



Sutherland Shire Environment Centre

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Russell Vale Revised Underground Expansion Project

(Major Project 09-0013)

Sutherland Shire Environment Centre Objects to the UEP

The Sutherland Shire Environment Centre (SSEC) has a direct interest in the impacts of mining in the Special Areas of the Illawarra water catchment. The southern boundary of the Shire adjoins the Royal National Park and the water catchment areas. Many Shire citizens reside in electorates that either border or include the Illawarra these Special areas. Some Shire suburbs are solely dependent on water supplies from Woronora Dam in the northern section of the Special Areas.

SSEC was horrified by the damage caused in the Woronora catchment by Metropolitan Coal's longwall mining and ran a campaign to stop mining an extension directly under the Woronora reservoir. The campaign collected 10,700 hard copy signatures on a petition presented to NSW State Parliament. Our petition was unsuccessful – as have been many other campaigns by SSEC and various citizen organisations to stop other mining activities in this and other areas of the Sydney Water Catchment.

Some common themes can be identified in approval processes.

- Undue importance given to estimates of direct financial benefits such as: project revenues, surpluses, employment, royalties and taxes.
- Such benefits based on data provided by the applicant and not subject to post operation assessment.
- Inadequate weight given to socio-environmental impacts and risks.
- Inadequate evaluation and measurement such socio-environment impacts and risks.
- Claims that socio-environmental impact risks can be controlled / eliminated by consent conditions devised by NSW Planning (now DPIE)
- State agencies such as Water NSW too readily accept consent conditions will resolve their initial complaints to mining proposals.
- A history of adverse environmental impacts greater than predicted at proposal and approval stage.
- Reliance on a narrow group of individuals for expert opinion on important risks such as subsidence and water predictions.
- Resistance to include the climate change impact of project greenhouse gas emissions in approval decisions.

Following last season's bushfires, there should be no question that the need to bring down emissions is urgent and the failure to do so will be far more costly than any financial benefit from mining more coal. Further, as will be explained below, the UEP is a high emissions project that massively understates its measure of greenhouse gas



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emissions.

Ironically, a rare exception to the past record of mining approvals in the Special Areas has been the 2016 PAC rejection of WCL's previous project application at its Russell Vale and the closure of its Wongawilli mine on safety grounds.

SSEC suggest the current revised UEP project should also be rejected on the following grounds.

Benefits of the UEP

“Overall, the Department considers that the benefits of the Revised UEP outweigh its residual costs, that the project is in the public interest and is approvable, subject to the strict conditions of consent.” (DPIE FAR, p69)

The benefits are primarily the economic benefits taken from the WCL commissioned Economic Impact Assessment study.

The study reports a positive gross profit from the direct operational activities of the UEP based on data provided by WCL (VIZ: revenue, cost and jobs).

WCL may struggle to achieve its forecast revenue and jobs given the current uncertain economic conditions but the same uncertainty renders alternative projection difficult.

The study rightly includes consideration of indirect benefits (higher wages and surpluses to WCL employees and suppliers) and indirect costs (social and environmental impact costs borne by the community)

Total indirect benefits are \$57.4 million (improved wages and supplier surpluses). Total indirect costs are only \$19,158 (primarily water licenses and greenhouse gas valuation).

Overall, whereas the direct and hence indirect economic benefits may prove overstated, in these unstable economic times, the **valuation of indirect costs appear to be seriously underestimated.**

Estimation of the impact costs of the UEP involve measurement against a baseline scenario.

Baseline / Alternative Option

The baseline measure for residual impacts and risks is a closed and rehabilitated mine site. This is explicit in the Economic Impact Assessment study.

Therefore, **any** noise, dust pollution, traffic congestion etc from the UEP (if approved) is a negative impact that must be assessed. However, projections based on studies discussed in WCL's RPPR of such impacts refer to various baseline periods including times when the mine was in full operation and when the mine was in partial operation (care and maintenance



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mode). Some of the reported impact levels appear unduly low and unduly restricted to the immediate area around the mine site whereas a much wider local area would be expected to be impacted.

Consider the following examples.

