

**The Director General,
The NSW Department of Planning and Infrastructure.**
23-33 Bridge St.
SYDNEY NSW 2000

Dear Sir,

I have been actively involved in the assessment of the Rocky Hill Project since the beginning of 2012 when Gloucester Resources Limited first requested your requirements for inclusion in their EIS.

I have done that wearing several hats.

- I, with my wife and mother, own and live at 5 Forbesdale Close, Forbesdale, well within 2km of the proposed Rocky Hill Mine and as such will be subject to any and all impacts that the mine's approval would entail.
- I am Vice President of Gloucester Residents in Partnership (GRIP), an organisation formed when the spectre of Gloucester Resources Limited first appeared in the Gloucester region.
- I am Chairman of the Forbesdale Residents Action Group (FRAG), formed to give voice to those who will be most impacted by the Rocky Hill Mine, the residents of the community of Forbesdale, should it go ahead.
- I am on the Gloucester Shire Council working group preparing their submission to you in opposition to Gloucester Resources Application.

My own obvious personal interest and my active involvement in these community organisations has involved me in the critical assessment over the last two years of all the material submitted by Gloucester Resources Limited up to and including their final EIS submission.

Gloucester Resources Limited has submitted for your consideration Development Application SSD-5156. to develop and operate the Rocky Hill open cut mine extracting some 23 million tonnes of ROM coal to be processed on site, transported by overland conveyor to a rail load out facility and despatched. At the end of the extraction and despatch, continuing a process started early in the mines development, a final landform will be produced and the Rocky Hill Coal Project will cease. This is anticipated to take a period of 16 years but approval for 21 years is being sought.

This is all to be conducted under the Gloucester Resources Limited principal objectives of the proposal as stated in Section 2.1.1 Objectives of the EIS.

"The principal objectives of the proposed Rocky Hill Coal Project (the Proposal) are to:

- 1. Maximise coal recovery and the efficiency of mining and processing operations.*
- 2. Undertake all activities in an environmentally responsible manner to ensure compliance with relevant criteria and goals, reasonable community expectations and, to the extent practicable, the objectives of the Gloucester LEP 2010.*
- 3. Create a final landform that is safe, stable, visually and topographically sympathetic to the existing landform-amenable to the resumption of grazing activities and nature conservation.*
- 4. Provide a stimulus to the Gloucester and district economies through employment opportunities and the supply of services required for the development and operation of the proposal and,*
- 5. Achieve the above objectives in a cost effective manner to ensure the Rocky Hill Coal Project is viable."*

It is against this definitive pronouncement by Gloucester Resources Limited of the principal objectives then, with a personal background involving engineering, design, management and costing and having had many long discussions with others with expertise in fields that I do not, that I can make the following statement.

That the Rocky Hill Coal Project, as outlined in Development Application SSD-5156, is totally incapable of achieving the principal objectives that Gloucester Resources Limited have set and that provide the umbrella for all sections of the EIS supporting the application.

Each of the principal objectives outlined by Gloucester Resources Limited becomes farcical when considered against the individual elements presented in the EIS. These individual elements, many cornerstones of the entire proposal, are riddled with.

- **Flawed engineering designs incapable of producing the structures portrayed, to the criteria outlined in the EIS.** Rectification of these designs would lead to major environmental concerns. Acceptance of the designs as shown renders all computer modelling of noise and dust migration and all statements on visual amenity invalid.
- **Conceptual designs developed solely to provide solutions to issues with no regard to practicality, plausibility or expense.** Looking wonderful on paper but either impossible to construct or only able to be constructed at costs way above those normally considered in the development of a mine.
- **Unbalanced and unrealistic economic assessments that portray only the supposed benefits with no regards for the economic costs.** Economic assessments based on absurdly inflated figures then multiplied again and again to provide huge benefits to all. Failure to recognise millions of dollars in local impacts and hundreds of millions of dollars of costs to the State and Nation.
- **Figures and data obtained from sources of no relevance or modified by averaging and other mathematical processes to render them irrelevant.** The impacts of dust and noise amplify with higher and lower winds and with the effects of temperature and atmospheric moisture. Their impact is determined by wind direction, velocity, duration and local topography, All of these determining factors have been ignored or mathematically modified to minimise the impact of these critical emission elements to almost zero.

The details of these design failures and fiddled figures are well documented in the submissions of others that you will have received and I will not repeat them in detail here. This liturgy of mistruths however has severely impacted on Gloucester Resources Limited's much vaunted principal objectives.

