



Protect Our Water Alliance

Submission to Independent Planning Commission

11 December 2023

Re: Dendrobium Mine, Bulli Seam Operations and Russell Vale Revised Preferred Underground Expansion Modifications (DA60-03-2001-Mod-10, MP08_0150-Mod-5 and MP09_0013-Mod-1)

Modification as an opportunity for better outcomes

The modification request to process coal from Russell Vale Colliery at the Dendrobium Washery is in some ways a positive development, as it avoids coal processing at Russell Vale pit top. Coal processing at Russell Vale pit top is completely unacceptable, and must be explicitly ruled out for now and in the future as a condition of approval of this Modification.

However, while processing coal at the Dendrobium Washery is preferable to coal processing at a pit top in the middle of a residential suburb, it presents a number of foreseeable impacts that should be carefully considered, with suitable conditions placed upon the proponents. This is particularly important in light of the overall transition away from coal for energy and steelmaking in the Illawarra, the NSW Government's climate policy, and the fact that Russell Vale Colliery will soon come to the end of its approval period.

Modification is a planning tool used by proponents when circumstances prompt them to seek approval to change their operation. However, the modification process must always prioritise the needs and interests of the people of New

South Wales. The purpose of the planning system is not to allow proponents to conduct business as usual no matter the circumstances, but rather to ensure that operations continue to benefit the people of New South Wales.

As such, the fact that the volume of coal being processed under this modification is not increased is not an adequate reason to set aside the impact of mining, transporting, processing, exporting and ultimately burning this coal. Every modification is an opportunity to improve outcomes for the people of New South Wales.

The circumstances driving the proposed modifications are essentially the decreasing coal production of Dendrobium Mine, and the reluctance of Wollongong Resources to make capital investment in coal processing at Russell Vale Colliery.

Increased trucking of coal

This modification involves trucking mined material from Russell Vale to the coal washery, and then coal waste from the washery to the Westcliff Emplacement Area. The company should compensate the NSW and local governments for the resulting increase in wear and tear on road infrastructure.

The West Cliff Coal Emplacement Area – impacts on waterways, habitat and Aboriginal Heritage sites

The West Cliff Coal Emplacement, a dump for coal waste, is on the site of the old West Cliff Colliery. Over time, as more coal waste has come out of Dendrobium and Appin mines, the footprint of the Emplacement Area has expanded. This expansion has required the destruction of an entire creek valley. The risk that it will be necessary to destroy more adjacent bushland in order to store coal waste is a foreseeable consequence of this modification. In the context of climate crisis and habitat loss, it is not worth the destruction of

habitat for the sake of extracting coal that will be exported by a company that continues to operate at a loss.

The West Cliff Coal Emplacement is located close to the Georges River. As the amount of coal waste dumped at the West Cliff Coal Emplacement Area increases, the impact on this significant waterway also potentially increases. This increased impact is a foreseeable consequence of this modification. In the context of climate crisis and habitat loss, it is not worth further impacting the Georges River in order to process coal that will be exported by a company that continues to operate at a loss. Another environmental cost of this activity is the impact on the receiving waters of the upper Georges River from the Brennan's Creek dam discharge. This has been problematic for many years, with a highly saline plume being traceable for 15kms downstream.

Since the 1970s when mining first started at West Cliff, near Appin, coal waste has been dumped in the Brennans Creek valley, a convenient site adjacent to the mine pit top. Brennans Creek was a major tributary creek of the upper Georges River. Brennans Creek dam was also built in that era to treat run-off water from the coal stockpiles and pit top surface and also run-off and leachate from the emplacement area.

It wasn't until Dendrobium started production in 2005 that emplacement here went into overdrive. Mining the Wongawilli seam at Dendrobium involves a lot of rock being excavated along with the coal and there was no provision in the 2001 approval for any emplacement on the actual mine lease. A convenient solution was to truck that waste material up to West Cliff, the same trucks then returning with coal from the Appin mine, to the port. Up until at least 2011, more than 50 percent of what was emplaced at West Cliff was from Dendrobium, due to the large volume of rock being pulled out with the coal.

