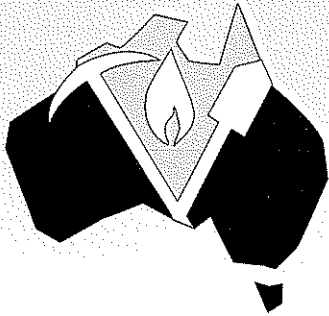




THE UNITED MINEWORKERS' FEDERATION OF AUSTRALIA

(Division of the Construction, Forestry, Mining and Energy Union)
(Incorporating the Federal & State Registered Unions)

Northern District Branch

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Secretary: Grahame Kelly

27 May 2011

Department of Planning
Ms Naomi Nelson
Planner
GPO Box 36
SYDNEY NSW 2001

Email: plan_comment@planning.nsw.gov.au

Dear Naomi

**RE: WAMBO COAL MONTROSE EAST UNDERGROUND MINE MODIFICATION – DA 305 – 7 -2003
MOD 10**

Please find attached the CFMEU Northern District Branch's submission in relation to the above-mentioned modification.

The Union welcomes the opportunity to comment on the Wambo Coal Montrose East Underground Mine Modification.

Should you have any questions concerning the same, please do not hesitate to contact our Union Office.

Yours sincerely

**KEENON ENDACOTT
INDUSTRIAL RESEARCH OFFICER**



Mining and Energy Division

Review of Environmental Assessment

Wambo Coal Montrose East Underground Mine Modification

No: DA 305 – 7- 2003 MOD 10

Submission

Construction Forestry Mining and Energy Union
(Mining and Energy Division)
Northern District Branch

May 2011

Wambo Coal Pty Ltd (WCPL) applied to the Minister, Department of Planning seeking approval to develop three longwall panels in the Whybrow seam. This project application for the Wambo Coal Mine is sought under Section 75W of the EP&A Act.

The Director General made the Environmental Assessment publicly available on the 13 May 2011 at the DoP Information Centre Sydney, Singleton Council, and Nature Conservation Council Newtown.

The Union is pleased to take the opportunity to comment on the Wambo Coal Mine Modification proposal and related activities Environmental Assessment.

The Mining and Energy Division is a Division of the CFMEU under the Federal Workplace Relations Act 1996, with over 120,000 members, one of the largest in Australia. The Division covers several industries including the coal industry, coal ports, metalliferous mining industries, electrical power generation, oil and gas and the Nation's small coking industry.

The Northern District Branch of the CFMEU Mining and Energy Division, being the branch that on behalf of the organisation which is making the submission is the principal Union representing coal miners in the Northern District coalfields of New South Wales. The Wambo Coal Mine site is located approximately 15 km west of Singleton and is wholly within the State's Northern District coalfields.

The Union is familiar with the Wambo site and engaged the services of an Environmental Consultant with extensive experience in local government and environmental assessments on coal mining related projects. Further, the CFMEU Mining & Energy Division, Northern District Branch ("the Union") is an occupant that would be directly affected by the Project.

After reviewing all the material and taking advice, the Union supports on balance the Wambo Coal Mine Modification as proposed.

Project Overview

WCPL has identified an additional coal reserve that can be economically mined with underground mining methods.

The Modification would include the development of three longwall panels in the Whybrow seam which would be accessed directly from the approved open cut wall. The Modification would produce approximately 5.7 Mt of ROM coal and would be mined within the approved mine life.

The Modification would include a minor reduction of approximately 50 ha in the approved open cut extent to allow for the protection of the existing North Wambo Creek Diversion. The reduction in the open cut extent would result in a 6Mt reduction in ROM coal production and a 25 MBC reduction in waste rock generation from approved open cut operations.

Longwall mining would commence at the south-western end of the most western Modification long wall panel and progress north-east towards the open cut highwall.

Underground mining operations at the Modification would be conducted 24 hours a day, seven days a week. Surface infrastructure construction activities in general would be undertaken during the daytime.

Approximately 5.7 Mt of ROM coal would be mined over the Modifications four year life at a rate of up to 4 Mtpa. Development of the Modification longwall panels is planned to commence in 2013.

