



Ms Carolyn McNally
Secretary
Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2001

31 March 2016

Dear Carolyn,

Subject: Second Review of the Russell Vale Colliery Underground Expansion Project

Thank you for your Department's letter of 10 November 2015 referring the above project to the Planning Assessment Commission for review and public hearings, in accordance with the Minister's request of 23 October 2015 and thank you for extending the time to complete this review.

Mr Paul Forward, Dr Andrew Stoeckel and I constituted the Commission for the project. I chaired the Commission.

The Commission held public hearings in Wollongong on 8 December 2015. Written submissions were also received. A copy of the Commission's Review Report is enclosed, along with a fact sheet summarising the Commission's key findings. A copy of these documents will also be provided to your Department of Planning and Environment.

The Commission has carefully considered the application, the issues raised in public and agencies' submissions, the proponent's response to the Commission's First Review Report; and additional information from the proponent responding to the Commission's questions, and the Department of Planning and Environment Assessment Report and Addendum Report. The Commission also sought expert inputs on the groundwater and subsidence aspects of the project.

As water and subsidence are the two major issues, the Commission retained two experts E/Prof Jim Galvin (subsidence) and Dr Colin Mackie (groundwater) to assist this review. Both experts concluded that the potential water loss of surface water flow due to subsidence and cracking remains uncertain. They noted the proponent has placed substantial emphasis on mitigation strategy to deal with residual impacts. However, they considered there is considerable uncertainty about the types of mitigation measures to be employed and the effectiveness of the measures. Long term operation and management costs of these measures after mine closure have not been considered.

The Commission finds it is not satisfied that the project is consistent with the *State Environmental Planning Policy (Sydney Drinking Water Catchment) 2001* that it would have a neutral or beneficial effect on water quality in the catchment area.

Although the project, as proposed, may generate immediate short term economic and social benefits in terms of jobs, royalties and other direct and indirect flow on effects, the Department of Trade and Investment's advice that this is a small project ranked 50 out of 56 producing coal mines in NSW if approved. Furthermore, the mine is currently not operating and is in care and maintenance.

On the basis of all the information provided, the Commission is of the view that the social and economic benefits of the project as currently proposed are most likely outweighed by the magnitude of impacts to the environment.

In reaching its conclusion, the Commission has had regard to the evidence presented to it by the proponent, the Department, the public submissions and presentations to the public hearing and from the advice provided by the Commission's independent experts, the IESC, OEH, and WaterNSW and the relevant State Environmental Planning Policy (Mining SEPP and Sydney Drinking Water Catchment SEPP).

The Commission recommends that any further consideration of the proposal should have regard to the issues raised in this Review Report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Joe Woodward". The signature is fluid and cursive, written in a professional style.

Joe Woodward PSM
Planning Assessment Commission