The emplacement area Stage 2 began filling quickly after Dendrobium began production in 2005. The creek flow was channelised high up on one side of the V-shaped valley of Brennans Ck, the valley floor and sides were cleared of vegetation and sculpted to maximise the fill area, and Aboriginal Heritage Sites in overhangs were recorded and then covered in plastic, ready to be entombed. In 2007 Stage 3 was approved. In 2011, however, the state government brought in legislation which placed a levy on any coal waste emplaced off the mine lease site. This applied to Dendrobium, so BHP miraculously discovered numerous uses for the product in the Illawarra which vastly reduced, for a time, the amount needing to be dumped. We have become aware that sales of coal wash have recently been curtailed by South 32. South 32 announced that it stopped sales of low-margin coal wash material, a by-product of the production of metallurgical coal, in part due to high freight costs (Illawarra Mercury, 27.4.22) It is to be hoped that this is not to be permanent, as it will result in a huge increase in the amounts dumped at West Cliff. This can be quantified from data in the Environmental Impact Statements for the most recent Dendrobium Expansion Projects, Major Projects SSD 8194 and SSI-33143123, (EIS) on the beneficial use of coal wash where it is stated that in the last 2yrs approx. 56% of total coal wash produced was diverted to beneficial uses (EIS 4.8.3). Thus, ceasing sales could result in an increase in the quantity to be dumped by at least that amount.

Cessation of coal wash sales directly contradicts assurances given in the Environmental Impact Statement that current approvals for the West Cliff Coal Emplacement Area will be adequate to the project because “IMC’s supply of coal wash for engineering purposes (e.g. civil construction fill), or for other beneficial uses, reducing the quantity of coal wash required to be emplaced at the West Cliff Coal Wash Emplacement Area”.

Even if beneficial uses of coal wash were to continue at the previous rate, the extension of Dendrobium into Area 5 would have brought forward the need for Stage 4 of the emplacement area. This area is largely untouched bushland, not in the creek valley but on flatter land above the dam, which means that the emplacement mound there will be highly visible, especially as a maximum height of 360AHD is being proposed. That is 60m higher than the adjacent ridgeline.

The refusal of the Dendrobium expansion signalled a reprieve for the bushland of Area 4. Just because the area has approval shouldn't mean that another mine's waste can be dumped there.

According to South 32's own reports, beneficial reuse of this material has actually reduced in recent years, as increased transport costs mean the material now dumped at the West Cliff Coal Emplacement Area is no longer used for road building. Should beneficial reuse become a realistic option, there is ample coal waste at the West Cliff Coal Emplacement Area to meet any possible future need.

Much more effort needs to be made to develop beneficial re-use of this material. This needs to be conditioned, as it has been previously but more than just a research project is called for. A heftier levy or a quantified reduction of dumped material over a specified period would put the onus on the company to be more proactive and creative in this matter.

We are also concerned about the impact of the practice of dumping coal waste in disused mines. This practice risks increased pollution of already polluted 'mine water' that ultimately returns to ground water or water ways, including waterways in our drinking water catchment. There are also some concerns about the safety of this practice, long term.

Coal processing at the Dendrobium Washery ultimately impacts the habitat surrounding the West Cliff Coal Emplacement and the Georges River. And of course extracting and burning coal contributes to the climate crisis.

Dendrobium Coal Washery – impacts on surface water and discharged water

When Illawarra Metallurgical Coal’s application to expand Dendrobium Mine was denied it was foreseeable that, knowing the mine is heading toward closure, there will be a reduction in demand for coal processing at the Dendrobium Washery. It is neither realistic, nor desirable, to attempt to maintain the volume of coal processed at Dendrobium Washery. The Illawarra region is part of a global transition away from fossil fuels. Fossil fuel companies cannot continue with business as usual.