Consultation

Consultation has been conducted with the local community, United Collieries, Singleton Shire Council and the NSW DoP during the preparation of the EA.

The proponent indicated that consultation between the local community, United Collieries and regulatory agencies will continue during the public exhibition of the EA and the assessment of the proposal by the NSW Government.

A CCC for Wambo is in place and provides a mechanism for ongoing communication between WCPL and the local community. In October 2010, the CCC was notified of WCPL's intention to lodge a modification application and WCPL provided an overview of the proposed Modification.

In addition to the above, a newsletter regarding the Modification was provided to local landholders in August 2010.

Consultation with United Collieries regarding the Modification was conducted regularly throughout 2010. During this consultation the Modification and the location and potential impacts on existing and future United Collieries gas well infrastructure was discussed. United Collieries indicated that the gas well

infrastructure that would potentially be affected by the Modification had a future use and would be relocated as necessary.

Site Water Management and Supply

The Wambo water management system controls waters generated from development and operational areas while diverting upstream water around these areas. It includes both permanent structures that will continue to operate post-closure and temporary structures that will only be required until the completion of rehabilitation works.

Water is predominately required at Wambo for the operation of the CHPP, for wash down of mobile plant, for dust suppression on haul roads and hardstand areas and for dust emission control sprays in the ROM and product coal stockpile areas. Water is also used in underground mines to control dust emissions in active mine areas.

Surface Water

Consultants Gilbert and Associates prepared a surface water assessment for Wambo in 2003.

The Modification would include the following alterations to the site water management system:

- Construction and operation of an additional water storage dam with a capacity of 50 ML and associated pumps and pipelines;
- Additional input to the site water management system from the dewatering of the Modification longwall panels; and
- A reduction in the area of disturbed open cut catchment reporting to the site water management system.

The Modification would not include any other changes to the approved water management system, water supply or demand.

Dewatering

Groundwater that accumulates in underground workings would be pumped to the surface via the roadways to the open cut. The water would be initially stored in a new 50 ML water storage located in the base of the open pit and would then be transferred to the existing Wambo water management system.

Aboriginal Cultural Heritage

An Aboriginal Cultural Heritage Assessment was prepared for the Modification by RPS (2011).

The Aboriginal Cultural Heritage Assessment used the results of prior fieldwork and studies, and search results from the DECCW Aboriginal Heritage Information management System.

The Modification would not result in any material additional land disturbances beyond the approved open cut limit, disturbance to the Aboriginal cultural heritage sites would be limited to impacts associated with vehicular movements and minor subsidence mitigation works. Vehicular movements in the Modification longwall panel areas would be limited to those required for monitoring and general site maintenance activities.

Based on the predicted subsidence movements and inspection of similar areas around areas previously subject to similar subsidence movements, it is considered unlikely that any of the open artefact sites would be impacted by surface cracking. In addition, based on past longwall mining experience, the incidence of subsidence related impacts on trees is extremely rare.

Ventilation

Air intake to the Modification longwall panels would be via the open cut highwall. A ventilation roadway would be maintained and this would be augmented by a ventilation fan located in the open pit.

Subsidence

A Subsidence Assessment was prepared by Mine Subsidence Engineering consultants.

North Wambo Creek

The natural section of North Wambo Creek at its closest point would be located approximately 130m to the north-west of the Modification longwall panel area.

North Wambo Creek is predicted to experience less than 20mm of vertical subsidence. Although far-field vertical movements could lead to subsidence slightly greater than 20mm at North Wambo Creek, it would not be expected to experience any significant tilts, curvatures or ground strains. It is unlikely that North Wambo Creek would experience any significant valley related movements.

Minor and isolated fracturing could occur in the uppermost bedrock beneath North Wambo Creek. Any fracturing in the bedrock would be expected to be shallow and discontinuous and, therefore not result in any observable loss of surface water flow.

With regard to potential subsidence impacts on North Wambo Creek, consultants concluded, it is unlikely, therefore that North Wambo Creek would experience any significant impacts resulting from extraction of the proposed longwalls.

