

MIT/DF14112012

14 November 2012

Department of Planning and Infrastructure  
GPO Box 39  
SYDNEY NSW 2001

**Submission in Response to the EA on the Proposed Cobbora Coal Project**

**(Application Number 10\_0001)**

Dear Sir/Madam

Thank you for the opportunity to table this Submission on the proposed Cobbora Coal Project.

The project will be located, in part, within the Wellington LGA and has physical and socio-economic consequences for Wellington Council ('Council') to manage.

Council believes the proposal has merit, however, our ultimate support is contingent upon prior agreement being reached with the Proponent, Cobbora Holding Company Pty Limited ('CHC'), on several key issues, namely:

- a) That more workforce modelling work is undertaken to confirm to a higher level of confidence the source of labour and the subsequent impacts on traffic, roads, accommodation and housing;
- b) That the safeguards to be included in any planning consent are sufficiently comprehensive and robust to protect the Council landholders situated to the north, west and south of the mine site from adverse environmental, social and economic impacts; and
- c) That the Proponent makes a fair and equitable financial contribution to Council, and the other three affected Councils, reflective of the impacts of the development on local infrastructure and services.

The Submission elaborates on these matters.

**A. Traffic and Road Impacts**

The EA makes various assumptions regarding the size of the construction and operations workforces, the number of people commuting, the number of trucks and which roads they are likely to use.

**A.1 Likely Vehicle Movements**

During the 2.5 year construction period:

- 60% of the workforce (344 people) will be recruited from outside the region and accommodated in a special facility built on the mine site;

- 40% of the workforce (206 people) will be recruited from, and reside in, the four local LGAs;
- 206 workers will commute daily with 65 workers likely to reside in the Wellington LGA;
- The special accommodation facility built on site will generate additional traffic associated with 40 staff, 40 other drive in/drive out workers, one bus/day, 8 water/wastewater trucks/day and an unspecified number of other delivery trucks;
- 50 visitors/day; and
- 100 trucks/day.

In Council's view the daily traffic during the construction phase is likely to be:

- 155 mine worker cars (allowing for some car pooling);
- 60 cars associated with the accommodation facility (allowing for some car pooling);
- 35 visitor cars (allowing for some car pooling);
- 100 trucks.

That is 350 vehicles per day, including 100 trucks impacting on the local roads of the surrounding four Councils.

During the 21 year operating life of the mine the workforce will range from 170 in 2015 to 590 in 2027.

The ramifications for traffic and roads include:

- At the peak of operations there will be 250 workers and 30 management staff per 24 hours commuting to the site (say 215 cars allowing for some car pooling);
- 50 visitors/day (say 35 cars allowing for some car pooling);
- 41 trucks/day.

That is 291 vehicles per day, including 41 trucks impacting on the local roads of the surrounding Councils.

Based on the evidence from other mining regions, Council does not agree with the EA that car pooling will be as high as mooted, namely:

- 63% car driver ratio for workers during construction;
- 75% car driver ratio for visitors during construction;
- 50% car driver ratio for workers during operations;
- 75% car driver ratio for mine management during operations; and
- 75% car driver ratio for visitors during operations.

Hence, in Council's view, the traffic impacts are understated and this work needs to be revised.

## **A.2 Cobbora Road**

Council is responsible for the management of Cobbora Road (MR 353). Cobbora Road is 52 kms long, with 44 kms having a 6 m wide sealed pavement and unsealed shoulders. There are 8 kms that are unsealed, namely two sections of 4 kms.

As a consequence of the project, the traffic volume on this road is estimated to significantly increase, as shown in Table 1 below.

