

Questions for IPC, DPE and WHC re Narrabri Underground Stage 3

1. In testing the public interest for or against the project, what weight has the DPE given to the social impact assessment contained in the EIS which conducted a survey which revealed that:
 - a. 95% of local respondents '*disagreed*' that WHC was a good neighbour
 - b. 90% of local respondents disagreed that WHC listens and responds to community concerns
 - c. 82% disagreed that WHC contributes to and cares about the region?

How can a project proposed by a proponent with such strong public opposition in the neighbourhood within which it operates, as demonstrated in a survey it commissioned itself, meet a public interest test given the land use compatibility issues which have been identified?

2. Would DPE characterise the predicted drawdown likely to be caused by the project of at least 9 water bores required for agriculture in the vicinity and the impact on 500 hectares of Biophysical Strategic Agricultural Land as evidence that the project is incompatible with existing, approved and preferred uses under clause 12 of the SEPP (Mining, Petroleum Production and Extractive Industries) 2007 (ie the impacts on agriculture)? If not, how would you characterise this impact on existing uses?
3. What is the NSW Government's policy regarding the costing of Scope 1 and 2 emissions in economic assessments for new coal projects?
 - a. Should 100% of the carbon costs of Scope 1 and 2 be assessed?
 - b. Should a reduction in the apportionment of costs occur based either on NSW's share of the global population or global GDP?
 - c. Should Scope 1 and 2 carbon costs be apportioned according to an estimate of the total carbon costs x by NSW's share of the Australian population (given that Australia has responsibility under the Paris Agreement for 100% of the Scope 1 and 2 emissions)?
4. What is the NSW Government's understanding of how Scope 1 and 2 emissions should be assessed by law?
5. Does NSW DPE have a view on the likelihood of WHC paying ~\$555M in company income tax just for the NU3 Project, which - if it happened - would theoretically yield \$177M (being 31.9% of ~\$555M apportioned according to the NSW share of Australian population)?
 - a. Over the last seven years, WHC paid only \$15,256,186 (or 0.12%) in company tax in total from 2013/14 to 2019/20 against income of

\$12,713,488,969.¹ Why has the Department assumed that this pattern would change radically for the NU3 Project over the next 20 years?

6. **Given longwall mining could result in significant subsidence and a material risk of impacts to water resources which could impact ecosystems, cultural heritage, local farmers, agriculture and the viability of local initiatives to enhance local landscape soil carbon sequestration, why hasn't bord and pillar mining been assessed as an alternative development option?**
 - a. What is NSW DPE's view on this issue?
 - b. The [SEARs for the new Dendrobium Mine Extension Project](#) specifically require South32 to provide "a comprehensive assessment of alternatives, including alternative mine design (including panel dimensions and layout), mining methods (including minimal subsidence options such as bord and pillar/ partial extraction)". Why hasn't WHC provided an assessment of bord and pillar extraction as part of this development application?
7. **NSW has a clear policy to achieve net zero emissions by 2050. WHC has modelled Scope 1 emissions attributable to NU3 out to 2064. How is this compatible with net zero by 2050?**
8. **How can a valid assessment be undertaken now of the economic costs and financial risks of a project that WHC does not intend to commence for almost 10 years, given the concerted global push to shift away from thermal coal? NSW DPE states in the AR for this Project (point 327) that "[t]he policy settings relating to climate change and GHG emissions at an international, national and state level are rapidly changing." What is the justification for seeking this approval now? Do you acknowledge that to the community this might look like an attempt by WHC to improve its balance sheet and increase shareholder value at the expense of an accurate risk assessment of what is proposed against the future policy settings of 2030?**
9. **Given the uncertainties regarding the mitigation of GHG impacts that exist now, together with the existing approval which allows mining to continue to 2031, would WHC consider withdrawing application for the moment, and then coming back to the Commission in future when work has been completed that would provide clearer guidance regarding the realistic potential of GHG abatement measures?**
10. **In the DPE meeting with the IPC about this Project on 4 February, DPE conceded that "there's a - roughly a three times higher - or three to four time higher ... increase in ... emissions intensity compared to current mining".**

¹ Market Forces, Do you pay more tax than the big fossil fuel companies?
<https://www.marketforces.org.au/campaigns/subsidies/taxes/taxavoidance/>

- a. How is this attribute of this mining Project compatible with the NSW Government's 2020 Strategic Statement On Coal Exploration And Mining In NSW, which states that the NSW Government will work to "*reduce the greenhouse gas emissions directly associated with coal mining in NSW (fugitive emissions)*"?
- b. A May 2021 NSW Treasury paper found that to meet NSW's Net Zero commitment, meaningful action on GHG emissions from coal mining is required:

*"Combined, GHG emissions from coal mining, electricity generation, and private motor vehicles constitute more than half of all New South Wales GHG emissions, meaning transition in these three sectors will constitute a key component of this commitment."*²

Does DPE believe that approval of this Project - which would increase its emissions intensity three or fourfold - is compatible with NSW Treasury's position that "transition" is required regarding GHG emissions from coal mining in order to deliver on NSW's net zero commitment?