North Wambo Creek Diversion

The Modification longwall panels would be set back from the North Wambo Creek Diversion by an equivalent to a 26.5 degree angle of draw from the Whybrow seam. It is expected that the magnitude of vertical subsidence at the North Wambo Creek Diversion would be small and most likely, less than 20mm.

Whilst the predicted vertical subsidence is relatively small, measurable ground strains could still occur due to the blocky subsidence movements which occur at shallow depths of cover. It is therefore possible that some fracturing would occur in the uppermost bedrock beneath the North Wambo Creek Diversion.

With regards to the potential subsidence impacts on North Wambo Creek Diversion, consultants concluded, any surface cracking in the vicinity of the creek diversion would be expected to be shallow and discontinuous and therefore, not result in any observable loss of surface water flow. It is unlikely; therefore, that the North Wambo Creek Diversion would experience any significant impacts resulting from the extraction of the proposed longwalls.

Drainage Lines

There are a number of small ephemeral drainage lines in the vicinity of the Modification longwall panel area which commence on the Wollemi National Park escarpment and flow to North Wambo Creek.

It is expected that the fractured zone above the north-eastern end of the Modification longwall panels would extend up to smaller drainage lines and therefore some hydraulic connection between the surface and coal seam could be possible.

Potential subsidence impacts on the Wollemi National Park escarpment would generally result from far-field horizontal movements that may cause some isolated rock falls. Large cliff instabilities are not expected to occur, as the longwall panels would be set back as detailed using the 26.5 degree draw. This ensures there would be no extraction directly beneath the Wollemi National Park escarpment.

Infrastructure and Improvements

Subsidence effects have been predicted for each building, structure and infrastructure item. Potential subsidence impacts on non WCPL owned structures include far-field horizontal movements of survey control markers and fracturing and shearing of one United Collieries gas drainage well.

Groundwater

Consultants Heritage Computing (2011) has prepared a Groundwater Review for the Modification.

Potential hydrogeological impacts associated with the Modification include:

- Potential reduction in alluvial flows to the lower section of North Wambo Creek and the Wollombi Brook arising from:
 - Hydraulic connection between the North Wambo Creek alluvium or North Wambo Creek Diversion and the Whybrow seam; and/or
 - Reduction in surface flows reporting to the North Wambo Creek due to hydraulic connection between the surface above the Modification longwall panel area and the Whybrow seam.
- Incremental depressurisation of the Permian coal measures.

Heritage Computing (2011) concluded, the application of a 26.5 degree line of draw offset would provide protection of the diversion from direct connection with the fractured zone that would develop above the mined seam. It is expected that there would not be any observable loss of flow from the North Wambo Creek Diversion.

The modification would reduce the extent of the approved open cut approximately 27ha of North Wambo Creek alluvium that would no longer be open cut mined. This would allow a larger portion of the North Wambo Creek Diversion to be located within existing North Wambo Creek alluvium which would allow for the improved transfer of alluvial flows along the North Wambo Creek diversion to the alluvium in the lower section of North Wambo Creek and the Wollombi Brook.

It is expected that the Modification would result in only a minor incremental change in the extent of depressurisation in the Permian coal measures at Wambo

Flora

Flora Search (2011) prepared a Flora Assessment for the Modification.

Potential flora impacts as a result of the Modification would be associated with:

- Direct disturbance (e.g. due to vehicular movements); and
- Subsidence effects from underground mining at the Modification.

Direct Disturbance

As the Modification would not result in any material additional land disturbance beyond the approved open cut limit, disturbance to vegetation would be limited to impacts associated with vehicular movements and minor subsidence mitigation works. Vehicular movements in the Modification longwall panel area would be limited to those required for monitoring and general site maintenance activities. If required, the minor subsidence mitigation works would be located to minimise disturbance to vegetation and would be subject to the vegetation clearance protocols.

Subsidence Effects

No scientific evidence of adverse surface effects on terrestrial vegetation is known from underground mining anywhere in Australia. Consequently, it is unlikely the threatened ecological communities would be adversely affected by mine subsidence.