**Table 1: EA Predicted Impacts on Cobbora Road and Proposed Mitigation Measures**

<b>Cobbora Road</b>	<b>Construction Phase (2.5 years)</b>	<b>Operations Phase (21 years)</b>
<b>At Northern End</b> Current: 57 (incl 7 trucks). NB: 2005 RTA Count. Truck % assumed at 10-15%.	161 vehicles/day incl 31 trucks.    CHC will seal 0.5 - 1.0 m wide shoulders plus install warning signs and/or guardrails at the narrow bridge.  EA says Council will complete the sealing of the road (2 x 4 kms sections) 'in the next 2 yrs'. This is not correct.	107 vehicles incl 15 trucks.  EA says no road improvements proposed.
<b>At Spicers Creek (mid-way)</b> Current: 550 (incl 69 trucks). NB: 2005 RTA Count.	664 vehicles/day incl 97 trucks.  CHC will seal 0.5 - 1.0 m wide shoulders plus install warning signs and/or guardrails at the narrow bridge.  EA says Council will complete the sealing of the road (2 x 4 kms sections) 'in the next 2 yrs'. This is not correct.	600 vehicles incl 77 trucks.
<b>At Southern End</b> Current: 237 (incl 30 trucks). NB: 2005 RTA Count.	341 vehicles/day incl 54 trucks.  EA says Council will complete the sealing of the road (2 x 4 kms sections) 'in the next 2 yrs'. This is not correct.  EA says additional truck traffic 'may increase the frequency of the need for structural repairs' and 'maintenance'.	287 vehicles incl 38 trucks.  EA says no widening of pavement or sealing of shoulders proposed.
<b>Intersection with Golden Highway</b>	On the highway an additional left turn deceleration lane for westbound traffic turning into Cobbora Road is to be built.  Also, for highway traffic from the west, a 'basic right turn treatment' (type BAR) turning into Cobbora Road will be built.	

### A.3 Spring Ridge Road

Currently this road, at its northern end, is located in Warrumbungle LGA. It has a 6 m wide sealed pavement with unsealed shoulders. During the operations phase the road route will be changed and rebuilt within Wellington LGA. See Table 2 for predicted impacts.

**Table 2: EA Predicted Impacts on Spring Ridge Road and Proposed Relocation**

Current	Construction Phase	Operations Phase
Average daily traffic is 60 vehicles, including 7 trucks. Append p 19	<p>To be resealed with a 10 m wide pavement (3.5 m wide lanes plus 1.5 m sealed shoulders). E 4</p> <p>594 extra vehicles of which about 200 will be trucks.</p> <p>A 990% increase in daily traffic. p A 48</p>	<p>To be rebuilt and realigned and will relocate to Wellington LGA. Additional 3 kms in length so 11 kms in total.</p> <p>500 vehicles incl 90 trucks/day.</p> <p>10 m sealed width (3.5 m lanes and 1.5 m sealed shoulders). p 56</p> <p>The new intersection with the Golden Highway will be 4 kms west of the current location. On the highway, an additional left turn deceleration lane for westbound traffic turning into Spring Ridge Road will also be built. Also, for highway traffic from the west, a 'right turning deceleration lane' will be provided on the highway. E 6 and p 56, p 59, p 67</p>

#### **A.4 Other Rural Roads**

Council is of the view that insufficient consideration has been given to the likely use of other rural roads within the LGA such as Goolma Road (MR 233), Gollan Road (RR 7512)/Ballimore Road, Tallawonga Road and Spicers Creek Road. Workers who reside in Wellington are likely to find 'short cuts' heading due east across country to the mine site rather than travelling north to the Golden Highway then south to the mine site. Council requires further examination of this matter by CHC.

#### **A.5 Road and Traffic Impact Compensation**

In general terms, Council requires CHC to meet upgrade and repair and maintenance costs associated with local roads impacted by the project.

Thus Council requires an agreement with CHC regarding the detailed terms and conditions pertaining to road infrastructure matters before any planning consent is issued. In such an agreement, Council requires an undertaking whereby CHC:

- a) Funds and undertakes upgrading sealing works for the 8 kms section of Cobbora Road that is currently unsealed so that it complies with *Austroads - Guide for Road Design* and *Austroads Guide to Bridge Technology*;

- b) Funds and undertakes upgrading works for the intersection of Cobbora Road and the Golden Highway;
- c) Funds and constructs a widening of both the narrow Spicers Creek Bridge and its approaches on Cobbora Road and installs guardrails on the approaches, given the high number of heavy vehicles predicted to use the road, rendering it unsafe in its current condition;
- d) Funds and undertakes pavement deflection testing and a road safety audit to determine the adequacy or otherwise of other sections of Cobbora Road;
- e) Funds and undertakes the Spring Ridge Road rebuilding and highway intersection works, with the plans subject to prior approval from Council;
- f) Funds ongoing repair and maintenance costs of Cobbora Road for the 21 year operations life of the mine; and
- g) Provides financial contributions for the repair and maintenance of other rural roads, consistent with usage generated by the project.

