

Narrabri Underground Mine Stage 3 Extension SSD 10269

Submission relating to ‘additional material’

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Introduction

Thank you for the invitation to make further submissions, that response to the “additional” materials¹:

- the NSW Department’s response to the Commission, dated 28 February 2022
- the Applicant’s submission to the Commission, dated 25 February 2022.

I also refer to new studies and current climate change-related flooding in NSW and eastern Australia that warrant the IPC to reject this proposal for extending this coalmine.

Comment on Dept of Planning and Environment response

At the end of February 2022, the Department concluded that an independent economic evaluation was not warranted, and its response centres largely on the estimated economic costs and benefits of extending this coalmine. On 25 February 2022, following a full report on this proposed coalmine extension, the Australia Institute’s Rod Campbell Research Director publicly stated:

“The Independent Planning Commission should refuse this project based on its climate impacts and limited economic benefit. The Commission should also urge independent review of economic claims commissioned by project proponents.” (see attached at Appendix 1).

On GHG emissions policy and new information about methane

In its response, the Department helpfully sets out the applicable policies, guidelines and technical notes (page 7) formulated between December 2015 and April 2018, noting the Commonwealth government is a signatory to the 2015 Paris Agreement.

The Department also describes how the IPC came to accept the apportionment of costs being shifted from NSW alone to recognise that production of emissions in NSW contribute to climate change impacts globally (p. 7.8). While the Department describes “GHG emissions output ... incrementally contribute to climate change impacts globally”, it seems this is referring to **cumulative emissions** (ie the total

¹ <https://www.ipcn.nsw.gov.au/have-your-say?project=32bf6906-1c50-4915-ba46-1ae160e57da6>

amount of emissions released over a specified time period. Reference to policies intended for “ratcheting down” emissions are wishful thinking. The emerging (not here yet) technologies are not in use in Australian mines, nor did the proponent offer such mitigation in its amendments. There is no existing capability on the horizon here.

Within the last month, two studies were reported showing that current regulations underestimate the contribution short-lived methane emissions make to global warming.² As the Department mentions methane is from venting, leakage, but also in transport and crushing of coal for power stations (Scope 2). Arising from COP26, over 100 nations signed the Global Methane Pledge to cut methane emissions by 30% by 2030, but not Australia. Nonetheless the IEA’s Global Methane Tracker detected leakage of methane from the energy sector to be about 70% greater than reported overall.³

“Methane is becoming the largest discrepancy from emissions trajectories necessary for meeting the agreement’s target”, observed Professor Nisbet, with coal mining, transport and crushing attributed as a third of the fossil fuel sector’s emissions. Methane’s short lifetime means that cutting emissions quickly reduces the greenhouse impact.... Ending the coal industry is an urgent global priority, not just to cut methane but also CO₂ and air pollution.⁴

Question 1 - centres upon the public interest test (and resounding neighbourhood opposition)

Two points:

- (1) Accepting the Department’s point (p.2.10) that views of the community – local and nationwide – do not alone constitute elements of the **public interest test**, I bring IPC’s attention to the recognition of Whitehaven’s institutional investors are under pressure to exclude coalmining from funding – like tobacco, no longer in investor’s interests or the public interest.

Market Forces reports on Credit Suisse - one of the Whitehaven’s lending group - updating its policy on thermal coal mining, at least precluding funding/underwriting to “developing new greenfield thermal coal mines after 2021 (unless supporting energy transition).”

² Pearce F. (2022) “Why methane is a large and underestimated threat to climate goals”, Stanford Environment 24 February. <https://e360.yale.edu/features/why-methane-is-a-large-and-underestimated-threat-to-climate-goals?s=09>

³ <https://www.iea.org/reports/global-methane-tracker-2022/overview>

⁴ E.Nisbet, (2022) 27 January. Professor of Earth Sciences, Royal Holloway University of London. <https://theconversation.com/methane-in-the-atmosphere-is-at-an-all-time-high-heres-what-it-means-for-climate-change-174908>

Whitehaven itself reported that it will seek to refinance its loan later this year. <https://www.marketforces.org.au/win-credit-suisse-rules-out-whitehaven-coal/>

- (2) The Department gives assurance of its **compliance** team ensuring the proponent operates in accordance with conditions of its consent. (page 2.8). The Department offers this as an assurance, yet surely it knew of but did not refer to the poor performance of **Whitehaven in having breached its earlier consents**, such that it was prosecuted and fined about \$300,00. The monetary penalty is only a symbolic penalty since damage to the environment – emissions – is cumulative, and accelerating climate change/global heating.