Threatened Ecological Communities

Evaluations were conducted to assess the potential impacts of the Modification on threatened ecological communities and their habitats. These evaluations concluded, the Project is unlikely to significantly reduce the quality or availability of habitat for these threatened ecological communities. Therefore no specific flora mitigation or management measures are proposed for the Modification.

Fauna

Biosphere Environmental Consultants (2011) have prepared a Fauna Assessment for the Modification.

It is considered unlikely the Modification would significantly affect threatened fauna species such that there would be a net adverse impact on the species or that a local population would be placed at risk for the following reasons:

- No clearing is required for the Modification.
- The Modification would not result in an additional barrier to movement by threatened species.
- No scientific evidence of adverse surface effects on terrestrial vegetation is known from underground mining anywhere in Australia.

- Inspections of previously undermined areas at Wambo with similar depths of cover, subsidence predictions and consequences and inspections of previously undermined areas in the southern coalfields identified no discernable evidence of adverse impacts to fauna habitats.

Noise

SLR Heggies (2011) has prepared a Noise Review for the Modification.

Operational Noise

The Modification would not result in a change to Wambo's mine fleet. The fleet associated with the proposed loading and haulage of ROM coal from the Modification currently operations in the open cut in the vicinity of the proposed Modification surface facilities.

A review of the sound power level of Wambo incorporating the proposed Modification was concluded by consultants to not result in any variation to the existing fixed and mobile Wambo sound power level. Also the Modification surface facilities would be located well within the approved Wambo open cut limit. It is reasonable to conclude that the proposed Modification has minimal potential to increase the intrusive noise levels at the nearest private receivers and potential noise impacts would therefore be consistent with those described in the EIS.

Air Quality

PAE Holmes (2011) prepared an Air Quality Review for the Modification.

Components of the Modification that would potentially impact dust emissions from Wambo include:

- Development of the Modification longwall panels at a maximum ROM coal production rate of up to 4 Mtpa.
- Reduction in open cut total ROM coal and total waste rock production resulting in reduced dust emissions from mining operations during the life of Wambo; and
- Reduction in the extent of the approved open cut, resulting in reduced dust emissions from wind erosion on exposed areas during the life of Wambo.

Consultants, therefore, concluded on the basis of current monitoring data and previous modelling predictions, the Modification is unlikely to result in any adverse impacts in terms of dust and particulate impacts at the nearest private residences.

Greenhouse Gas Emissions

The Modification would include a minor reduction in the approved open cut limit, which would result in a 6 Mt reduction in ROM coal production and a 25 Mbcm reduction in waste rock generation. This reduced open cut operations would result in reduced greenhouse gas emissions from:

- Reduced diesel and explosive consumption associated with open cut operations;
- Reduced fugitive emissions from the extraction of coal; and
- A marginal reduction in the total ROM coal produced at Wambo.

Visual

The Modification is located in WCOL owned land between the Wambo open cut and the Wollemi National Park. The development of the Modification would include no additional surface infrastructure outside of approved surface development areas.

Night lighting required for the Modification surface facilities would be located at the base of the open cut adjacent to the highwall. As this night-lighting would be adjacent to lighting associated with the Wambo open cut operations, there is expected to be no change in night-lighting impacts.

It is therefore considered the Modification would not result in any significant changes to the approved visual impacts of Wambo.

European Heritage

EJE Town Planning assessed the potential non-Aboriginal impacts of Wambo in 2003. The assessment considered the house and associated structures located within the Modification longwall panel area to be of limited local significance.

Potential impacts on the house and associated structures related to the Modification would be limited to subsidence effects.

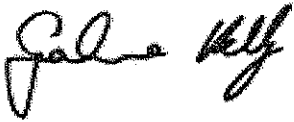
Measures to manage the impacts of subsidence on the house and associated structures would be included as a component of the relevant Extraction Plan for consideration and approval by the relevant authorities, and would be consistent with the requirements of Development Consent DA 305-7-2003.

In Summation

The proposed Modification meets environmental performance requirements, will result in direct and indirect economic benefits to the local community, and has been considered in accordance with the principles of ESD in order for the Modification to be considered for approval.