## **B. Socio – Economic Impacts**

### ***B.1 Costs and Benefits***

The EA indicates that the benefits to the regional economy (that is, the four LGAs of Dubbo, Mid Western, Warrumbungle and Wellington) will include:

- 1,170 direct and indirect jobs during the construction phase;
- \$102 Mil pa in direct and indirect household income; and
- \$714 Mil in direct and indirect regional input or business turnover.

The EA argues that most of the environmental and social costs are internalised in the \$4.4 Bil production costs of the project (ie, \$1.1 Bil capital costs, \$3.2 Bil operating costs and \$13 Mil rehabilitation costs). Typical costs include acquiring the land of farmers exposed to unacceptable noise, dust and visual impacts, the loss of agricultural production, land purchase for biodiversity offsets, road and rail upgrades and a Voluntary Planning Agreement with the four Councils.

The remaining environmental and social impacts not internalised are estimated in the EA to be worth \$249 Mil, including:

- Greenhouse gas emissions \$185 Mil (Scope 1 \$4.5 Mil t, Scope 2 \$3.2 Mil t, Scope 3 \$7.7 Mil t);
- Aboriginal heritage \$59 Mil;
- Visual impacts \$2 Mil; and
- Groundwater \$4 Mil.

### ***B.2 Workforce Modelling and Training***

Council notes the EA predicts that 15% of the locally sourced operations workforce (meaning 7 [min] to 44 [max] people) will originate from the Wellington LGA. Council would welcome more workers being sourced from our LGA and would like to discuss appropriate initiatives with CHC.

Council also notes that the EA predicts that, with 'effective training programs', 65% of the operations workforce will be locally sourced by 2020, with 70% by 2027. **However, without effective training programs only 20% of mine employees will be locals.** This places major importance on the need for the implementation of training programs that will deliver a large number of suitably trained workers.

The EA does not give sufficient attention to what is contemplated regarding training apart from a few motherhood statements. Far more detail and robustness is required in the EA about this matter, including:

- Full details of the training programs to be implemented;
- Details of arrangements CHC has entered into with the different training institutions;
- Details of the commitments and undertakings by the various service providers to deliver stated outcomes;
- The number of apprenticeships, traineeships and scholarships committed to by CHC for say, 24 years and with which organisations.

Furthermore, Council seeks more information as to the consequences on labour supply, housing and transport systems if training of locals does not occur and only 20% of the workforce is sourced within the four LGAs.

Council has serious concerns about the EA workforce modelling and does not believe that it is sufficiently robust to confidently predict:

- a) The sources of the construction and operations staff;
- b) The spread of employed locals across the four LGAs and hence the traffic movements, accommodation needs, etc;
- c) The labour capacity in Mid Western Regional Council to provide workers, given the demand from current and other new major projects within its jurisdiction; and
- d) The labour capacity in Dubbo given it, like Mid Western, is at, or close to full employment, yet there are other major projects on the horizon.

The EA workforce model factored in other coal mine proposals in the Ulan, Wollar and Bylong areas. These included Wilpinjong, Moolarben, Ulan West and Mount Penny developments. The EA is of the view that 'should these mining projects proceed as currently scheduled there is a high probability that no spare suitable accommodation will be available for Cobbora's workforce in either Mudgee or Gulgong (Workforce Accommodation Study, p 6). However, accommodation would be available in Dubbo, Wellington and Warrumbungle LGAs'. Which explains why CHC is building a special construction workforce accommodation facility but begs the question what happens once operations commence.

It should be noted, however, that there are a significant number of non-coal mining developments in the planning system which should definitely be considered in the workforce modelling. These are listed in Table 3 below. These other projects demand large numbers of workers and will also impact on accommodation/housing, roads and traffic and will have consequences for Cobbora as well.