Questions – 3 and 7 – Scope 1 & 2 GHG emissions – economic valuation and NSW Policy

Acceptance of trade-offs between the benefits, economic, of coal extraction and costs, at least to its contribute to GHG emissions is accommodated in conventional environmental economics pioneered and developed, typically by William D. Nordhaus and others (what we learned at university). In 2019, the IMF signalled a change of pitch: the appropriateness of CBA when the infinite costs can be catastrophic not merely ratcheting-up of temperature while growth continues – the incremental scenario. Such analysis indicates the urgent need for governments to practise ‘mission-oriented policy’⁵ rather than attempt to fix market failures, and to better deal with navigating uncertainties about growth in a climate-changed world.

On 28 February 2022, the UN issued its IPCC Sixth Assessment Report. In the following week, several events occurred that bear upon the decision facing the IPC:

- a) This latest major assessment found global warming caused by humans was causing dangerous and widespread disruption, with many effects expected to be **more severe than predicted**. A news article **on flooding**⁶ in northern NSW, western Sydney and Brisbane attributed in part to climate change – and worsening. “We’ve added steroids to the climate system that have amplified the rainfall” said Prof David Karoly, climate scientist at the University of Melbourne, referring to the catastrophic flooding on the scale of the disaster hitting Queensland and New South Wales is **becoming more likely** as the planet heats due to greenhouse gas emissions

Last week the Australian Medical Association is reported to have said:

⁵ Mariana Mazzucato, Professor of Economic Valuation in Public Value, University College London writes about climate change in *Mission Economy: A moonshot guide to changing capitalism* (2021) and talked on *Washington Post Live*, ‘The climate catastrophe is here, whether governments like it or not’.

⁶https://www.theguardian.com/environment/2022/feb/28/climate-scientists-warn-global-heating-means-australia-facing-more-catastrophic-storms-and-floods?CMP=Share_AndroidApp_Other

“...the devastating floods in Queensland and NSW “added urgency for more to be done to mitigate and adapt to the impacts of climate change”.

b) **Human rights obligations.** As one of many responses to the IPCC Sixth Report, Australian Lawyers for Human Rights

- “warned that virtually all of the human rights Australia is obliged to uphold under core international treaties, depend on meaningful action on climate change.”
- called on government to “treat climate change with same urgency as we have COVID-19 to safeguard our future well-being”.¹
- ALHR Environment and Human Rights Subcommittee Co-Chair Fia Hamid-Walker said, “It is important to read the AR6 Report in tandem with binding international human rights instruments. The climate crisis is a catastrophic human rights crisis because a clean, healthy and sustainable environment is a precondition to the realisation of almost all human rights. There is a misconception that the impacts of climate change are reserved for future generations but it is increasingly clear that they are being felt and suffered through now.” And referred to the as the current unfolding flood tragedy in Queensland and New South Wales.
- “This complex and interwoven chain of events will lead to various risks to ecosystems and presents an imminent and serious threat to the human rights of all Australians and indeed all humans.”

c) **Outbreak of communicable disease.** Federal Cabinet briefing on the first case (in ICU) in NSW of Japanese Encephalitis Virus (JEV) in NSW, the first case, after outbreaks in Queensland and Victoria. By Friday 5 March, Dr Sonya Bennett, A/CMO declared this mosquito-borne virus a communicable disease incident of national significance, as dozens of suspected cases are investigated.

The emergence of new vector-borne disease occurs with climate warming and the heavy, extended rainfall

d) Growing concerns with coal-power pollution deaths, not only in Newcastle, but in Asia⁷ are reported as countries struggle with transition away from coal.

⁷ <https://chinadialogue.net/en/climate/vietnam-targets-net-zero-but-struggles-to-break-coal-dependence/>

Prof Kathryn Bowen, from the University of Melbourne's Melbourne Climate Futures and a lead author on the IPCC report, said it underlined the importance of considering the "intricate and fundamental links between humans, ecosystems and society".⁸ She highlighted the IPCC's new focus on **cascading and compounding effects** – for example, the severe drought of last decade, which was followed by the black summer bushfires, which was followed in some parts of the country by floods. "The impacts of these climate hazards affect our ability to recover, as often there is little time between their onset," she said.