Should the modification be approved, it provides an opportunity for the DPIE to improve the monitoring of water released at discharge, and to require tighter licensing conditions on water discharged into Allans Creek. A continuous monitoring system would be an appropriate step at this point, as rehabilitating the Illawarra’s most polluted waterways is an essential part of the energy and manufacturing transition in the Illawarra.

We draw the panel’s attention to the submission made by Dr Ian Wright to the IPC for the Dendrobium Mine expansion in December 2020 in regard to discharge into Allans Creek.

<https://www.ipcn.nsw.gov.au/resources/pac/media/files/pac/projects/2020/10/dendrobium-extension-project-ssd-8194/public-submissions/environmental-defenders-office-on-behalf-of-protect-our-water-alliance/201215-dr-ian-wright.pdf>

Should this modification be approved, it provides an opportunity to improve monitoring of discharge into Allans Creek. The continuous monitoring of discharge into Allans Creek should be a condition of approval.

Ensuring the continuation of operations that are becoming increasingly obsolete is not the role of the Independent Planning Commission. Decreased coal extraction is part of the transition to renewable energy and manufacturing that is happening in the Illawarra. This modification should only be approved with conditions requiring both mining companies to provide detailed plans for the management of coal waste at the West Cliff Coal Emplacement Area beyond the life of Russell Vale, Dendrobium and Appin Mines, particularly in the context of predicted extreme weather events such as heavy rain events and bushfires. A further condition to undertake continuous monitoring of waterways in the vicinity of the West Cliff Coal Emplacement Area and the Dendrobium Coal Washery should also be made.

What is the purpose of this modification?

Wollongong Resources re-opened Russell Vale Colliery at a time when it had a liability of over one billion dollars on its balance sheet. Reports to ASIC show that the company has continued to lose money since the re-opening of the mine, to the extent that the Company's auditors have raised a question as to the viability of the company as a going concern. There have also been serious safety issues and pollution incidents at the mine. Wollongong Resources is currently the subject of an investigation by the Resources Regulator following a serious safety incident, and is engaged in litigation in the Federal Court on a matter regarding unconscionable conduct. The fact that the expansion of this mine was approved at all is hard to understand. It is very difficult to see the rationale for continuing operations at this mine. It provides no benefit to the people of New South Wales.

Continuing to extract coal to be processed and exported, while leaving the rubbish adjacent to Dharawal National Park and the waterways of the Illawarra and south western Sydney is in no way in the interests of the people of New South Wales.

Wollongong Resources has approval to continue mining at Russell Vale Colliery only until 2025. Rather than seeking a modification to truck coal and coal waste around our region, leaving us with more coal waste and polluted water to deal with, Russell Vale Colliery would do well to stop sinking funds into extracting from Russell Vale Colliery, and instead focus on preparations to close the mine and get on with rehabilitation of the mine site.

In short, Protect Our Water Alliance considers that the operation of Russell Vale Colliery offers no benefit to the people of New South Wales. In fact, this Modification summarises the situation very well – Wollongong Resources would like to extract the value and leave the damage and waste in the suburbs, the bushland and the waterways that will be impacted by this Modification.

Should this Modification be approved – and we concede that the proposed arrangement is a better option than coal processing in the middle of a residential suburb – we propose that conditions should include

1. ruling out any current or future coal processing at Russell Vale Colliery.
This Modification must remove from Development Consent MP 09_0013 consent for processing of ROM coal at Russell Vale Colliery using a dry coal preparation plant or other coal processing infrastructure.
2. a levy to compensate for increased trucking of coal around the region
3. continuous monitoring of water discharge points into Allans Creek associated with Dendrobium and Appin Mines

4. continued monitoring of the mine discharge into the Georges River
5. a detailed plan for the management of the West Cliff Coal Emplacement Area well beyond the life of all three mines that would then be dumping coal waste at that location
6. a detailed and costed plan for the closure of Russell Vale Colliery at the end of its current approval period.