- In Table 13, p35 of the Economic Impact Assessment study, the following socio-economic impacts are assigned zero valuations: Air quality; Visual amenity; Transport impact; Net public infrastructure cost; Surface water impact; Residual value of land; Biodiversity impact; Loss of surplus to other industries; Aboriginal cultural and historical heritage; Subsidence.
- Noise impacts and groundwater impacts are measured but assumed to be part of the increased operating costs of \$4.3 mill associated with implementing impact reduction measures by WCL. This confuses the reporting of socio-economic cost impacts on the community and infers the WCL proposed measures will eliminate all potential negative impacts.
- The noise monitoring study seems restricted to immediate perimeter.
- The GHGE valuation is massively underestimated. In accordance with standard GHGE accounting conventions only Scope 1 and 2 emissions (15% of total) are included on the basis that all product will be exported (Scope 3). However, the study then further scales the Scope 1 & 2 emissions by the ratio of the NSW population to the *global* population. GHGE conventions state that these emissions are counted in the country of origin & be attributed to the source of emissions. Further, for valuation purposes, an Australian based carbon price that is low by international standards is applied. Having acknowledged the fact that GHGE have a global impact, this study scales back a total emissions valuation of \$118 mill, first to \$17.7 mill (Scope 1 & 2 only) and then finally to only \$0.019 mill (ratio of global population).
- If it is accepted that a cost of \$0.338mill is required as compensation to WCC for accelerated wear on Bellambi Ln, why is there not acceptance of a need for equivalent compensation for the remaining 14kms of roads to PKCT? (A pro-rata application of the Bellambi Ln cost impact would generate an additional \$6.9mill)
- Local property value decreases were identified as a concern of residents in the Social Impacts study but dismissed in the Economic Impacts study.

The proposed DPIE consent conditions also impact on the assessment of these residual impacts / indirect costs.

DPIE Consent Conditions

“The Department has recommended conditions to address the residual impacts and risks of the Revised UEP.” (DPIE FAR pviii)



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Implicit in the DPIE recommendation is the suggestion that these residual impacts (including the socio-economic costs borne by the community), will be eliminated or at least negligible under the consent conditions proposed.

But the proposed consent conditions will not eliminate negative impacts on the community. They only prescribe limits to the severity of such impacts.

Government agencies have confirmed that the limits are acceptable. But these agencies are not residents! And importantly the critical agency with responsibility for protection and management of the water catchment areas has a record of concern with mining in the Special Areas. *“There is now strong evidence that the environmental consequences from mining in the Special Areas are greater than predicted when the mining was proposed and approved. Importantly, some of these environmental consequences have caused (or are likely to cause) breaches of conditions in the relevant development consents, including performance criteria to protect watercourses and Sydney’s drinking water catchment.”* (Water NSW submission to Independent Panel of Mining in Water Catchment – March 2019)

The conditions include preparation of multiple impact management plans. These plans are yet to be written and are subject to approval by the DPIE Secretary.

Overall, the extremely low valuation of residual impacts in the Economic Impacts Assessment and in the DPIE evaluation, imply the community will not be impacted by negative socio-economic factors such as:

- Impacts on public infrastructure costs (EG road maintenance, traffic management facilities);
- Social and transport-related costs (EG visual amenity, noise, air, congestion, travel time, safety, health),
- Environmental costs (EG water supply security, catchment damage, ground and surface water losses, flood mitigation).

And yet these are the focus of many of the objections to the UEP.

Surely this is not an acceptable conclusion.

Risks

Environmental

- Environmental damage: can continue in perpetuity, can be cumulative, remediation has a poor record and offsets are an inadequate option.
- Triple seam mining has limited precedence and was rejected in the 2016 PAC decision.



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- Can we be assured that the multiple management plans (yet to be written) in the DPIE proposed consent conditions will be prepared prior to commencement, be adequate to deliver on their objectives and be fully supported by WCL and regulatory agencies when implemented.
- The consent conditions do not mention provision to order cessation of mining if breaches exceed prescribed limits. This provision has been included TARPS in other mining approvals. TARPS for the UEP are yet to be finalised.
- Residents of the Shire live close to bushland, including the Royal and Heathcote National Parks, but underground mining is draining surface water and drying upland swamps in the Illawarra escarpment. This contributes to the risk of bushfire.
- Drying of upland swamps has serious implications for water quality.

Financial

- WCL has delisted from the ASX. Access to financial reports is now limited.
- Has it the resources to meet the consent conditions?
- Has it the resources to deliver on requirements to rehabilitate the site after only 5 years of operation?
- Will the parent company provide support or liquidate WCL?
- Past record of non-compliance?

Location

The proximity of the surface facility to major residential areas is no longer acceptable.

The DPIE accepts there is a relationship between existing coal resource, infrastructure facilities and previous approved operations (DPIE FAR para 263).

The UEP should be assessed on the basis of its future benefits and impacts. Pre-existence should not be considered grounds for continued operation.

It is extremely rare that a 130 year old heavy industry site would still be operating in its original location today.

The IPC should ask itself, would this project be approved today if this was a green site location?

The proposed Russell Vale UEP is not in the public interest. Economic benefits are questionable. Socio-economic and environmental cost are significantly understated. Risks



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are significant. Its location is no longer acceptable. It is a far more emissions intensive project than is claimed that will have significant implications for climate change.

We ask that you reject this application from Wollongong Coal and recommend a process to close the mine at Russell Vale permanently.