Based on comparative analysis of the key elements detailed in the Wambo Montrose East Underground Modification, Statement of Environmental Effects, it is considered the Modification does not pose any notable social impacts over and above those assessed and approved. It is considered the Modification builds on those attributes of the existing project approval.

The Union therefore supports the Modification No: DA 305 - 7 - 203 MOD 10 and ask for the modification consent to be approved.

A handwritten signature in black ink, appearing to read 'Graeme Kelly', with a stylized, cursive script.

Graeme Kelly

DISTRICT SECRETARY

134 Jerry's Plains Road
Warkworth, N.S.W. 2330 Australia
PMB 13, Singleton, N.S.W. 2330

27 May 2011

The Director
Mining and Industry Projects
FAO: Naomi Nelson
Dept Planning & Infrastructure
GPO Box 39
SYDNEY NSW 2001

ATTENTION: Naomi Nelson

Re: Wambo Coal development consent modification (DA 305-7-2003 Mod 10) – Montrose East Underground

Thank you for your letter dated 9 May 2011 in relation to the Application to modify Development Consent DA 305-7-2003 by Wambo Coal Pty Ltd (Wambo). The Modification relates to the proposed development of the Montrose East Underground (MEU), the "Proposal", which would include:

- 3 Additional Longwall panels contained within mining tenements ML1572, ML1594 and CL397;
- Additional infrastructure to service MEU, contained within ML1572;
- Modifications to Wambo's Open Cut Mine Plan within ML1572.

This submission by United Collieries Pty Limited (United) pertains to the nature and effects of the Proposal on United, and to the consultation by Wambo with United.

Modifications in ML1572, CL 397 and ML1594

Figure ES-1 of Wambo's Montrose East Underground Mine Modification Environmental Assessment (the EA) shows the Wambo mining tenements. It does not show the mining tenements of the neighbouring mining operations.

Figure 1 shows the A444 Exploration Authorisation (A444) held jointly by Wambo and the Construction, Forestry, Mining and Energy Union (CFMEU). The CFMEU are a joint venture partner in United and its interest in the A444 tenement is held by the CFMEU on behalf of the United Joint Venture.

ML 1572 (which covers the surface to the Whynot Seam) was excised from A444 in 2003. However A444 remains in existence for the seams below the Whynot to 5m above the Bayswater seam, which are assigned to United by way of commercial arrangements between Wambo and United.

The EA does not contemplate the existence of the Exploration Authorisation or any impacts that may arise through the establishment of infrastructure and/or mining of the Proposal on A444 or its joint holders.

United will be undertaking works to ascertain the impacts on its commercial arrangements with Wambo, its interests in the stratified tenements in the area and the future resource recovery for United in A444. United requests that Wambo and The Department of Planning and Infrastructure (the Department) continue to liaise with United throughout the assessment period as to the extent of any impacts the Proposal may have on United's interest in A444 such as, but not limited to, temporary or permanent sterilisation of resources.