11. What weight should the IPC give to the following policy statement from former Minister for Planning Rob Stokes:

"I have asked the DPE to also investigate options for reducing Scope 1 and 2 GHG emissions – the major source of emissions in respect of major mining projects. We know this is the greatest contributor of GHGs and we've got the power to limit these emissions through a more rigorous assessment of project applications and through the imposition of conditions on development consent." NSW Minister for Planning, Rob Stokes, [speech to Committee for Sydney, Nov 17, 2021](#)

12. Vis-a-vis this Project application, what is DPE's view of new '[Planning Principles](#)' published by Minister Stokes on 2 December 2021 which declared that the "*NSW Government recognises the need for urgent and deep reductions in greenhouse gas emissions*"?

- a. The 'Principles' also assert that the "*planning system must promote strong action towards reducing carbon emissions.*"
- b. Does DPE believe the IPC should consider these Principles when determining this application?

13. Does DPE agree with DPE that "*the expected demand for thermal coal is ... expected to decline and at a rate faster than anticipated*"? If yes, how has the impact of an accelerated decline been factored into the Department's AR and in

² The sensitivity of the NSW economic and fiscal outlook to global coal demand and the broader energy transition for the 2021 NSW Intergenerational Report, NSW Treasury, May 2021, https://www.treasury.nsw.gov.au/sites/default/files/2021-05/2021_igr_ttrp_-_the_sensitivity_of_the_nsw_economic_and_fiscal_outlook_to_global_coal_demand_and_the_broader_energy_transition_for_the_2021_nsw_intergenerational_report.pdf

the Proponent's economic assessment? In light of this accelerated decline, why does DPE believe there will be a strategic need for *additional* thermal coal capacity from this mine from 2031 to 2044?

- a. The NSW Government announced a decision [on 4 December 2021](#) not to proceed with new coal exploration west of the Blue Mountains (Hawkins Rumker). The gov't declared in their [PRIA](#) that "*the expected demand for thermal coal is ... expected to decline and at a rate faster than anticipated*".

14. Does DPE believe that make-good arrangements can work? If yes, why would these work and why would the situation be different to the situation that the Commission considered in the Southern Highlands with POSCO's Hume Coal proposal?

- a. In its Statement of Reasons for refusing consent for the Hume Coal mine, the IPC found that proposed make-good provisions were "impractical", partly because the Applicant had "not been successful in reaching agreement with the majority of impacted bore owners". The IPC also found that an approval would result "in significant social distress for the community as a large number of private bore users would be required to enter a prolonged and disruptive negotiation process with ... respect to access and make good arrangements."

15. How can DPE be satisfied there will be sufficient entitlement to cover the Gunnedah Oxley Basin take from NU3 given that the proponent didn't provide the information your water division requested about post-mining take at their existing operations?

- a. Regarding Gunnedah Oxley Basin water licences, WHC don't have enough to cover their predicted take but say they will redeploy licences from other mines to cover it when they close. However, some of those other licences will be needed to cover take from those same mines after closure (for example WHC cannot use all of the Maules creek licences for NU3, because Maules Creek will continue taking water after mining ceases). DPE Water asked for information not just about operational take, but post-mining take at the other mines, and WHC did not provide it.

16. Question for Paul Flynn from WHC: why hasn't WHC managed to reduce the emissions intensity per tonne of ROM coal mined across its business over the last five years?

- a. So-called 'reasonable and feasible' Scope 1 and 2 mitigation measures are in place at all of the proponent's (WHC) coal mines in NSW. These measures are demonstrably failing to improve the environmental performance of these mines. WHC's Sustainability Report 2021 confirmed that the emissions intensity per tonne of ROM coal mined has increased year on year for the last five years in a row. WHC's own analysis of the emissions performance of their mines finds no link at all between the implementation of 'reasonable and

feasible' measures and emissions reduction. Where total Scope 1 and 2 emissions decrease, this decrease is not attributed to mitigation measures, but to "lower production across our mines resulting in lower fugitive emissions".³

³ WHC Sustainability Report 2021, pg 31,
https://whitehavencoal.com.au/wp-content/uploads/2021/08/Whitehaven_Coal_Sustainability_Report_2021.pdf