**Table 3: Local Major Non–Coal Projects and Their Workforce Needs**

<b>Project</b>	<b>Construction Workforce</b>	<b>Operations Workforce</b>
Bodangora WF	70 - 100	5
Uungula WF	250	40
Crudine Ridge WF	75	15
Liverpool Range WF	200	20
Dubbo Zirconia (Rare Earths)	200 - 300	220
Wellington Gas Fired PS	>300	10
Young/Wellington Gas Pipeline	60	5
<b>Total</b>	<b>1,155 – 1,340</b>	<b>315</b>

In summary, Cobbora Coal Project requires a construction workforce of 550. The projects listed in Table 3 require a construction workforce of about 1,300, more than twice the size of Cobbora. It is essential that these labour demands are addressed when assessing the needs and impacts of Cobbora.

### ***B.3 Housing***

Council notes the EA predicts the mine will generate an extra 135 residents (including family members) in Wellington LGA in 2027, thus requiring about 44 additional houses. Council would warmly welcome such newcomers and will plan for providing the relevant infrastructure, in concert with CHC.

The EA mentions ‘housing development strategies’ for relocated workers and their families in Dubbo, Wellington and Warrumbungle LGAs (App S, E 9). However, there is no detail pertaining to this matter and the EA should be amended to provide full details. Council would appreciate more dialogue with CHC about its plans and initiatives.

### **C. Environmental Impacts on Family Farms and Homes Adjacent to the Mine**

Within Wellington LGA there are approximately 12 private rural residences within four kms of what will be active mine operations. The houses and properties are to the northwest, west and southwest of the mine. See Figure 3.7 in the Noise Appendix for house numbers and their locations.

Council is most concerned to ensure that the environmental regulators are extremely diligent to protect families so they do not have to accept a diminished quality of life because of the mine.

Impacts on these landholdings will include:

- **Air Pollution (Dust):** Due to a prevailing easterly airflow in this region, dust is a serious risk to health and quality of life for local residents. The EA predicts particulate matter exceedances at residences numbered 1222, 1223, 1230, 1232, 3224 and 5025. Council requires an assurance that the health and quality of life of locals will not be adversely affected by dust.

- Visual: The views from homes numbered 1213, 3218, 1222, 1223 and 3224 will be adversely affected by overburden dumps and night lighting every year of the 21 years of mine operation. Mitigative measures to the satisfaction of the landowners are required.
- Noise: Inevitably, there will be some noise on occasions affecting the same houses as listed above. As with dust safeguards, Council looks for the imposition of strict consent conditions to protect the landholders and proactive compliance management by the EPA.

#### **D. Water Impacts**

##### ***D.1 Mine Water Modelling***

Council is of the view that the water balance modelling upon which the potential surface water impacts have been assessed is deficient and this has consequences for the accuracy of predictions of surface water quality impacts, changes to the hydrological regime of the receiving environment and the effect on downstream water users.

The mine water balance appears to have been assessed using individual snapshots, each with a one-year duration without consideration of consecutive-year climate and hydrological patterns and the cumulative impact that this has on mine water storage and supply requirements. A single-year approach to the water balance does not acknowledge that wet or dry conditions can persist for longer than a period of one year. It is recommended the model be adjusted to more accurately reflect reality.

The water balance assessment indicates that water surpluses in the order of 4,000 ML can occur in a single year. If the wet conditions that produced this surplus were to recur or continue into the following year, the mine water management system would need sufficient capacity to manage an additional 8,000 ML of water.

##### ***D.2 Groundwater Impacts***

The post-mining groundwater gradients indicate groundwater flow towards the alluvium to the west and northwest of the pit voids. This has implications in respect of the quality of water in the alluvium. Farmers need verification that the valuable, high quality alluvium groundwater is not compromised by either salty inflows caused by the mine or a reduction in the quantity of alluvium flows.