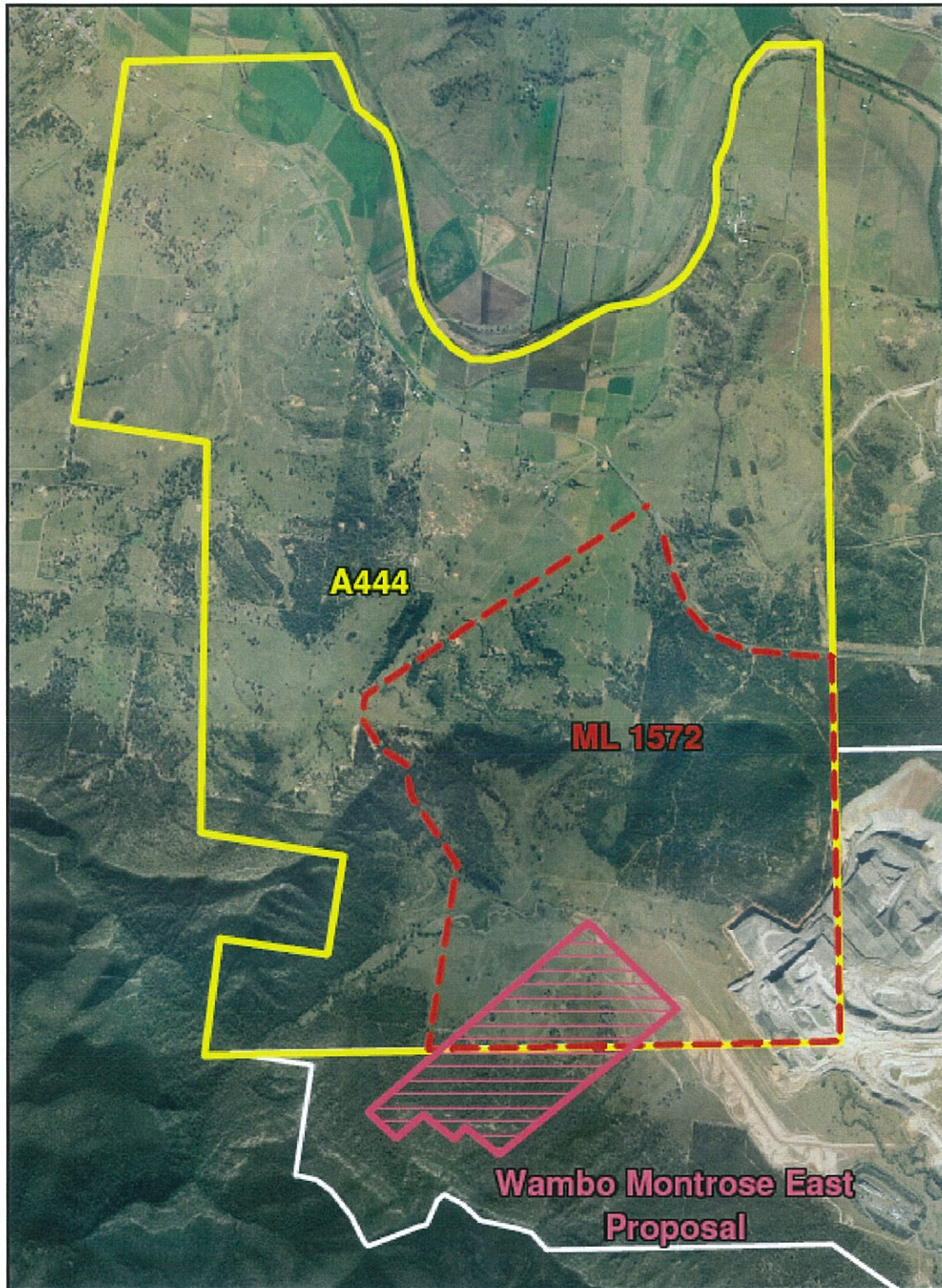


Figure 1 – Overlay of A444 and ML 1572

Figure 2 shows Wambo mining tenements CL397 and ML1594 overlaid with Consolidated Coal Lease CCL775 held by the CFMEU for United. CCL775 includes the Woodlands Hill Seam which lies beneath the proposed MEU in the Whybrow Seam

The EA does not contemplate the existence of CCL775 or any impacts that may arise through the mining of the Proposal on CCL775 or its holders.

United will be undertaking works to ascertain the impacts on its commercial arrangements with Wambo, its interests in the stratified tenements in the area and the future resource recovery for United in CCL775. United requests that Wambo and the Department continue to liaise with United throughout the assessment period as to the extent of any impacts on CCL775 such as, but not limited to, temporary or permanent sterilisation of resources.

