

## HUME COAL PROJECT AND BERRIMA RAIL PROJECT – SSD 7172 / SSD

### COMMENTS ON REQUEST FOR INFORMATION FROM DPIE

I believe that the Department has provided a comprehensive response to the queries and that there is nothing in the Departments response which would allow a decision that the project is in the public interest. There is significant uncertainty in the evaluation of costs and benefits and given the general outlook for coal it is possible that initial benefits would accrue to the company while the social, economic and rehabilitation costs would be left for the community to meet as the company disappears. I have commented specifically on each of the points in the DPIE response.

#### 1 Train Movements

The additional train movements are within the capacity of the network and as far as we are aware there are no other proposed uses of the train network which this proposal will replace. However there will be significant disruptions to travel in the region due to increased trains affecting level crossings. DPIE has identified six level crossings on highly trafficked roads. The Berrima road crossing is to be upgraded with an overbridge but there are no plans for handling disruptions to other crossings. In particular the level crossings between Moss Vale and Robertson will result in delays of up to 24 minutes per day. Given that the benefits of the project flow largely to the shareholders and employees of Hume coal it would be a fairer outcome if they met the costs of upgrading the major level crossings to bridges or underpasses before the project commences.

#### 2 Aquifer Drawdowns

I would fully support the DPIE assessment that it is not simply the total inflows and drawdowns which should be taken into account but the affected landholders and the environmental effects of the specific drawdown and recharge changes due to the project. Comparisons with the Tahmoor coal project made by Hume coal are not a valid input to decision making as Tahmoor was undertaken many years ago under a different legal framework and also because of the different geology of the two areas. There is some uncertainty as to the actual drawdowns but a precautionary approach seems desirable. An alternative may be for Hume Coal to guarantee maximum drawdown levels with significant penalties for exceeding these levels.

#### 3 Air Quality

It appears that these impacts can be adequately controlled.

#### 4 Voluntary Planning Agreement

Hume Coal has made an offer of \$750,000 plus 0.05 cents per saleable tonne of coal up to a maximum of \$150,000 a year as an incentive to the local community for the disruption and negative impacts of the project. This has not been accepted by the local Council. The structure of the proposed VPA is a clumsy compensation mechanism and I would prefer a more direct compensation agreement for loss of amenity and deleterious social and environmental impacts. These impacts could be identified and evaluated by Wingecarribee Council and verified by DPIE. Furthermore any VPA entered into should exclude S9.5 which keeps data confidential. All negotiations and evaluations should be subject to public scrutiny.

5 Impact on tourism, agriculture and food production

The DPIE estimates a \$2 million reduction in agricultural production and relatively minor impacts on tourism but with some localised impacts. If these can be more precisely identified they could be compensated for via a more detailed VPA as above.

6 Underground Mine Waste

No significant concerns unless the novel pine feather mining method causes unforeseen issues. This emphasises the need for continuous monitoring regulation if the project goes ahead.

7 Economic Analysis

The appropriate decision framework for a project of this nature is the economic break even point where the economic benefits must be in excess of the costs imposed on society. This is a critical issue and the decision making should not be progressed further until all relevant information is provided by Hume Coal and can be tested by independent analysis.

John Desmond



Moss Vale