

CAM

COAL ACTION MURIHIKU

News Update No 5 October 2012

Where Now For Solid Energy?

The astonishing thing about the Solid Energy debacle was that the roof appeared to fall in so quickly. The Company's reports for the first and even the second quarters of 2012 optimistically noted increased coal sales, extensive mine development and construction work, progress in unconventional coal technologies, and increased biodiesel production. By mid August the true state of affairs finally started to reach the public with announcements of falling revenues, cancelled developments, mining cutbacks, abandonment of investment in renewables and the impending loss of several hundred jobs. Less than six weeks later, new chairman Mark Ford announced that Spring Creek Mine would close and that 25% of the Solid Energy work force would be laid off.

What will all this mean for the coal action movement? Coal Action Network Aotearoa (CANA) has always made it clear that the organization is trying to stop new mines opening – not to bring about the closure of existing ones, which has devastating effects on mining communities.

Shortly after the announced job cuts, Economic Development Minister Steven Joyce said, perhaps predictably, that opponents of Bathurst Resources' plans to open-cast mine the Denniston Plateau should now stop court action appealing the granting of resource consents, so that mining – and job creation – could go ahead. Equally predictably, environmentalists became hot under the collar at this suggestion. CANA and Forest & Bird spokespeople pointed out that as Solid Energy had cited non-profitability as a reason for closing Spring Creek, it didn't appear to make a lot of sense to try and solve the employment problem by opening another coal mine.

At the end of August Solid Energy outlined the strategic and structural changes that the company was proposing to make. Belt-tightening would be of Victorian corset orders of magnitude, but it was also clear that unconventional extraction techniques were by no means being put on the back burner, so to speak. The company was planning to shift the focus of coal seam gas (CSG) development to its Taranaki holdings and also to move more rapidly to commercial underground coal gasification projects (CSG) in

Huntly and overseas.

And what of lignite? Solid Energy's main proposals contained no reference to lignite mining but the company did state that, "Solid Energy will continue to progress its plans to unlock the value of Southland lignites ... The first stage of a feasibility study is under way for a proposed integrated

coal-to-fertiliser project which would include a new lignite mining operation, a coal-to-fertiliser processing plant and associated infrastructure ... Decisions about the plant and mine locations are not expected before the end of 2012." There was no mention of Solid Energy's previous plans to produce diesel from lignite, which seem to have dropped off the radar.

Southland locals have discovered that the opening of the pilot briquetting plant is likely to take place without fanfare and after even further delays. Given Solid Energy's current problems, there could be some grounds for optimism that, when it comes to the question of whether more millions should be invested in unsustainable technology, commonsense might yet prevail.

Jane Young



www.flickr.com/photos/martinandandygk/2504577943/

Getting the Message Across

John Purey-Cust

Solid Energy has had four information mornings at the James Cumming Wing in Gore and CAM has participated in three of them, with our own information desk giving our view on lignite mining. The mornings have attracted very little public interest though the last one, on the 26th September, did a little better, perhaps because of a letter on the subject in the Southland Times a day or two earlier.

Waste of time? I don't think so. They didn't cost anything, Solid Energy's presence requires our presence and the mere fact of that requires thought – with the material available, how do we present our case? This time I chose soils and the loss of farming opportunity following large scale opencast mining of low value lignite

A peculiarity of Eastern Southland lignite is that, apart from the two sea level coastal fields of Waituna and Waimatua, it all underlies highly productive farmland. There are excellent soil maps (originating from Venture Southland) and detail of what the land produces above the lignite is known too. So we have (should we care to calculate it) a measure of economic value for the soil.

We know the extent of the lignite underneath the soil and we also know its value at a royalty of 30c/tonne (Don Elder, Southland Times 18/04/12). We should therefore be able to calculate a value for that resource too, should we care to dig it up.



And in the CAM corner? John Purey-Cust and Dave Kennedy front up to Solid Energy



Mataura Valley Billboard – How Green Was My Valley Wallace Keown

But in between lies the meat in the sandwich - risk. Farming is a sustainable land use. Mining isn't. Once mined, the mineral is gone and unless the money gained is placed in a fund (as Norway has for its income from oil), that part of our national capital is gone for good.