Principal Objective 1: To Maximise coal recovery and the efficiency of mining and processing operations.

There are three key elements of a mining operation extraction, processing and despatch. It would appear from the Gloucester Resources Limited's first principal objective that despatch is not included as part of their principal objective. Is this merely an oversight or has the totally financial unviable conceptual design of the overland conveyor system and rail load out facility precluded its inclusion.

Achievement of principal objective 1: FAILURE

2 out of 3 ain't bad may be a good song title but a complete failure of attainment of a principal objective.

Principal Objective 2: To Undertake all activities in an environmentally responsible manner to ensure compliance with relevant criteria and goals, reasonable community expectations and, to the extent practicable, the objectives of the Gloucester LEP 2010.

What an absolutely farcical principal objective when the whole concept of the Rocky Hill Project flies directly in the face of the Gloucester LEP seeking approval to be established in an area zoned SP2 and E3 for scenic protection under that document.

When the intent of Gloucester Resources Limited to explore for coal and establish an open cut mine came to attention of the local community 1000 concerned residents rallied to show their opposition. Since then surveys of the community have shown an 85% disapproval for the Rocky Hill Project and high attendance rates at public meetings discussing the Rocky Hill Project have reinforced these figures. Even the report on the community prepared on behalf of Gloucester Resources Limited by Key Insights shows significant opposition to Rocky Hill Project with nearly 80% being concerned about the mines development.

A reasonable expectation of the Gloucester community then would be that Gloucester Resources Limited pack up and disappear from our valley for good, not as they seem to think, establish a coal mine.

Compliance with criteria, has in many cases, been achieved by using computer modelling that uses as part of its design input for the mine the western visibility barrier. This has been demonstrated as being an engineering impossibility and as such the results generated by modelling using this design as a basis must be totally ignored. This EIS therefore fails to demonstrate compliance.

Achievement of principal objective 2: COMPLETE AND UTTER FAILURE

The principal objective may be a laudable one but compliance failure, failure to even consider community expectations and total disregard for the major element of the Gloucester LEP that affects the Rocky Hill Mine make attainment of this principal objective a complete failure.

Principal Objective 3: To create a final landform that is safe, stable, visually and topographically sympathetic to the existing landform-amenable to the resumption of grazing activities and nature conservation.

Another wonderful conceptual design providing a solution to the vexing issue of what happens after the mine has gone. Another conceptual design that is impossible to achieve. Simple high school map interpretation and mathematics reveal an incredible shortfall of material required to achieve the design as outlined rendering the whole concept impossible. As the final landform begins its development only a couple of years after commencement of mining what effect will lack of material have on the final filling of the mining voids and the development of the proposed landscape?

Achievement of principal objective3: COMPLETE AND UTTER FAILURE

Again a laudable objective. Again a complete failure. Designed to attain a desirable outcome rather than in any way provide a practical solution to one of the key issues facing open cut mines, the filling of voids and the return of the landscape.

Principal Objective 4: To provide a stimulus to the Gloucester and district economies through employment opportunities and the supply of services required for the development and operation of the proposal.

The proposed stimulus of the local economies make the preposition that these economies are in need of stimulation when the reality is they do not. A sound agricultural economy with growth potentials in diversifying of produce due to the impacts of city sprawl and climate change and a solid and growing tourism sector ensure Gloucester's economic future. Its appeal as a destination for retiring "tree changers", well under way prior to the advent of the Rocky Hill Mine proposal, would see a new economic sector develop around retirement living and aged care. Gloucester has a sound economy that is not in need of stimulation by Gloucester Resources Limited.

The use in the EIS of figures on potential spending by employees and development and ongoing expenditure by the mine are totally unrealistic when compared with published figures from the Australian Bureau of Statistics, with evidence from the expenditure patterns of employees and mine expenditure from the nearby Stratford Mine and after consultation with local business on expenditure potentials.

These unrealistic, almost fraudulent amounts, are then cascaded through the State and National economies multiplying at unrealistic and unsubstantiated rates.

Predictions of local employee growth are unsubstantiated and represent nothing more than a arbitrary number designed more to appeal to those local people hungry for the high wages offered in the mining industry than any researched result of the potential of local employment. The Stratford Mine, also desiring of employing locals, after its many years of operation has been unable to achieve the outcomes vaunted by Gloucester Resources Limited as their objective. A far greater number of drive in-drive out employees is the more likely result.

