

WYONG SPECIAL AREA (PROTECTION) BILL 2016

First Reading

Bill introduced on motion by Mr David Harris, read a first time and printed.

Second Reading

Mr DAVID HARRIS (Wyong) (10:45): I move:

That this bill be now read a second time.

It disappoints me that I have to reintroduce the Wyong Special Area (Protection) Bill 2016 to stop mining in an important water catchment that is significant not only to the Wyong electorate but also the whole Central Coast. I will not go into specifics about the bill because members can read my original second reading speech, which details its provisions. In this second reading speech I will outline why this issue remains important not only in my electorate but also across the Central Coast. It is sad that the first application in 2011 was rejected by Labor. We remember when Barry O'Farrell, on that fateful day at Mardi, made his infamous promise of "no ifs, no buts, a guarantee—no mine" and said that, if elected, he would introduce legislation to that effect. The Parliamentary Secretary at the table, the member for Castle Hill, was present when Mr O'Farrell gave that solemn commitment to the people of the Central Coast.

We heard recently about a new concept called "social licence" during the greyhound racing debate. Not only has the Wallarah 2 coalmine never had a social licence; there is less reason for it to have one now, given it is predicted—as announced last week—that 76,000 extra people will live in the area by 2036, increasing the population of the Central Coast to 415,000. People familiar with the Central Coast will know, as I detailed in my original second reading speech, that the Wyong River, Jilliby Creek and Porters Creek flow into a catchment and water is drawn from the Wyong River and pumped into the Mardi Dam. That water, by way of a \$120 million pipeline, is then pumped up to the Mangrove Mountain Dam, which secures the water supply for the entire Central Coast. This proposal seeks to build a long wall coalmine underneath an important part of that catchment.

People must understand that the Mangrove Mountain Dam is not a catchment dam; it is a storage dam. The water that sits in it and will supply the potential population of 415,000 by 2036 is drawn, mostly, from the important Wyong water catchment. It is a designated and gazetted as a water catchment. Interestingly, a petition about a mining proposal in the Southern Highlands was circulated and the Minister for Mental Health, Pru Goward, the member for Goulburn, rightly stood up on behalf of her community to oppose that mine on the basis that it was in a water catchment. The member for Wollondilly, Jai Rowell, also opposed it and outlined the importance of protecting that water catchment.

In line with my promise during the election campaign—and as Barry O'Farrell promised on behalf of the Liberal Government—I am introducing special legislation to protect this important water catchment. I note that my colleague the member for Lake Macquarie, Greg Piper, is in the Chamber. He has been a strong advocate against this mine for a long time for the same reasons as I have: Mining should not occur under water catchments. Mining should not occur under a catchment that supplies water to such a large population. At a meeting last night the new Central Coast Council, which was created by the Premier with an administrator appointed by Minister Paul Toole, reiterated not only the opposition of the old Wyong Shire Council and Gosford City Council, but also stated its opposition to the project.

I will read a little from the press release issued by the council. It goes to show that opposition to the mine is not coming from a group of rabid environmentalists who oppose any mining; it is a serious issue affecting an important water catchment that supplies a massive urban population. The council's press release is headed, "Council remains opposed to Wallarah 2 coal mine" and says:

Central Coast Council concerns about the effect of the mine on the drinking water catchment, environment and residential areas are central to its submission to the amended Wallarah 2 project.

Walarah 2's modified plans have recently been put on exhibition. The modifications seek to introduce a coal conveyor, realign the sewer connection and introduce a new rail loop and line on the site.

Council was given an extension to the deadline so its submission could be brought to a Council meeting and made public. Council will now add its voice to the over 700 submissions already lodged, the majority of which also oppose the coal mine.

Administrator Ian Reynolds said Council's overall concerns about the impact on the water catchment had not changed and now had new concerns about the impact on the new rail loop on nearby residents.

"Council is concerned about the impact of this proposed rail loop on surrounding residents particularly in relation to noise and air quality which were not adequately addressed in this proposal.

"There has also been no proper assessment done on the effects on local flora and fauna, the visual impact and dust mitigation and overall community impact.

"Our concerns relating to the effect on the drinking water catchment, environment and residential areas of the mine operation remain and are not addressed in this proposal at all.

"We maintain our strong opposition to the Wallarah 2 coal mine and have made this position clear in our submission."

The former Wyong Shire and Gosford City Councils united in their opposition to the mine, due to the potential impacts on drinking water catchment areas, in March 2014.

There we have it. Last night the council that was appointed by the Government with an administrator appointed by the Government reiterated its opposition to this mine—and for very good reasons. The Mandalong Coal Mine operates in the northern part of the Central Coast, in lower Lake Macquarie. I did not oppose that mine because it did not have a major impact on the community. I oppose—the community opposes—this proposal because it will have an impact on the Central Coast community. The environmental impact statement [EIS] for the project was prepared in April 2013 by the Wyong Areas Coal Joint Venture. In 2014 the Planning Assessment Commission [PAC] reviewed the project and conducted a public hearing in Wyong. The PAC then prepared a review report that made a number of recommendations. The Australian Coal Alliance, which is opposed to this mine, has outlined the recommendations:

...the Commission considers that, if the recommendations concerning improved strategies to avoid, mitigate or manage the predicted impacts of the project are adopted, then there is merit in allowing the project to proceed. However, if the recommendations are either not adopted, or adopted only in part, then the Commission's position would probably change in favour of a precautionary approach. This particularly applies to water-related impacts.

The majority of the PAC's principal findings and recommendations relate to subsidence and water-related impacts. In relation to water, it said "the project predicts risks of reduced availability of water for the Central Coast water supply", wherein the PAC recommended there should be no impact on potential catchment yield. The Australian Coal Alliance continued:

The Central Coast water catchment supply in the Wyong valleys is at real risk of destruction due to massive subsidence and loss of potable water to the mine area below.