The EA suggests there is relative hydraulic disconnection of deeper porous rock aquifers from the shallow alluvial aquifers. Whilst that may be so, there is a possibility that mine activity may impact semi-permanent pools with reduced stream flow due to induced recharge to the slightly lowered water-table. Our farming community seeks assurance that groundwater quality and quantity will not be compromised and that the groundwater feed maintaining semi-permanent pools in the local streams remains unaltered.

The project may also impact on environmental flows and groundwater dependent ecosystems (both quantity and quality) including Naran Spring (and possibly other unnamed springs). Under the MDB Porous Rocks Groundwater Sources, Naran Spring is identified as a high-priority groundwater dependent ecosystem. Whilst it is recognised that such springs may be hydraulically isolated from the main aquifers and on the periphery of envisaged aquifer depressurization, this needs to be demonstrated unequivocally.



The EA states five groundwater bores will be impacted by > 2.5 m drawdown. Four have been purchased by CHC. The remainder is earmarked for a deeper bore (\$320 K construction cost, plus \$92 K pa operating costs) or an alternative supply.

Council urges the regulators to be most diligent to ensure all farmers who have groundwater supplies (aside from the five above) will be granted 'make good provisions' in the event that their supplies are compromised - in quality or quantity - by the mine activities.

### ***D.3 Surface Water Impacts***

The project has the potential to impact downstream water users by:

- Significantly altering the catchment areas of a number of regional creeks (in addition to changing their natural flow paths and regimes);
- Emergency release of highly saline water from the mine into the creek systems; and
- Release of highly saline water into the groundwater system from the void from a spill or otherwise released during flood events.

The downstream impact assessment appears to be based on average rainfall and flow data, which does not provide an accurate picture of downstream conditions. Consideration of the length and frequency of dry spells is more likely to illustrate impacts to ephemeral hydrology regimes and should therefore be considered in any assessment of impacts to downstream users and important environmental values.

Council requires the enunciation of clear strategies as to how generalised commitments relating to surface water management will be delivered.

Farmers' surface water supply available in ephemeral streams must be protected at all cost.

The final voids of the mine post extraction will contain highly saline water. Council requires a detailed mine void water management strategy prior to any project approval to ensure there is an acceptable management approach and there are no releases of such waters to the receiving environment.

### ***D.4 Downstream Users***

Council believes more attention is required in the EA to downstream water users, including sensitive environmental receptors.

A number of sensitive environmental receptors are located downstream of the project, including the RAMSAR-listed Macquarie Marshes. It is clearly stated within the Macquarie and Cudgegong Regulated Rivers Water Sharing Plan that the Macquarie Marshes cannot sustain any further change to its hydrological regime, nor any reduction in the quality of water flowing into this habitat.

With regard to the assessment of cumulative impact, the EA concludes that these will be negligible as existing mining operations located upstream of the proposal have 'already altered the system'. Whilst acknowledging that the system may have already been altered, this does not provide justification for additional impacts or render additional impacts more acceptable. Indeed, additional impact on what is already considered to be an environment that is 'significantly altered' from its natural state should be

considered unacceptable, particularly in this context with RAMSAR-listed wetlands in the downstream receiving environments.

#### **E. Financial Contributions to Wellington Council**

As the sphere of government directly responsible for, and engaged in, the day-to-day governance of Wellington LGA, the issues confronting Council are significant, complex and diverse.

Whether it be roads and bridges, water and sewerage systems, waste, community buildings or recreation facilities, the availability and quality of this infrastructure impacts on the standard of living and economic prosperity of our citizens and ratepayers.

Infrastructure provision, housing affordability, workforce skills and recruitment, social and cultural cohesion, environmental protection, supply of essential services, public order and safety, town planning and amenity, increased administration, managing and maintaining industry relationships, and participation in legislative processes are some of the key challenges confronting Council as it seeks to balance the benefits of resource industry activity with community wellbeing and long term sustainability.

Generally speaking, the infrastructure funding needs of resource regions throughout Australia far surpasses the funding that mining companies have contributed to date.

Wellington Council is keen to avoid making that mistake and wishes to ensure it derives direct and appropriate financial benefit from the proposed Cobbora Coal Project, consistent with its needs to provide the social and hard infrastructure required to support the mining activities.