All this is about the benefits and nothing about the costs.

Financial costs running into the millions of dollars to the local economy by way of the mine's impact on agriculture and tourism.

Financial costs in the millions to the local Gloucester Shire Council and the State Government over the Rocky Hill Mine's impact on local and regional road infrastructure.

Financial costs in the hundreds of millions to the State and National Governments by way of the increased health burden as a result of the mine.

Employment cost to the local community with the loss of current jobs in the agriculture and tourism industries far greater than the promised potential of local jobs at the Rocky Hill Mine. These jobs only exist at the whim of the world coal market coming and going as the coal price rises and falls. You only have to talk to the 50 or so persons recently left unemployed for just this reason from the local Stratford and Duralie Mines for evidence of this.

Achievement of principal objective 4: COMPLETE AND UTTER FAILURE

Inflated claims, exaggerated impacts and ignorance of costs opposing benefits deemed this principal objective a failure of the highest magnitude. Judge Preston in his recent decision in the Land and Environment Court highlighted the failure of Rio Tinto and the mining industry in general to provide realistic assessments of the economics of mining proposals. Nowhere is that more evident than in

the almost fraudulent figures offered and the omissions made in the EIS in support of the Gloucester Resources Limited application.

Principal Objective 5: To achieve the above objectives in a cost effective manner to ensure the Rocky Hill Coal Project is viable.

Measured against other open cut mines the Rocky Hill Mine is a very small mine. It will produce only a very small amount of coal of a quality that will command only an average price on the world market.

The development of this mine comes at a high cost.

It is situated in an area of geological structure not conducive to high production rates with high overburden and interburden removal ratios.

It is located on high value land requiring high purchase cost.

It is located only a few hundred metres from homes and but a few of kilometres from the Gloucester town centre, hospital and schools requiring extensive noise and dust mitigation measures.

It has satisfied requirements of visual amenity, mitigation of noise and blasting impacts and the rehabilitation of the site and the filling of voids by the use of high cost, impractical conceptual designs.

It will incur all the pro rata costs, charges and expenses normally associated with this type of operation by any mining company operating in NSW.

How can it be that this small outputting mine of average quality coal, burdened with development costs far above those of other mining entities and still incurring all the on costs associated with mining be financially viable? In short it cannot!

Achievement of principal objective 5: COMPLETE AND UTTER FAILURE

The economic frailty of the project is outlined extensively by others, notably Gloucester Residents in Partnership, showing that the economic viability of the Rocky Hill Mine is at best extremely questionable.

Why then, in light of the total failure of all of the principal objectives, would Gloucester Resources Limited continue down a path of seeking approval?

The unstated principal objective.

There is, in the list of principal objectives outlined by Gloucester Resources Limited, one key principal objective missing.

To achieve, above all else, sufficient financial return to shareholders on their investment to warrant the huge expense that they have incurred with due regard to the duration of investment before that return is realised.

The EIS would appear to be a total failure if its reason for being were to be a blueprint for the commercially viable development and operation of the Rocky Hill Mine. All principal objectives failed.

Or is it? What of the unstated principal objective to provide a financial return to shareholders. In September 2012 Mr David Kitto, Director of Mining and Industry of your Department visited Gloucester. As part of that visit he discussed with community groups the extent and scope to which submissions could be made in response to the Gloucester Resources Limited EIS when it went on display at some later date.

He stated at that meeting that the Department was obliged to consider the EIS as presented and therefore would also only consider submissions directly related to what was stated in the EIS.

Therefore conjecture regarding any future developments, changes in ownership, discovery of new resources, major changes to infrastructure development and use and the changing economic climate could not be considered by the Department in its assessment of the EIS. This would be the case even if statements by the company such as Mr Grant Polworth's assertion that "they would mine to any extent they were allowed" and the naming of the adjoining Maslen dairy property (already with a financial agreement with Gloucester Resources Limited) as stage 2 of the project by Gloucester Resources Limited would indicate expansion and change to the presented EIS.

The Department's position was again confirmed in an email to me on the 6th September 2012 when I had asked for clarification on this issue from Mr Kitto and he kindly replied in part

"Under the Environmental Planning & Assessment Act 1979, the Department is obliged to assess the company's proposal on its merits. In other words, the focus of the assessment is on the company's proposal, which in this case is an open cut mine and associated infrastructure, including a coal handling and preparation plant, a conveyor linking the mine to the railway, and a coal loader adjacent to the railway. Whether it is a stand alone mine or not is not particularly critical, although the current proposal is clearly intended to result in the development of a stand alone mine.".....