Further habitat destruction – vexed "greenfields" project

In Attachment A, the Department regards the proposed extension as a brownfields development, specifically not as a greenfields project, on page 2.9:

From a land use compatibility perspective, and the suitability of the site, which is a statutory consideration, the Department notes that the mine has been in existence for more than a decade in contrast, for example, to an entirely new (or greenfields) project in a different location. The Department has addressed these issues carefully in our assessment report.

These are worrying words from a Department ostensibly independent with the capacity of making a neutral assessment. With respect to impact on the environment, this categorisation is factually wrong. Why?

The proposed mine "extension" this development would cause **new substantial damage to the Earth's surface**. The proposal would remove "617 ha of additional native vegetation and habitat for threatened species would be required to be progressively cleared or impacted by subsidence".

This would destroy habitat and causing subsidence – turning a green surface brown!

The land is proposed for use: to construct infrastructure for venting emit additional, cumulative fugitive emissions CO₂ and methane CH₄. We learn that emissions from the proposed Narrabri extension are worse, cumulative, and longer in time than the Tahmoor coal project (greater methane etc), and **massive uncertainties** prevail.

This is a lego-application with massive cumulative impacts. I urge the IPC to reject this characterisation and reject the extension.

⁸ *Guardian Australia*, 7 March 2022 https://www.theguardian.com/australia-news/2022/mar/07/its-not-a-footnote-its-the-story-climate-council-says-too-many-australian-leaders-silent-on-cause-of-floods?CMP=Share_AndroidApp_Other

Question 8 Why the hurry? What's Whitehaven's record here?

The justification offered by the Department for obtaining approval at this time is unconvincing given the commentary on Whitehaven's financial situation¹ as well as its record of pollution – neither of which are mentioned by the Department.

Would the effect of the precautionary principle operate here given the evident newer science about methane (not yet into NSW policy updates)? And the widespread appreciation that coal, above all fossil fuels, is best left in the ground?

Conclusion

It is time to stop further emissions particularly from the mining of coal – causing very dirty results, damaging the environment and directly damaging human and environmental health. Therefore, I urge the IPC to reject the application to extend this coalmine.

APPENDIX 1 – Australia Institute: Basic carbon price makes Narrabri coal mine un- economic: research

3/7/22, 5:14 PM Basic carbon price makes Narrabri coal mine uneconomic: research - The Australia Institute
<https://australiainstitute.org.au/post/basic-carbon-price-makes-narrabri-coal-mine-uneconomic-research/> 2/3

MEDIA RELEASE

NSW

February 25, 2022

Climate & Energy
 Environment

New research reveals the economic benefits of the proposed Narrabri Whitehaven Coal Mine would be reduced to zero in the event a basic carbon price was included in its assessment. In a submission to the NSW Independent Planning Commission, the Australia Institute details how Whitehaven corporation have overstated the economic benefits of the proposed mine, while understating the climate damage.

The proposed expansion is particularly emissions-intensive and would increase direct greenhouse emissions by 22 million tonnes, while burning the coal would result in 250 million tonnes, almost half of Australia's annual emissions.

Key points:

The NSW Department of Planning and Environment recommended approval of the project based on Whitehaven's estimate of economic benefits, but noted that these benefits reduce "significantly" if climate change is properly accounted for. The Department did not estimate how much benefits would reduce with a different approach to climate impacts.

Applying a carbon price of between \$24.50/t and \$73/t to the direct emissions of the mine reduces the value of the project to zero.

Governments such as the USA and UK already use carbon values higher than this range, suggesting that the climate impacts of the project outweigh any financial benefits.

“Yet again the financial benefits of a coal mine have been overstated, while the costs have been understated,” said Rod Campbell Research Director at The Australia Institute.

“Tax payments forecast by Whitehaven for this project sum to an astonishing \$1.6billion, while in reality the entire company pays zero tax in most years.

“It is strange that a government department would identify a significantly understated cost in the economic assessment of a major project, but not bother to quantify it.

“So we did it for them. We find that at modest carbon prices, the climate impacts of this mine outweigh any financial benefits.

“The Independent Planning Commission should refuse this project based on its climate impacts and limited economic benefit.

“The Commission should also urge independent review of economic claims commissioned by project proponents.”

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