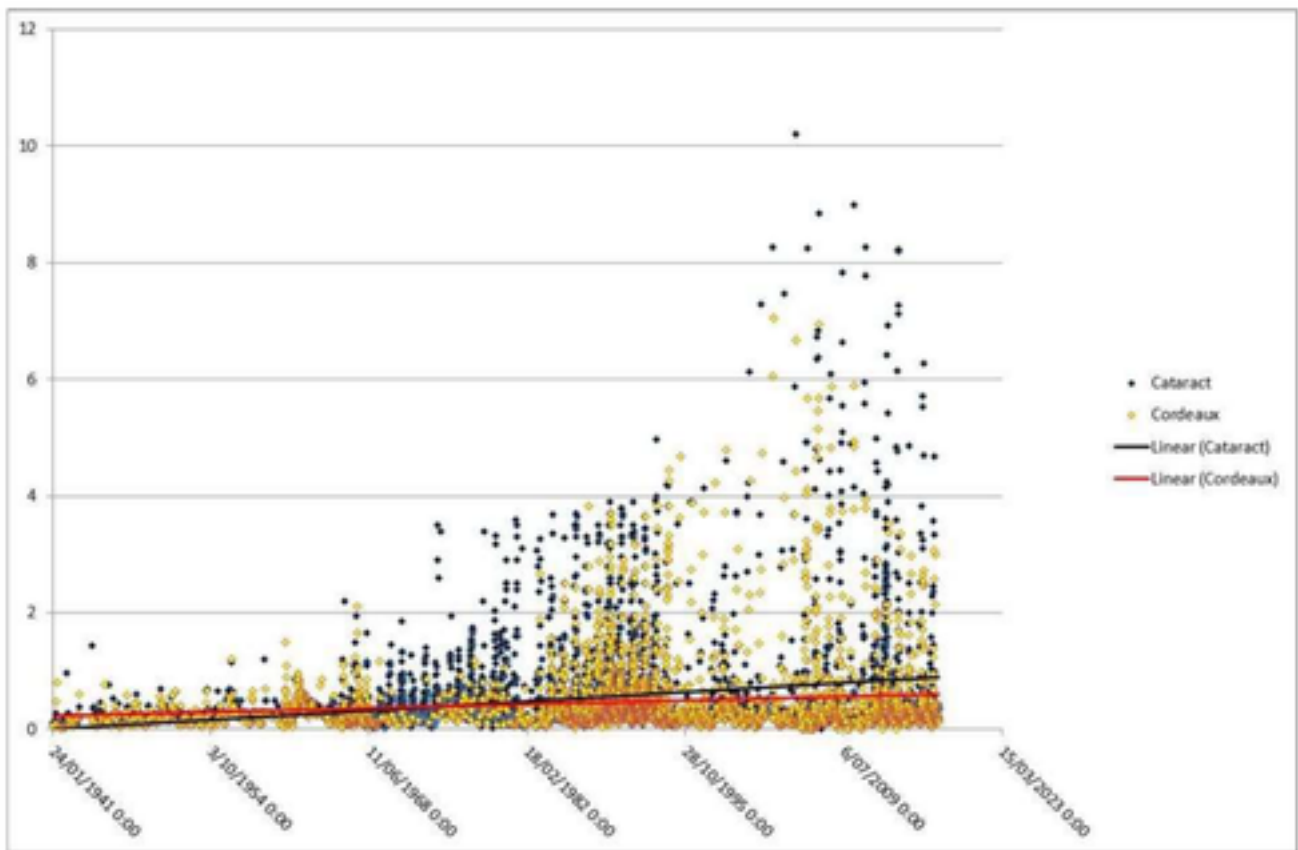


Figure 4-1. Measured iron concentrations in Cataract and Cordeaux Reservoirs

A 2019 freedom of information request by the Australian Broadcasting Corporation found sludge accumulating on the bottom of Cataract and Cordeaux has resulted in elevated levels of iron that exceeded

acceptable limits more than 90 times in three years.⁴ WaterNSW research indicates that the level of contaminants is increasing and is only likely to get worse.

A WaterNSW submission to the Independent Expert Panel for Mining in the Catchment stated that ‘An issue which particularly concerns WaterNSW is that it is anticipated that any additional increases in iron, manganese and possibly aluminum and other species dissolved from undermined catchments will impact on raw water quality delivered to Sydney Water and other customers...metals transported to reservoirs in particulate and/or dissolved forms are more likely to be precipitated and build up in the lake sediments over time.’⁵

The final report by the Independent Expert Panel also stated that water returning to the surface from mine workings can ‘leach metals’ and this ‘needs increased attention in mining proposals, especially in the Special Areas where ‘cumulative impacts could have serious negative consequences for reservoir water quality’.⁶

With the acknowledged surface to seam cracking it is clear the Dendrobium mine extension will not have a neutral or beneficial impact on water quality in the Sydney drinking water catchment.

