

Report

Version: 1



# Submission to the Preliminary Regional Issues Assessment (Hawkins and Rumker) - NSW Government Wollemi coalfields proposal

*Submission of The Wilderness Society*

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## Introduction

The Wilderness Society is making this submission on behalf of ourselves and almost 10,000 signatories (names of co-signatories to be provided separately) because the proposal by the NSW Government to open up this area adjacent to Wollemi National Park and the Greater Blue Mountains to exploration for coal mining is one of the most extreme examples of the mindless expansion of the fossil fuel industry into Australia's unique and important landscapes that we've ever witnessed.

In 2021, in the wake of the 6th IPCC report, 30 years after the first report was published; and after the International Energy Agency has indicated that fossil fuel exploration needs to end this year to meet climate targets; it is unconscionable to be opening up new coal mines, let alone entire new coalfields.

But given the concurrent global biodiversity crisis, with Australia being of the most biodiverse countries on the planet but also with one of the highest species extinction rates, it doubly unconscionable to be considering opening up new coalfields in a landscape that is clearly of global significance for biodiversity and natural heritage.

We believe that this process of opening up the Wollemi area to coal will draw significant attention towards the NSW government, their environmental and climate records and the soundness of their capacity to maintain trust with the community. It also undermines the NSW Government's own state's objective to transition to net zero.

The area north of Rylstone where coalfields are proposed has already undergone a successful transition away from coal and cement to agriculture and tourism. The nearest active coal mine to the Hawkins area is Wilpinjong some 30-35km to the North and the nearest to Rumker is the Airly Mine some 40-45 kilometres to the South. Despite the exact locations of the Wollemi Pine being kept secret, *Wollemia nobilis* is undoubtedly closer to these potential new coal fields than any other existing active coal mine is.

Given climate concerns, biodiversity impacts and with community trust at historically low levels, if this proposal was to advance to the exploration stage we believe that is likely that an environmental campaign of global scale would develop. The factors that would contribute to the scale of the campaign are the same that would figure in any basic ESG risk assessment for investment or project finance. The exceptional natural values of the area are more in-line with the campaign to protect the Great Australian Bight than in



other high profile coal campaigns in Australia. In the Great Australian Bight petroleum companies pledged \$2.5 billion in exploration funding alone but ultimately for ESG and social license risk reasons, all of the global players who had interest in the area pulled out and diverted their resources elsewhere. The ultimate outcome was community angst and wasted effort from the companies. It is inconceivable that any new project in the Wollemi, now or in the mid-term (after exploration etc) would not face significant barriers to finance on this basis.

If the NSW Government was to decide to open up the Wollemi coalfields for any mine to proceed to the production stage then it will require a substantial public investment in the likely hundreds of millions to establish the infrastructure to get any coal to market, A feasibility study for the potential railwork has already been rejected on multiple grounds including strong community opposition and a lack of alternative use for the infrastructure. Any public investment in these works would be high fiscal risk and have low community support.

Given the broad scope of the PRIA process and the lack of clarity about how submissions like this might be considered, along with the role of Cabinet in the process which makes it explicitly a political rather than policy one, this submission is not a traditional planning decision submission. It is broken into three sections: Nature and heritage risk, Political and financial risk; and Climate risk.



## Nature and Heritage Risk

### Risk to the Greater Blue Mountains World Heritage Area and associated values

The Hawkins, Rumker and Ganguddy-Kelgoola potential release areas abutt the Greater Blue Mountains World Heritage Area, specifically Wollemi National Park and incorporate an area dominated by intact native vegetation that forms an extensive corridor that runs north-west towards Munghorn Gap Nature Reserve and Goulburn River National Park.

The vegetation in this area is considered to be highly intact according to the national-level Vegetation Assets, States and Transitions (VAST) dataset for Australia (version 2.0) and is ecologically contiguous with Wollemi National Park and the Greater Blue Mountains World Heritage Area.<sup>1</sup>

Both Nullo Mountain State Forest and Coricudgy State Forest are considered by the NSW Government to be of a quality of natural heritage to be listed on the Australian Heritage Register and have been nominated as such to the Australian Heritage Council and Commonwealth Environment Minister for inclusion on the National Heritage List as a deliberative step towards incorporating these areas into the Greater Blue Mountains World Heritage site<sup>23</sup>.

The Nullo Mountain State Forests and the Coricudgy State Forest are part of the Ganguddy-Kelgoola release but it is unreasonable not to consider the potential landscape scale impacts on these areas at this stage because the intent of the NSW Government is that these sites are to be World Heritage listed.

