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Anvil Hill – drawing a line in the sand

A briefing on the iconic battle over coal brewing in the Hunter Valley

Anvil Hill is a key link in the coal chain which fuels climate change.

The mine's development is being used to drive Newcastle's coal export infrastructure expansion.

Local communities are being trampled and the local and global environment jeopardised.

Anvil Hill is symbolic of the coal industry's destructive role around the world.

The proposed massive coal mine at Anvil Hill is swiftly becoming the focus of a campaign by a broad coalition of groups concerned about the mine's impact on the local environment and the global climate.

Opening up new areas to mining

After 200 years of coal mining in the Hunter Valley, few areas remain untouched. Open cut coal mines cover 220km² of the valley floor. Muswellbrook Shire has the last major unallocated open-cut coal reserves in NSW,¹ so coal production is shifting to the area.

Anvil Hill is the largest of the new open-cut coal mines proposed in NSW with marketable coal reserves of about 157 million tonnes of coal, making it one of NSW's largest coal mines if it opens. Its owner, Centennial Coal, estimates that it would supply up to 10.5 million tonnes of coal, enough to fill 10,000 Olympic swimming pools, every year to power stations in Australia and overseas for 18 years.

Driving the Newcastle port expansion

Anvil Hill is a key driver for the expansion of the Hunter coal industry. Centennial Coal is one of four founding members² of the Newcastle

Coal Infrastructure Group (NCIG), whose aim is to increase the coal export capacity of Newcastle. Centennial Coal's involvement in the consortium is motivated primarily by Anvil Hill and its plans to export a substantial amount of the coal derived from the mine.³ In 2005, the NSW Government gave approval for the NCIG to begin construction of a new coal loader at Newcastle to complement the existing Carrington and Kooragang loaders. The new loader will increase the port's capacity by 30 million tonnes a year. It currently exports 80 million tonnes.⁴

In welcoming the approval for a new coal loader, Centennial Coal noted that it was: "a *significant milestone for Centennial on the way to realising the full potential of its planned Hunter Open-cut mine*" [Anvil Hill].⁵

¹ See http://www.muswellbrook.nsw.gov.au/enviro/SOE/SOE_2002_2003/2002-2003%20Land.html

² BHP Billiton (through Hunter Valley Energy Coal), Centennial Coal, Donaldson Coal and Excel Coal. White Mining and AMCI joined later.

³ Centennial Coal, *FAQ – Who are we?*, available at <http://www.centennialcoal.com.au/ssl/axs/1/2.asp?reclD=32>.

⁴ Newcastle Port Corporation media release, *Third Coal Loader*, 26 August 2005, available at http://www.newportcorp.com/page_list_detail.aspx?medialD=66&getDetailType=media. Note that other capacity upgrades of existing loaders may further increase total export volumes.

⁵ Centennial Coal media release, *NCIG Wins Right to Build New Coal-Loader*, 26 August 2005, available at <http://www.centennialcoal.com.au/ssl/axs/1/7.asp?reclD=379>.

Destroying the “Hunter Valley Ark”

The area in which the Anvil Hill mine would operate, the Wybong uplands, is known to locals as the “Hunter Valley Ark” due to its extraordinary biodiversity including koalas, black cockatoos and unique orchid species. In March 2005, the Hunter Remnant Vegetation Project found that the uplands is one of the largest expanses of remnant vegetation in the Hunter Valley with very high species diversity and many threatened species. Some 440 flora and fauna species have been recorded in the Anvil Hill area, 25 of which are listed as threatened. The report recommended protection of the area through making it a nature reserve or managed trust reserve.⁶ The proposed mine would jeopardise this biodiversity both directly, through habitat destruction, and indirectly, by fuelling climate change.

The Anvil Hill mine proposal also covers the largest catchment area for the Wybong Creek, the largest western catchment for the Hunter River in the Muswellbrook local government area. The mine would destroy two creeks, divert another and come within 50 metres of the banks of a fourth.

Ignoring community consultation

NSW MLC Lee Rhiannon's website contains the following account of the community consultation process:

There are over 200 members of the community directly affected by the proposal. In early 2005 Centennial Coal began a community consultation process with them. Members of the Community Consultative Committee (CCC) were given short notice to attend a presentation of the mine proposal. There was no notice of the meeting or the presentation from Centennial Hunter in the local newspapers. The regular venue of the meeting was also changed without proper notification. As a result, only two of the five community committee members attended along with nine other people. Some people who attended the regular meetings went to the old venue and missed what they thought was a normal meeting. When Centennial Coal was asked to run the presentation again with more notice, the company refused. Nor would they provide a copy of the presentation. Instead, they undertook to visit all the landholders individually and give them a personal overview of the proposal - a well used tactic of divide and conquer.⁷

ANZ – financing climate change

ANZ is the largest bank financier of the Australian coal industry. It is Centennial Coal's banker,⁸ and has a 1.5% stake in the company.⁹ ANZ is also helping to open up new markets for Hunter coal, such as its US\$45 million financing for the huge Map Ta Phut coal-fired power plant in Thailand which will see Hunter coal exported to Thailand for the first time. Hunter Valley residents with ANZ bank accounts are unwittingly financing the destruction of their home and the Hunter's future, and increasing Australia's contribution to climate change, our greatest threat.

Symbolising Australia's climate inaction

Approval by the Federal and State Governments for Anvil Hill would see Australia – already the world's largest coal exporter – open another large coal mine, expand coal infrastructure and export even more climate changing coal, fuelling the greatest threat to our nation's future.

Anvil Hill is more than just a coal mine: it is a symbol of federal and state government inaction on climate change. As the world warms, our governments' response is to approve new coal mines and new coal export infrastructure. If we are serious about tackling climate change, then Anvil Hill must not go ahead.

⁶ Peake, T. "A Report on the findings of the Hunter Remnant Vegetation Project", Vol 1, 2005, available on request.

⁷ Webpage of Lee Rhiannon MLC, <http://www.lee.greens.org.au/campaigns/coal/anvilhill.htm>.

⁸ Centennial Coal media release, *Centennial Buys Interest In Springvale Mine*, 8 December 2000, available at <http://www.centennialcoal.com.au/ssl/axs/1/7.asp?intYear=2000&seclD=9>.

⁹ ANZ Nominees Ltd holds 4,371,512 shares in Centennial coal as of the company's Annual Report 2005.