In Appendix S of the EA the proponent makes several comments regarding its desire to enter into a Voluntary Planning Agreement (VPA) with the four local Councils.

It says it is 'committed to effectively addressing social and public infrastructure impacts arising from the project' (p 68) and will therefore:

- Make a financial contribution to 'mitigate any impacts on council provided social infrastructure' p 67;
- Provide 'in kind and monetary contributions to ensure the potential social effects of the project are mitigated' (E 9); and
- Will 'address resultant impacts on services and facilities in the LGAs for the for life of the mine' p 68.

The EA also states that there will be separate funding for 'road upgrades and maintenance' p 68.

The EA does not specify the quantum of the financial contribution the proponent is prepared to make.

Council believes an appropriate and equitable figure spread across the four impacted Councils is in the order of \$40 Mil over the construction and operational life of the project. Such an amount is in line with recent major project planning decisions by the New South Wales Government.

Council therefore seeks to establish a VPA with CHC whereby:

- a) Financial contributions are agreed for the repair and maintenance of various roads and intersections for the operational life of the mine;
- b) Financial contributions for general community enhancement to address social amenity and community infrastructure requirements arising from the project;
- c) Financial contributions appropriate to compensate for any shortening of the operational life of waste management and other service facilities; and
- d) Financial contributions appropriate to compensate for increased administration and compliance review.

The VPA shall also contain the following elements:

- a) The Agreement is strictly limited to the scope and intent of the proposal as outlined in the current EA. Council reserves the right to modify and amend the Agreement in the event of any change in the scope or intent of the project or there is any subsequent expansion or modification of operations; and
- b) Council reserves the right to modify and amend the Agreement in the event of any change in ownership of the Company.

Separate and independent of the VPA will be the securing of an agreement with CHC regarding the funding and undertaking of road upgrade and other infrastructure works that are necessary prior to construction of the mine.

#### **F. Transparency in Department of Planning and Infrastructure Deliberations**

Council seeks close co-operation and dialogue with the Department as it deliberates on the mine proposal. To this end we request:

- a) A meeting with the Department to discuss this Submission during its evaluation of the EA and other submissions;
- b) Receiving a copy of the Proponent's response to all submissions; and
- c) Receiving a copy of any draft consent conditions at the same time that they might be forwarded to the Proponent for comment.

These steps are important to Council as we wish to be kept fully informed and engaged in the planning decision process.

#### **G. Conclusion**

In conclusion, Wellington Council has carefully examined the contents of the EA for the proposed Cobbora Coal Project. As an affected, adjoining, host council, we believe the proposal has merit, however, our ultimate support is contingent upon prior agreement being reached between the proponent, CHC, and Council on several key issues. These issues are:

- a) That Council seeks a fair and equitable financial contribution from CHC, consistent with Council's needs to provide the hard and soft infrastructure required to support the mining activities. Council believes a figure in the order of \$40 Mil, spread across the four impacted Councils (namely, Dubbo City, Mid Western Regional, Warrumbungle and Wellington), is likely to be fair and reasonable. Such an amount is consistent with recent major project planning decisions (eg, Maules Creek Coal Project). Matters where an appropriate financial contribution is sought include roads, housing and urban development, water, waste, social amenity and community infrastructure;
- b) That workforce planning including the number of local, versus 'imported' workers, is made more robust and that the likely place of residence for workers in the region has a high level of confidence. Council needs to know definitively the population numbers and age profiles to enable it to plan for urban expansion and the provision of services; and
- c) That the safeguards to be included in any planning consent are sufficiently comprehensive and robust to protect the adjoining residents from adverse environmental, social and economic impacts, including noise, vibration, dust, water impacts and visual impacts.

We thank you for your willingness to understand and appreciate the matters raised and we look forward to the incorporation of appropriate consent conditions being included in any planning approval such that the interests of Wellington Council and its citizens and ratepayers are adequately protected and enhanced.

If you have any queries regarding the abovementioned matters, please do not hesitate to contact Michael Tolhurst, General Manager, on telephone 0413 210 233.

Yours faithfully



Michael Tolhurst  
GENERAL MANAGER