"I hope this gives you some idea about how the Department would approach the matter. If you have any further questions, please phone me on 9228 6487."

*Regards
David*

I assume that since I received this email nothing has changed.

Those within your department charged with the responsibility of assessing the EIS after considering,

- the flawed designs
- the financially impractical and at times physically impossible conceptual designs
- the unbalanced and unrealistic economic assessments
- the lack of true cost and benefit analysis
- the manipulated mathematic models
- the lack of adequate response to your specific requests

then they should, and I am sure they will, come to the conclusion, as so many have, that this is not a document designed to outline the development, operation and final rehabilitation of a commercially viable mining enterprise.

They will have heeded Mr Kitto's advice to me that *"the proposal is to be assessed on its merits.....the current proposal is clearly intended to result in the development of a stand-alone mine."*

They will have assessed all aspects of the EIS without any consideration being given to the

- Potential sale of the development and the remaining exploration licences to Yancoal (owners of the adjoining Stratford Mine) obviating the need for the expensive conceptual design of the overland conveyor and rail load out facility.
- Potential future expansion of the mine into stage 2, stage 3 and the Gloucester Resources Limited held licences areas to the south west of the Rocky Hill Mine thus greatly improving the mine's long term viability by amortising infrastructure costs over a greater amount of coal.

and will have I am sure come to the conclusion, that as so many have, that this is not a document designed to outline the development, operation and final rehabilitation of a commercially viable mining enterprise.

They will have come to the conclusion that the EIS is a document only to gain approval. It cannot and will not be developed as designed, it cannot and will not operate as detailed, it cannot and will not be rehabilitated as envisaged and it cannot and will not produce the economic or employment benefits that it purports to do.

The Department therefore, based on the evidence presented to it as contained in the EIS, with no consideration of potential, unstated uses by Gloucester Resources Limited of an approved development application and with no view to potential expansions or future developments, should recommend to you that you reject the EIS in its entirety.

You, as Director General of the Department of Planning and Infrastructure on behalf of the people of New South Wales, in light of the total failure of Gloucester Resources Limited to provide factual and supportable evidence of:

- **their ability to construct and operate the Rocky Hill Coal Mine as outlined in the EIS**
- **their ability to construct and operate the Rocky Hill Coal Mine in accordance with community views and the Gloucester LEP 2010 as outlined in the EIS**
- **their ability to rehabilitate the site of The Rocky Hill Coal Mine at the end of the extraction period as outlined in the EIS**
- **their ability to provide the economic and employment benefits as outlined in the EIS**
- **their ability to construct and operate the Rocky Hill Mine as a commercially viable venture as outlined in the EIS**

would recommend that development application SSD-5156 on behalf of Gloucester Resources Limited to construct and operate the Rocky Hill Coal Mine at Gloucester NSW be denied.

As the Director General of the Department of Planning and Infrastructure you are charged with the responsibility of ensuring that developments are to be to the benefit of the people of New South Wales. Not to the incumbent State Government, not to the Federal Government and certainly not to the developments proponent but to the People of New South Wales.

To allow you to do this the proponent of that development must submit a factual and truthful application for your assessment. An application that would stand the strictest scrutiny and pass with

flying colours principal objectives not dissimilar to those as stated in the Gloucester Resources Limited EIS.

The people of NSW are relying on you to take your responsibility seriously. They are relying on you and your department to follow the assessment principals outlined by Mr Kitto and consider the EIS as presented as an application for a stand-alone mine with no view to future developments, extensions and sales.

The people of Gloucester are relying on you to determine that the proposal to establish the Rocky Hill fails all of its own principal objectives as outlined in the EIS and as such certainly fails any test that it is for their benefit or for the benefit of the people of New South Wales.

I am relying on you to protect my family from the economic loss we will suffer as a result of approval. I am relying on you to retain the reason that we moved to this area and made our home here. I am relying on you to save our town from being changed from a vibrant country town to a dusty mining town.

I am relying on you to carry out your responsibility and reject this proposal for the farce that it is and allow my family and my town to get on with life without the spectre of the Rocky Hill Mine hovering over us.

As for the unstated principal objective of shareholder returns, who cares!

Michael Bowman
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