

14 February 2018

Hunter Branch

Alana Jelfs  
Planning Assessment Commission  
Level 3, 201 Elizabeth Street  
Sydney NSW 2000

Via email to <pac@pac.nsw.gov.au>

Dear Ms Jelfs

## **UNITED WAMBO OPEN CUT COAL MINE PROJECT (SSD 7142)**

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The Hunter Branch of the National Parks Association of NSW (NPA) appreciates the opportunity to comment on the United Wambo Open Cut Coal Mine Project and Associated Modifications MOD 3 and MOD 16.

Established in 1957, NPA is a community-based organisation dedicated to the protection and conservation of nature. Our activities are particularly focused towards advancing:

- long-term protection of biodiversity and its supporting ecological processes
- an expanded network of protected natural areas
- better systems of environmental law, policy, and planning
- evidence-based natural resource management
- a closer connection between people and nature.

### **Background**

NPA Hunter Branch lodged strong objections to the United Wambo Project (SSD 7142) when it was previously advertised for public consultation (our submission to the Dept of Planning and Environment dated 21 September 2016). Our conclusion was that the proposal represents:

a substantial and cumulative devaluation of biodiversity and water resources within and surrounding the site. There will be also substantial emissions that contribute to the global process of climate change, to which Australia's economic, social and ecological systems are particularly vulnerable. These negative consequences are not given adequate weight in the economic evaluation, representing a failure to place appropriate values and prices on environmental resources. This is inconsistent with the principles of ecologically sustainable development. The project should therefore not be approved, as to do so would be inconsistent with the objects of the EP&A Act.

### **Biodiversity impacts**

It is acknowledged that modifications have been made to the proposal that would result in a marginal reduction in the extent of clearing of native vegetation. Nevertheless, the project will still require the destruction of over 530 ha of native woodland and forest communities, 210 ha being State-listed endangered or vulnerable ecological communities, and 250 ha being Central Hunter Valley Eucalypt Forest and Woodland EEC listed under the EPBC Act. This loss of native habitat is highly significant in the context of cumulative habitat loss arising from similar mine projects within the Upper Hunter district.

[REDACTED]

The Regent Honeyeater, Swift Parrot and Spotted-tailed Quoll are examples of listed species that are being continually impacted by this cumulative habitat loss.

The project will also contribute to the cumulative draw-down of aquifers along the Hunter River and Wollombi Brook resulting from existing nearby mines. This will impact remnant stands of Hunter Floodplain Red Gum Woodland EEC and reduce their drought resistance.

We note the continuing inadequacy of proposed offset measures, which are over-dependent on points generated from rehabilitation works. Consequently, there is a significant risk that the intended extent and quality of rehabilitation will not in fact be achieved.

### **Economic impacts**

Our earlier submission to the DoPE noted a significant over-estimation of net economic benefits to the community, due to a failure to adequately account for environmental costs and reduction in the intergenerational value of natural capital. For example, water and biodiversity impacts and downstream greenhouse gas emissions are not adequately accounted for in the calculus of net economic benefit.

We note that the revised net economic benefit of the project has reduced by almost 40% to \$256 million (NPV). However, it is submitted that this figure would reduce to zero if a more realistic approach to discount rates were adopted in the Cost-Benefit Analysis. The adopted approach under current assessment guidelines assumes a fixed (linear) discount rate of 7%. However, there is substantial evidence in the international literature that people value future costs and benefits according to a hyperbolic rather than a linear scale, and that accordingly, the adopted discount rate should decline over time. This is an important consideration given the long-term intergenerational time scale for the project's environmental impacts. It underlines our view that the claimed benefits of the project are short-term, and do not compensate for long-term, intractable and largely irreversible degradation of the natural environment and its economic and non-economic productive capacity.

### **Conclusions**

In summary, we continue to object to the proposal, and recommend that the Commission refuse project approval.

Yours faithfully



Ian Donovan

**President, Hunter Branch  
National Parks Association of NSW**