The vegetation in the Rumker and Hawkins regions are fully contiguous with the current and likely future boundaries of the Greater Blue Mountains World Heritage Area and share much of the same attributes that are found in the rationale for the listing of the Greater Blue Mountains on the World Heritage list in the first place. These include deeply incised sandstone landscapes, an incredible variety of eucalyptus and eucalypt-dominated ecosystems along with being a centre of diversity and endemism for Gondwanan origin scleromorphic plants and the animals that depend upon them. Only a detailed series of site surveys of the native ecosystems in these areas would establish how important these areas of vegetation are to the resilience of the wider World Heritage sites and its key values.

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[https://www.researchgate.net/publication/266098862\\_A\\_national-level\\_Vegetation\\_Assets\\_States\\_and\\_Transitions\\_VAST\\_dataset\\_for\\_Australia\\_version\\_20](https://www.researchgate.net/publication/266098862_A_national-level_Vegetation_Assets_States_and_Transitions_VAST_dataset_for_Australia_version_20)

<sup>2</sup> <https://bmnature.info/docs/documents/values-for-new-generation.pdf>

<sup>3</sup> [https://www.environment.gov.au/cgi-bin/ahdb/search.pl?mode=place\\_detail;place\\_id=105696](https://www.environment.gov.au/cgi-bin/ahdb/search.pl?mode=place_detail;place_id=105696)



It is important to note the full World Heritage nomination highlighted that “Because the cleared areas are generally 100 metres or more below the sandstone plateau, these dominant landforms enable the parks to perform an effective conservation role without being adversely influenced by the land uses below.”<sup>4</sup> This means that the usual environmental integrity issues associated with convoluted boundaries such as surrounding the high value conservation land in the Hawkins and Rumker areas would not normally apply to a conservation assessment.

The native vegetation in the Hawkins and Rumker areas are largely on crown land and their incorporation into the NSW conservation estate either by National Park Gazettal or through the establishment of an Indigenous Protected Areas would significantly boost the resilience of the World Heritage site. And given that Australia has indicated its willingness to sign onto the 30 by 30 target of the upcoming UN Biodiversity COP<sup>5</sup> it will be necessary for the NSW government to significantly expand its reserve system to meet these targets with Crown Land sites like these.

Specific eucalypt dominated wetlands have been identified in the region as being sufficiently important to be added to the World Heritage site and assessment is still ongoing<sup>6</sup>.

## Heightened species extinction risk and bushfires

The Hawkins and Rumker vegetation provides resilience at a species population level to deal with both large fire events and longer term climate change,

There are records of a number of species that are directly connected with the Outstanding Universal Value of the Greater Blue Mountains World Heritage Area that are also endangered species found or likely to be found in and depend upon ecosystems in the Hawkins and Rumker areas. These include range restricted eucalypts, acacias and peas along with a number of other scleromorphic Gondwanan-origin shrubs that are of direct relevance to the Outstanding Universal Values (OUV). For fauna it includes a range of species that directly contribute to the OUV of the site which are key species at a continental and global level for the preservation of Australia’s evolutionary history including several gliders, the spotted tailed quoll, regent honeyeater, gang gang cockatoo

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<https://www.environment.gov.au/system/files/pages/50d276f9-337f-4d9f-85f5-120ded99fc85/files/gbm-nomination.pdf>

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<https://www.themandarin.com.au/160143-australia-joins-global-biodiversity-coalition/#:~:text=Australia%20has%20joined%20a%20coalition,land%20and%20ocean%20by%202030.>

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<https://www.rbgsyd.nsw.gov.au/getattachment/Science/Scientific-publications/Cunninghamia/Cunninghamia18-BAIRD-BENSON-Cudgegong-mires.pdf.aspx?lang=en-AU>



and koala. Many of these species conservation status is currently under review due to the impact of the Black Summer bushfires and their status has not yet been resolved.

Given the scale of the Gosper's Mountain fire it is inevitable that the unburnt vegetation in the Hawkins and Rumker areas has served as a refuge for a range of species and sites like these will need to be protected and managed to allow key species to persist in the face of increased fire risk and climate change.

## **Risks to highly intact landscapes and catchments**

Coal mining and the associated infrastructure are highly damaging ventures and the Hawkins and Rumker areas are some of the most intact landscapes and catchments within NSW. Parts of the adjoining Wollemi National Park are also subject to Wilderness protections along with a Wild Rivers listing. The aquatic systems have been identified as both highly intact and unique in the NSW High Ecological Value Aquatic Ecosystem (HEVAE) Framework for Riverine Ecosystems process<sup>7</sup>. The likely need for coal washing will create further risks for these environments.