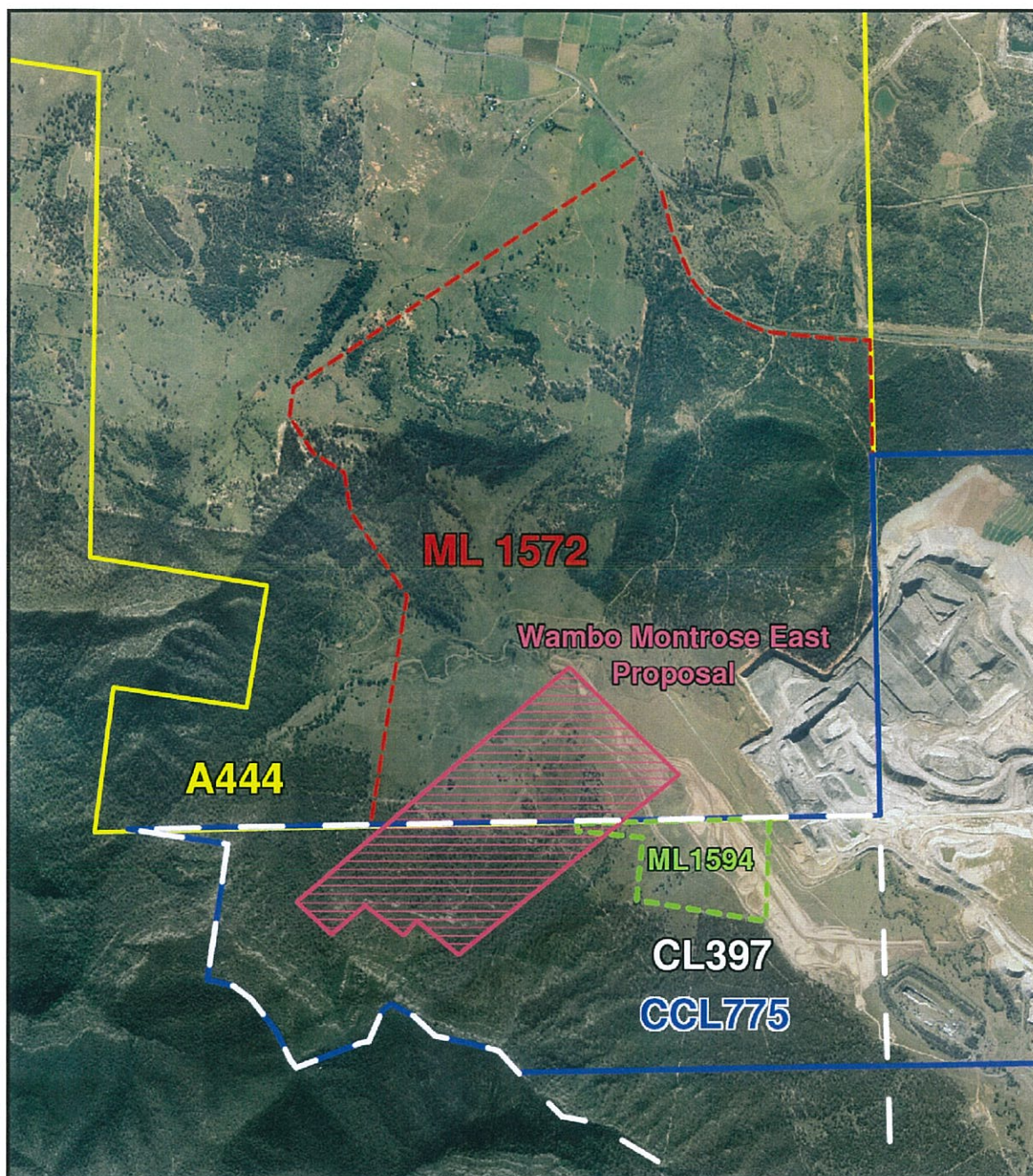


Figure 2 – Overlay of CL 397, ML1594 and CCL 775

Timing of Development and Extraction

Section 3.1.3 of the EA notes that the MEU has a 4 year mine life, planned to commence in 2013. This was reiterated by Wambo on 24 May 2011 at a meeting, initiated by United, to discuss the Proposal. United are currently in feasibility planning for underground longwall operations in A444 and CCL775. Considerable resource recovery opportunities for United lie beneath the proposed MEU.

Current planning by United has considered the interaction and management of United undermining the Wambo Development as currently approved by DA 305-7-2003 based upon existing commercial arrangements. The detail associated with the proposed MEU infrastructure, sequence of mining and the underground extraction has not been considered before this time. As such the management of any operations and the timing of the extraction of the Proposal are of a critical nature to United as the United feasibility mine plan will undermine the infrastructure and part of the mining area of the proposed MEU. Any delays to the timing of the proposed MEU will significantly affect the planning for resource recovery by United in the area. Wambo need to ensure that the rights of United's access to A444 and CCL775 as defined in existing commercial arrangements are protected, and as such United request that a limit be set for the timing of the completion of the Proposal consistent with the schedule contained within the EA.