So all depends on whether land after opencast mining can be rehabilitated economically; so far no evidence has emerged of that being possible except on the smallest of scales. On top of that the future of lignite as a base for urea and liquid fuels hangs in the balance too. The processes are almost a hundred years old and gas, not coal, is now the international base material of choice.

So far no one has done the analysis. It is taken for granted that mining must be preferable to farming and it is also assumed that there is no risk either in rehabilitation or markets. It is assumed that we can have our cake and eat it too. It is gold fever.

This is not the argument of hard headed business but of hicks and bumpkins, and we haven't even got onto climate change and the loss of familiar landscapes, our place.

PS from Jenny Campbell

CAM will be holding stalls at other public events such as the Gore Rhododendron Festival on Sunday 14 October.

Information was provided about CANA and a motion was moved at the Dunedin Anglican Synod recently about issues around asset sales, coal and lignite mining, fracking – with some positive responses but lots of questions – more education is needed.

Summer Fest

Coming up 18- 21 January Summer Fest at beautiful native bush reserve Dolamore Park near Gore.

Guest speaker Rob McCreath from Queensland who has successfully fronted the 'Friends of Felton' will tell us the story of how they saved their valley from mining and the establishment of a chemical plant. Come to learn from their strategies and community action to ensure success here with our campaigns.

WWF reps will explain the BERL report, 'Potential low carbon growth opportunities for the Southern Region economy', an independent report they commissioned. Other speakers are being organised for the education day on Sunday for the wider community, while Saturday will be more CANA and other regional group time – support, encouragement, updates, planning ahead, NVDA....

CANA and CAM members are busy organising the programme so hope you are looking at making bookings to come south, make a holiday of it....

Watch this space for registration forms available very soon.

New Vale Mine Tours

Regular bus tours to Solid Energy's New Vale Opencast mine begin on Tuesday 16th October. The tour costs \$10 per person and people need to pre-register for a seat on the bus through Monique McInerney at New Vale opencast mine, phone 03 208 8600. The bus leaves from Ordsal Street by the Giant Trout at 10am and 12 midday.

DRY WOOD FOR SALE

Fund-raiser for CAM actions

Contact Robina and Allan Johnston:

haumuri retreat@woosh.co.nz

Phone 03- 208- 1912

WANT TO GET INVOLVED?

Jenny Campbell is the Southland contact for both CAM and CANA (Coal Action Network Aotearoa) jennycam@xtra.co.nz 027-351-0180

If you would like to make a donation to local or national campaigns, cheques may be sent to:

John Purey-Cust

203 Champion Rd RD4 GORE 9774

Newsletter items to Jane Young by November 10: janejimyoung@slingshot.co.nz

18-21 Jan 2013



Dolamore Park

Crown Minerals Bill

Information from:

<http://www.forestandbird.org.nz/campaigns/save-the-denniston-plateauours-not-mine/mining-today-and-tomorrow/crown-minerals-reforms>

Submissions on the Crown Minerals (Permitting and Crown Land) Bill close on **2 November 2012**.

The Bill amends the Crown Minerals and other conservation-related Acts, to (according to its own purpose clause) "promote prospecting for, exploration for, and mining of Crown owned minerals for the benefit of New Zealand ...".

Some of the things in the Bill will implement promises made by the government to New Zealanders in July 2010, when, after consultation about mining in national parks, decisions were made confirming that no land would be removed from Schedule 4 to the Crown Minerals Act. But the Bill also contains proposals that will put conservation values at risk, and which could affect decision-making on Bathurst Resources' applications for mining access on the Denniston Plateau.

The gist of the Bill is that some good things promised in July 2010, are there, but counter-balanced by some other things, which are poor.

It undermines previous public conservation gains, and poses some real risks, including risks for our Denniston campaign, and the ability to properly protect in future the large proportion of conservation land held in stewardship, awaiting a decision on its conservation value and classification.