## **Potential World Heritage in Danger listing**

The Blue Mountains World Heritage listing is under active scrutiny by UNESCO's World Heritage Committee over the impact of catastrophic bushfires, the development of the Western Sydney Airport, the proposed raising of the Warragamba Dam and the increased cumulative impact of coal mining on the site's values<sup>8</sup>. A move by the NSW Government to actively establish a new Wollemi coalfield would be seen as provocative and further increase this scrutiny. The Commonwealth has contracted the CSIRO to examine the cumulative impacts of coal mining on the Blue Mountains World Heritage Area but this has not yet been completed.

## **First Nations heritage issues**

Upon the inscription of the Greater Blue Mountains World Heritage Area it was proposed that Indigenous cultural values would also be incorporated into the listing - this is underway but heavily delayed. There is a lack of systematic and detailed mapping and assessment of the cultural values of the area despite the apparent local, national and global significance of the sites and landscapes. It is essential that this work is done

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<https://trade.maps.arcgis.com/apps/webappviewer/index.html?id=91904a403e7742518ce42120321a76ad>

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<https://www.environment.gov.au/heritage/publications/greater-blue-mountains-area-state-conservation-update-april-2020>



before the NSW Government finalises any decision around the PRIA. It is essential for the ongoing protection and management of the values of this area regardless of any coal mining impacts. The Wilderness Society encourages the NSW Government to provide Traditional Owners with resources to carry out this work.



## Political risk

There are a number of political risks for the NSW Government in opening the Wollemi area for new coal mines including regulatory, political and financial risk considerations.

### **Lack of community trust or support**

The region no longer associates itself with coal and has already transitioned to other industries. To open up mines here will clearly impose land-use conflict on the local community. There is no active coal mine in or near this area. It cannot be seen as an extension of the Hunter Valley for employment or political purposes.

The history of corruption in coal license issuing in this area has eroded community trust and will bring heightened public scrutiny. Any decisions by this Government will be seen in the context of these previous activities.

The failure to release the Resources Assessment as well as the decision to contract a coal industry consultant to assist in the community consultation process have already eroded community trust, as has the decision to rush this process during the Covid-19 pandemic - including during lockdowns.

### **Community campaign of global size and significance**

The Wollemi National Park and the Greater Blue Mountains World Heritage Area has a special place in the history of the Australian conservation movement and therefore any impacts to the area are likely to draw significant attention of conservation groups.<sup>9</sup>

### **Lack of precedence for planning approval**

The Independent Planning Commission has already rejected a coal mine in an adjoining area that shares many of the values and issues present in Hawkins and Rumker.<sup>10</sup>

### **Questions of accountability and transparency in the process**

The PRIA process is unclear and breaks away from the traditional forms of Ministerial Accountability through the incorporation of Cabinet as a planning decision-making body without any checks and balances.

The breakaway from the traditional forms of Ministerial Accountability mean that it is difficult for a Government to manage community and stakeholder expectations. It also

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<sup>9</sup>

<https://www.colongwilderness.org.au/campaigns/the-gardens-of-stone/nsw-wilderness-red-index>

<sup>10</sup> <https://www.ipcn.nsw.gov.au/projects/2018/10/bylong-coal-project>





limits the community's right to appeal to a narrow range of options that ultimately expedites communities towards electoral processes or 'accountability at the ballot box' for recourse.

There is no clear role for the Environment Minister or any Departmental functions that report to them. There has been no transparent assessment of environmental risks.

A whole-of-government decision to open up a new coalfield in such an important environmentally sensitive area will be a moment that will seriously downgrade the environmental and climate credentials of all members of the Berejiklian Government.

There has been no new coal mine in or near this area since the original corruption scandal. It is an understatement to say that the community trust in this area is low. Another proposed coal mine to the north in the Bylong Valley has already been rejected by the Independent Planning Commission for reasons that are perhaps expressed even stronger in the Hawkins and Rumker area.

From the speed at which the Rylstone Coal Free Community group have mobilised a diverse group of interests it is clear to us that this area does not want the Berejiklian Government to succeed in opening up a coal field here where Eddie Obeid and Ian MacDonald failed.

The PRIA process is an unusual one in that it makes Cabinet the final decision maker for what is essentially a planning decision. And by doing so it reduces the traditional Ministerial Accountability that is part of the system of Responsible Government; reduces the community rights that can be accessed through the courts; and because of Cabinet-in-confidence provisions it reduces the transparency in the entire process.