The proposal by Planning, the notion of using offsets to make up for the loss of water, and damage to a critical resource should be regarded as a form of Orwellian doublespeak. Various National Parks Association submissions have described these swamps as unique; as such they cannot be replaced. Ann Young, a member of the Independent Expert Panel, has made the same point in her 2017 book *Upland Swamps in the Sydney Region* (2017). South32 and the Department of Planning have not seen fit to put a cost or a monetary figure on the death of these ecosystems.

Offsetting loss and damage to the swamps that feed the catchment is an unacceptable solution: the proposal to offset the impact on swamps via the purchase of a property in Maddens Plains would be a joke if it were not treated as a legitimate consideration by Planning. These swamps are a supposedly protected part of our water catchment for a reason – they cannot be replaced. There is no reasonable monetary recompense that can make up for the loss of this critical public asset.

The ongoing viability of Bluescope is not dependent from coal from this mine. The same argument was applied in the NSW parliamentary debate regarding the Woronora petition earlier this year: then it was proposed Bluescope would fail without a supply of coal from Peabody’s Metropolitan mine. Now we find Bluescope does not need that coal from Peabody after all; ‘BlueScope halting its purchase of coal from Peabody’s Metropolitan Colliery has emerged as a factor leading to the mine’s shutdown’.⁷

Unlike water, coal can easily be sourced from different locations. There are alternatives to the supply of coal from Dendrobium. BlueScope Steel can continue if South32 supplies coal from the Appin Mines instead of Dendrobium. As Dr Cullis has noted, the Appin Mines are outside, not inside drinking water catchments. Given other companies around the world use a range of different ‘blends’, the Bluescope support for this approval is disingenuous, and disregards the permanent cost to NSW taxpayers for the loss of critical public infrastructure.

I note there have been a number of pleas to the Commission from miners employed by South32 and dependent on the industry. People working at the coalface of the industry appear to be largely unaware that institutional investors are now divesting from coal. The price of metallurgical coal has dropped along with thermal coal prices. Another factor reported in several newspapers today is that Australian coal exports to China have now been formally blocked⁸. The term flogging a dead horse comes to mind. Coal regions need investment to diversify their economies. Allowing this mine to proceed will involve more costs than

⁴ <https://www.abc.net.au/news/2019-12-01/sydney-dams-being-contaminated-with-metallic-sludge/11751202>

⁵ https://www.chiefscientist.nsw.gov.au/_data/assets/pdf_file/0017/160118/2-WaterNSW-submission.PDF

⁶ https://www.chiefscientist.nsw.gov.au/_data/assets/pdf_file/0005/281732/IEPMC-Part-2-Report.pdf, See pp.vi-vii

⁷ illawarramercury.com.au/story/7041973/end-of-bluescope-contract-hits-peabody-ahead-of-closure/

⁸ <https://www.smh.com.au/world/asia/australian-coal-blocked-indefinitely-by-beijing-20201214-p56ne7.html>

those outlined above. We need to position our economy to move to next century technology or we risk being left behind.

Structural adjustment across industries is part of a normal economic cycle. Industries wax and wane. Deloitte Access Economics has found net zero emissions 2050 policies could expand the economy by 2.6%, add \$680bn to the economy, and create 250,000 jobs.⁹ I note that BlueScope has recently listed future investment plans and business opportunities as a result of the recent NSW State government proposal for expanding renewable energy across the State.¹⁰ Bluescope is not dependent on the Dendrobium mine approval to continue operating.

The Metropolitan Special Area catchment is an integral, ecological whole that delivers clean drinking water to Avon and Cordeaux Reservoirs. These Reservoirs are in turn an integral part of the whole Sydney water supply network - drawn on in the event Warragamba is compromised, as happened during the cryptosporidium scare, and following the horror summer bushfires, when ash pollution runoff, algae, debris, and dead animals compromised the purity of the water in Warragamba.

The economic costs of this project outweigh any benefits. I have not even factored in the issues of emissions and climate change considerations here. These are discussed in the Sutherland Shire Environment Centre submission prepared by Professor Greg Walker. He details how these costs have been downplayed and underestimated so that only a tiny fraction of the Project's emissions have been included as another indirect cost of this project. In sum these costs outweigh any benefits. This is not just a decision for now. It is a matter of intergenerational equity.

I ask the Commissioners to refuse this assessment, and protect this critical public asset.

Dr Catherine Reynolds

⁹ <https://www.theguardian.com/environment/2020/nov/02/lack-of-climate-action-over-50-years-will-cost-the-economy-34tn-and-880000-jobs-report>

¹⁰ <https://www.bluescope.com/about-us/bluescope-news/2020/11/20-million-renewables-manufacturing-zone/>