



Ryde - Hunter's Hill Flora and Fauna Preservation Society

Member of Nature Conservation Council of N.S.W.

**P.O. Box 552
Gladesville 1675**

Prof Mary O'Kane AC
Chair of IPC Panel
Suite 15.02, Level 15,
135 King Street
SYDNEY NSW 2001

ipcn@ipcn.nsw.gov.au

Re: Glendell Continued Operations Project
State Significant Development Assessment SSD 9349
Submission on additional material: Glendell Continued Operations

We refer to the additional material provided on the NSW IPC website. In particular we note the information provided by the Department of Planning and Environment (DPE) concerning mine design and shown as item 4 on page 3 of the enclosure to the letter from the Director Resource Assessments, dated 30 March 2022.

The question concerning mine design is as follows.

4) What are the commercial considerations (including upfront capital costs) for each of the mine design options and why are options that involve leaving Ravensworth Homestead in situ prohibitive?

The information provided by the DPE is as follows.

As indicated in Glencore's response (dated 23 March 2022), the Department understand that early years of mining require high upfront capital investment and high mining costs which results in negative cash flows in the first few years of development. Additional commercial-in-confidence information provided to the Department demonstrates that the Project cash flows take a number of years to become positive, and the negative cash flow is only substantially offset by the revenue generated in the later years of the mine life. Glencore asserts that shortening the mine plan does not provide enough revenue later in the mine life to offset this initial negative cash flow.

This assertion was a key focus of the Department's independent economic analysis (as discussed in points 209-211 of the Department's Assessment Report). The analysis undertaken by CIE of the additional commercial-in-confidence information regarding the internal rate of return associated with the various mining options concluded that the alternative mine plan options (i.e. smaller the mine plans which leave the Homestead in-situ) are not considered to be economically viable as the high upfront costs are not offset by the revenue generated in these smaller projects.

In our submission dated 28 March 2022 we stated in respect of paragraphs 533 and 539 of the Assessment Report

These paragraphs demonstrate that the Project is likely to deliver a relatively low net benefit of \$151 million, that only Scope 1 and Scope 2 emissions have been included in the calculations and that there are different views about allocation of the full cost of the Scope 1 and Scope 2 emissions.

These shortcomings are a problem for the economic analysis which is the basis for recommending the Project. That is the detrimental Heritage and Greenhouse gas impacts have been justified because there is a net benefit for the Project.

Our comments have been confirmed by the additional material provided on page 21 of Attachment 1 of the Applicant Response (NSW Government Department of Planning, Industry & Environment Review of Glendell Continued Operations Project Mine Plan and Mine Plan Options October 2020) where it is stated,

It is also noted that if current coal prices were adopted in the calculations, all NPV's would most likely be negative.

Table 5.4 on page 20 demonstrates the negative annual cash margin.

In our submission dated 28 March 2022 we also state in respect of paragraph 319 of the Assessment Report,

These policies and the direction of policy at the international, national and state level will have a significant impact on mining projects over the 21 year life of the Project. This highlights another shortcoming of the economic analysis. That is failure to take into account the risk that coal mining operations will become stranded assets during the next 21 years.

There is the widely held and substantial view that coal mining assets will become unprofitable owing to the world wide efforts to reduce Greenhouse gas emissions and meet the Paris Climate Change Agreements and Australia's national and state policies.

Taking into account the information provided on pages 20 and 21 of Attachment 1 of the Applicant Response and the likely future for coal prices the economic and social analysis cannot support approval of the Project.

Ravensworth Estate

The question at item 4 on page 3 of the enclosure to the letter from the Director Resource Assessments, DPE dated 30 March 2022 seeks information relevant to the options for the Ravensworth Homestead.

We note that the heritage agencies say Ravensworth homestead and the surrounding area, has the strongest documentary evidence of any conflict site across the Hunter Valley (including the event known as the Ravensworth massacre), tells the story of shared Aboriginal and European heritage and is rare and exceptionally intact.

We also note that Heritage NSW said in the meeting with the IPC, removing the building and mining the landscape 'diminishes' an "*opportunity for truth-telling and it diminishes the opportunity for us to come together as Aboriginal and non-Aboriginal people that live in this country*" and that,

"if we keep dismantling these cultural landscapes we won't have the opportunity to share ... stories"

These comments emphasise that the Ravensworth Homestead has heritage value *of high to exceptional significance and to be of State heritage significance for its aesthetic, historic, scientific and social values*

We cannot afford to lose this extraordinary heritage and the project should be rejected for this reason.

Summary

The project should be rejected on the basis of the matters raised in our submission dated 28 March 2022 and the additional information discussed above concerning questions on the economic viability of the project over its 21 year life span and the detrimental impact on the extraordinary heritage value of the Ravensworth Estate.

Francis Breen
President

22 April 2022

