

**ROCKY HILL COAL PROJECT (SSD 5156) &
STRATFORD EXTENSION PROJECT (SSD 4966 MOD 1)**

**PRESENTATION TO PAC NOVEMBER 14 2017 (original submission Nos 170866 &
171092)**

For nearly a decade the local community and its political representatives have opposed the Rocky Hill Coal Project. The DOP has recommended refusal, remaining unconvinced that any conditions of consent could adequately deal with the adverse impacts of a coal mine so close to town.

Despite this recommendation, Gloucester Resources Limited remain committed to their project.

We know that Yancoal – owners of Stratford & Duralie coal operations - have to pay out hefty fees for their take-or-pay transportation contracts, whether or not any coal is shipped to Port, and, that the Stratford Extension Project is underpinned by the commercial arrangement between GRL and Yancoal.¹

Justifying the RHCP because it could use Stratford Coal’s infrastructure and help out with Yancoal’s take-or-pay obligations does not validate either project. In fact, this arrangement increases the risk to the community and compounds the likelihood of seeing to stranded coal mining assets in the Gloucester Valley.

GRL misleadingly use a World Steel reference² to assert that the coal from Rocky Hill would be “of considerable importance to the manufacture of steel globally, particularly given the projected growth in steel production in the order of 1%”. The World Steel article actually states that growth in the steel market over the next two years is projected to be approximately 1% a year, with no suggestion that that growth will be sustained beyond 2018.

Recently World Steel commented that there is already enough production capacity for steel for the next 20 years and that *“The lack of a strong growth engine to replace China*

¹ 2-158 GRL Amended RHCP Response to Submissions Report No 806/15

² Response to submissions Report No 806/15 GRL Amended Rocky Hill Project ES16 RW Corkery & Co Pty Ltd

and a long-term decline in steel intensity due to technological and environmental factors will continue to weigh on steel demand in the future.”³

It seems the DOP has simply gone along with the notion that an amended project would deliver economic and employment benefits to the Gloucester region and State economies for the period that the RHCP was operational⁴.

When the projected benefits arising from the projects are contingent upon the accuracy of GRL’s long term sale price prediction, it is reckless of the DOP to conclude that on one hand even if coal pricing outlooks led to “limited profitability”, there would be public benefits to the community and the State⁵ and then, on the other hand, to claim that no economic analysis can predict the future because of the existing “volatile” coal market⁶.

Public benefit can only be established when positive outcomes for both the proponents and the community are assured. There is no assurance to anyone that benefits will result from either project. It is not in the community’s best interests to approve the RHCP when the anticipated economic benefits from both the RHCP and Stratford Coal projects are speculative at best, and in today’s coal export market unrealistic.

Add to that, that the operational impacts resulting from the Rocky Hill Project have been found to be unacceptable, it is clear that the RHCP and Modifications to the SMC should be permanently refused.

Megan Benson

10th November 2017

³ **Global steel demand growth to slow in 2018, worldsteel says Oct 16, 2017** <https://www.reuters.com/article/us-steel-demand-global/global-steel-demand-growth-to-slow-in-2018-worldsteel-says-idUSKBN1CL0Q8>

⁴ RHCP Assessment Report piii NSW DOP

⁵ 6.9.3 RHCP Assessment Report Department of Planning & Environment NSW Govt

⁶ 6.9, 6.9.3 RHCP Assessment Report Department of Planning & Environment NSW Govt