United will continue to work on the potential impacts and the sensitivity of timing that may arise from the Proposal. United request that the Department continue to liaise with United throughout the assessment period as United further understands the impacts of the mining and timing of the Proposal on its resource recovery plans, commercial arrangements with Wambo and its interests in the stratified tenements.

United request that any approval of the Proposal be conditioned that appropriate commercial arrangements are in place regarding the management, timing and interaction of both companies interests in the stratified tenement areas.

Cumulative Subsidence Impacts

Both companies hold significant interests in the A444/ML1572 and CCL775/CL397 areas. As such the management of cumulative subsidence is of high importance, from both an environmental and resource recovery perspective. On numerous occasions United have offered and advised that a joint cumulative subsidence impact assessment should be undertaken by both companies prior to either company submitting a planning application for approval for underground extraction concerning the A444/ML1572 area.

United find it unfortunate that Wambo have chosen not to join United in this study and instead submitted a planning application without detailed consultation and formally notifying United. As such, United request that any approval of the Proposal be conditioned that prior to the commencement of the Proposed development such a study is required to assess the potential impacts (environmental and resource recovery) of cumulative subsidence on the A444/ML1572 area and that appropriate management plans and commercial arrangements are in place to manage those impacts and interactions.

Consultation

United and Wambo have held regular meetings to discuss a range of interaction issues. These have included the meetings noted in Section 1.3 of the EA document. During these meetings a variety of plans were tabled but no final definitive option was ever confirmed in detail. In addition, United was not made aware when the Modification was being applied for by Wambo, nor the detail contained within the EA, until advised by the Department that the

Proposal was on Public Exhibition. This mirrors United's experience with Wambo's level of consultation regarding its previous modifications, DA 305-7-2003 MOD 9 and DA 305-7-2003 MOD 8, despite considerable ongoing interaction and opportunity to do so.

This approach has provided little time for United to fully assess the impact of the Proposal on United and its implications for the range of commercial arrangements that exist between the companies, as noted in United's *DA 410-11-2002 Schedule 4, Condition 16*.

As such United require further information and time to consider issues such as, but not limited to subsidence, interactions management and the effect on resource recovery and timing.

Summary

In summary, United is unable to support the Proposal without further information relating to the issues raised above. United would expect and require a commitment from Wambo to consult with United during all phases of the design, construction, operation and monitoring of the Proposal.

United also require a commitment from Wambo to include United in all Risk Assessments for the Proposal and a commitment from Wambo to establish controls to eliminate any risks to United identified by this process. In the event that a risk cannot be eliminated, United requires that such risks would be managed by Wambo in a manner satisfactory to United and any relevant Government Agency.

United request that the Department continue to consult with United throughout the assessment process, as United undertakes further work to understand how the Proposal may impact on United's commercial arrangements with Wambo and its interests in the stratified tenements.

United and Wambo have previously entered into a number of commercial arrangements pertaining to the interaction management and commercial compensation associated with the stratified tenement arrangements that exist in the area. These commercial arrangements are based upon the open cut mining, underground mining and infrastructure as approved by Wambo's DA 305-7-2003. However, the Proposal is a departure from the open cut mining, underground mining and infrastructure approved in DA 305-7-2003 and any subsequent modifications prior to this Proposal.

As such, United requests that any approval of the Proposal by the Department be conditioned that prior to Wambo commencing the development proposed in DA 305-7-2003 MOD 10, Wambo will enter into appropriate commercial arrangements with United in regards to management and interaction of both entities interests within the stratified tenement areas that are held by or on behalf of the United Joint Venture.

If you have any questions regarding any aspect of these comments, please do not hesitate to contact me on (02) 6578 9500.

Yours faithfully,



Gary Wills
Project Manager
United Collieries Pty Limited