None of the PAC's recommendations for improved strategies have been implemented.

The PAC said clearly that if that did not happen it would change its approach to the mine in favour of the precautionary approach, which means that it would deny it. Nothing in the new submission that is currently under assessment suggests that the mining company has addressed any of those issues in any way. The submission from the Australian Coal Alliance goes on to say:

In July 2014, the Proponent prepared a Response to the PAC Review Report and subsequently has prepared an amended development application (Amended DA) for the Project. According to the Proponent, the Amended DA involves changes to the proposed coal transportation infrastructure and the re-alignment of a sewer connection. All other aspects of the Project will remain as previously proposed.

So the proponent admits that it has made no amendments—no changes—to its original submission.

Mr Greg Piper: Business as usual.

Mr DAVID HARRIS: Exactly. As the member for Lake Macquarie says, it is business as usual. The proponent has ignored the PAC recommendations. The Australian Coal Alliance continued:

The Amended DA documents do not include amended Appendices in relation to subsidence, groundwater or surface water. The Amended DA does not propose to change the number, depth or location of the longwalls.

In general terms, all the objections to the project remain valid. The only reason the company has made this amended application is that the Darkinjung Local Aboriginal Land Council denied the miner access to the land. This amended application seeks to go around the Aboriginal land—land locking the Aboriginal land—and makes no other changes. That is an absolute disgrace. Returning to the PAC's recommendations, the Government should support this private member's bill not only because it told the people of the Central Coast in 2011 that it would move special legislation but also because the mining company has thumbed its nose at the PAC. That is more evidence of why the Government should say no to this project.

Other reasons have come to light since I introduced the original bill. In June 2016 the *Korean Times* reported that the project's parent company, South Korean Government owned Korea Resource Corporation [KORES], is to quit its overseas development operations. KORES became actively engaged in overseas resource development during the former President's administration but a price plunge in global resources has dealt it a deathly blow. KORES' debt ratio stands at a staggering 6,905 per cent. According to the Korean Board of Audit and Inspection, a total of 35.8 trillion won was invested in overseas resource development, with little gains so far. KORES will also be slashing 118 international jobs.

The announcement that the company is withdrawing is of great concern to the people of the Central Coast and to others opposing this mine. The problem is that the remedial and rehabilitation work that the mine company undertook to do in its original application could well be unrealised because the proponent, Wyong Coal Pty Limited, has paid up capital of only \$400. Therefore, the total liability of this company is limited to the total amount of its paid up capital. It could simply walk away and leave the Central Coast community and the State Government having to bear the burden of the cost. Given the reported financial woes of the parent company and its move to withdraw from overseas resource development, it is highly unlikely that the current proponent would want to develop the mine and would wish merely to onsell an approved licence. That should also be taken into account.

I move now to the effect on the Darkinjung Local Aboriginal Land Council. In addressing the Government requirements for this amended development application, the proponent must take into account other community interests. In its proposal the proponent mentions nothing about the development that is currently being examined for Darkinjung Local Aboriginal Council land via a planning proposal that intends, initially, to subdivide 500 building lots on land directly adjacent to the mine project boundary. The Australian Coal Alliance received legal advice that the department is bound to take into account the proposed development of Darkinjung land under the planning

proposal, given that it has progressed to a stage where the department has determined that the planning proposal should proceed and has directed Central Coast Council to make the local environmental plan.

That legal advice further states that the requirement to consider the planning proposal falls within section 79C (1) (e), which requires the department to consider the public interest when assessing applications; likewise, the department is also required to consider the planning proposal under section 79C (1) (b), which requires the department to consider the social and economic impacts in the locality of the development. In both cases it is necessary to show that the impact of the coal project on the development proposed under the planning proposal is relevant and that the department is bound to take that into account because of its relevance, but has so far failed to do so.

There are 500 houses on the boundary of the coal loader that have not been taken into account. Moreover, the new proposed coal loader, which is nine storeys high, is approximately 300 metres from the suburb of Blue Haven in my electorate. The people who live in those areas knew nothing about this proposal and the impact on them will be significant, not just in relation to dust but also in relation to noise. The mining company has failed to address those issues. The Government—including the two members who spoke to the Southern Highlands community—now has an opportunity to support Labor's private members bill and fulfil the promise that was made in 2011 to support special legislation that would block this mine. There is no case now for approving a mine under water catchments when the area is experiencing massive urban population growth.

Right across the State pressure is being put on land for the provision of accommodation, and rightly so, to address the need for affordable housing, but coalmines that potentially, and in this case probably, will affect water supplies do not go hand in hand with areas of urban population. This should not be a political issue between Labor, Liberal, and The Greens and everybody else throwing mud at each other. It should be remembered that Labor blocked the mine originally, the Liberal Party made a promise to stop the mine, and that at the last election I, as the local member, made a commitment to remove this legislation.

This bill is an opportunity for every member of the House not only to protect the water supply of the Central Coast but also to put the interests of our community first instead of the interests of big business and big money, which may withdraw from the whole project and leave the Central Coast community and the State of New South Wales with a liability that will never be met. I endorse this legislation and I hope the Government thinks very seriously about it. This bill gives the Government an opportunity to meet its social licence obligation that was inherent in the commitment made by Barry O'Farrell in 2011—a commitment that was made to the people of the Central Coast and the people of New South Wales. I urge the Government to ban mining in the Wyong water catchment.

Debate adjourned.

The DEPUTY SPEAKER: General Business Notices of Motions (for Bills) having concluded, the House will now proceed to deal with General Business Orders of the Day (for Bills). I set down the resumption of the debate as an order of the day for tomorrow.