The likely outcome of this is that if a decision is made where the community is unhappy, then the only remaining accountability mechanism is "accountability at the ballot box." The decision will have undoubtedly been a decision of Cabinet (and therefore the Government) and yet their will have been no clear vehicle for the Cabinet members to have engaged in the decision (for instance, it is not clear whether any of the Department ultimately accountable to the Environment Minister have any role in this decision process at all). So that means that the decision to open up the Wollemi Coalfields will be not just a John Barilaro decision but also a Gladys Berejiklian decision, a Rob Stokes decision and a Matt Kean decision. But one where they will be bound by the decision without seemingly engaging in the process by which it was made. This has consequences for community trust and how a community might feel obliged to respond to provide the ultimate accountability.

The PRIA process, born out of corruption scandals, has taken a situation where a Minister could point a finger at a map and direct a Department to issue coal exploration permits for their own benefit, and evolved it into an obscure and convoluted process where the public get asked whether they support coal mines here, but once asked, there is little



insight into whether the information they provide will actually inform the decision making. The premise of the consultation is around environmental, social and economic impacts and yet the relevant Ministers in this area have no role. It is a mindless process that may provide the impression to the community that the intent is to establish coal mines here regardless of their views.

### **The financial implications of a political approval process**

There is a significant risk of the mines becoming ‘stranded assets’. Any new mines will face significant challenges in securing private sector capital as investor and financial appetite for carbon intensive assets diminishes and will require additional publicly funded infrastructure that are already known to be unsupported by the community<sup>11</sup>.

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<https://www.transport.nsw.gov.au/system/files/media/documents/2020/Kandos-to-Gulgong-Line-Reinstatement-Feasibility-Study-Executive-Summary.pdf>



## Climate risk

A proposal to open up the Wollemi area to new coal mines creates a range of climate risks.

### **Emissions**

A significant source of currently sequestered carbon would be released into the atmosphere. With changing transition risk dynamics there is a significant risk that these would become stranded assets.

### **Carbon lock-in**

It discourages a smooth transition and is likely to increase the chances of a disorderly transition at a regional and state level. This appears to undermine the stated policy objective of the NSW Government to achieve net zero emissions.

### **Lack of future demand/viability issues**

NSW Treasury modelling indicates a reduced demand for the high-ash coal that could be mined from these areas within NSW<sup>12</sup>. It is unlikely that high ash coal without any connecting infrastructure from underground mining will be competitive versus cheap Indonesian coal for export markets under any climate or international coal demand scenario. The quality of the coal will also require coal washing which will further reduce the financial feasibility of mines in this area.

### **Unfunded public spending creating stranded public assets**

Significant public expenditure to get proposed mines to the production phase and also keep viable. And yet will also provide no additional economic benefit and would likely never be repaid.

### **Physical impacts/resilience**

Reduced climate viability of biodiversity and agriculture. In addition to the already canvassed biodiversity impacts, coal mining will have significant water and drought resilience agriculture impacts through impacts to springs, groundwater and diversions of streamflows for coal washing.

### **Transition risk**

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<sup>12</sup>

[https://www.treasury.nsw.gov.au/sites/default/files/2021-05/2021\\_igr\\_ttrp\\_-\\_the\\_sensitivity\\_of\\_the\\_nsw\\_economic\\_and\\_fiscal\\_outlook\\_to\\_global\\_coal\\_demand\\_and\\_the\\_broader\\_energy\\_transition\\_for\\_the\\_2021\\_nsw\\_intergenerational\\_report.pdf](https://www.treasury.nsw.gov.au/sites/default/files/2021-05/2021_igr_ttrp_-_the_sensitivity_of_the_nsw_economic_and_fiscal_outlook_to_global_coal_demand_and_the_broader_energy_transition_for_the_2021_nsw_intergenerational_report.pdf)



Given the environmental values of the area, the climate risk and the existing community concerns it is unlikely that financing will be possible for mines here to secure finance from any traditional source. Mines in these areas would likely fail negative screening or any ESG risk assessment. Therefore the NSW Government and the local community would be required to go through a painful and conflict-riven political process without any realistic assessment of whether these coal mines would be financeable.

### **Fiscal risk of future coal license buy-backs or unfunded remediation obligations**

The NSW Government has already had to buy back coal licenses to manage the political costs of poorly granted permits. And it is likely that in the inevitable policy response, whether smooth or disorderly may require the acquisition of existing permits. There is also the legal risk that fossil fuel companies may take legal action against future governments for emission restrictions. The more coal licenses that are granted, the higher the risk and scale of litigation a future government may receive. It would be sensible for the NSW Treasury to undertake an assessment of this risk.