



CFMEU MINING & ENERGY DIVISION SOUTH WESTERN DISTRICT

(Division of the Construction, Forestry, Mining and Energy Union)

ABN 49 954 293 181

636 Northcliffe Drive
KEMBLA GRANGE NSW 2526
PH: (02) 4271 7577 FAX: (02) 4271 7677
Email: admin@umw.com.au

52 Eskbank Street
LITHGOW NSW 2790
PH: (02) 6351 3287 FAX: (02) 6352 3229
Email: umfa@umfa.com.au

19 February 2019

The Independent Expert Panel for Mining in the Catchment
Office of the NSW Chief Scientist and Engineer

Submitted by email: catchment.panel@chiefscientist.nsw.gov.au

Dear Expert Panel,

Re: Initial report on specific mining activities at the Metropolitan and Dendrobium coal mines

I write with respect to the above report dated 12 November 2018 and which was publicly released on 20 December 2018.

The Construction, Forestry, Maritime, Mining and Energy Union is the principal trade union in the industries of its title and represents more than 120,000 workers in these industries. The CFMEU Mining and Energy Division represents more than 20,000 workers – mostly in coal mining but also in power generation, coal ports and metal ore mining.

With respect to the Metropolitan and Dendrobium mines, CFMEU Mining and Energy represents a majority of the workforce and has collective agreements with the employers at these sites. More broadly, CFMEU Mining and Energy represents the majority of coal mine workers in the Illawarra region of NSW and NSW generally.

As the initial report notes, the Metropolitan mine is the oldest operating coal mine in Australia, having commenced in 1888. Coal mining has been occurring in the region since the early 1800s, and while the Dendrobium mine is relatively new, BHP and its successor South32 have been operating coal mines in the region since 1935.

Each of the two mines employs over 500 people on-site both directly and as contractors. Because the industry is a successful export industry with high valued-added per person employed, wages are typically over \$130,000 per year. These jobs are therefore among the most important jobs in the region as their output brings revenue into the region, and the higher wages support more demand for goods and services than lower-paid jobs.

The two mines primarily produce coking coal for steelmaking rather than thermal coal for power generation. The mines therefore have better long term prospects than mines that primarily produce thermal coal, as renewable and storage technologies for power generation limit the prospects for thermal coal.

It is noted that the initial report is but one of three reports/outcomes due to be issued by the Expert Panel. As these are all related, and indeed the initial report has had to examine in part the issues to be covered by the other outcomes, it is difficult for stakeholders to comment or respond in full.

At this point in time the union notes and supports the initial conclusions of the first report as summarised in the media release issued by the NSW Government in conjunction with the Expert Panel's initial report on 20 December – especially:

- “Endorsement of the Department’s current approach to the regulation of mining activities, including the requirement that mines seek iterative approvals before mining can take place and refer mining applications to independent experts and bodies for advice, and the imposition of strict conditions on approvals.”

The union also specifically notes the conclusion:

- “The plausibility of an average water inflow of 3 megalitres a day of surface water and seepage from reservoirs being diverted into mine workings at Dendrobium mine, which may have otherwise reported into catchment dams.”

As noted in the media release by way of perspective, Sydney’s catchment dams currently hold over 1.5 million megalitres, and it is estimated that up to 820 megalitres a day - around 300,000 megalitres each year – are typically lost in natural evaporation and environmental flows.”

The union acknowledges that the Expert Panel has had to struggle with major complexities in coming to an understanding of surface and sub-surface water flows and how that has been impacted by mine subsidence.

It is also acknowledged, and commended, that the mining companies have dramatically lifted their efforts at best practice in monitoring and modelling groundwater flows and impacts. They have also engaged in extensive efforts to mitigate impacts on upland swamps and, in the case of the Dendrobium mine, have engaged in the large-scale implementation of biodiversity offsets to preserve upland swamp areas in perpetuity.

The requirement to seek iterative approvals for each stage of mine development is an onerous one and should be widely acknowledged as such. Few other projects of any kind are subject to such strict ongoing approval processes.

It is hoped that the further work of the Expert Panel will enable the continuance of the vital coal mining industry in the Illawarra region, while ensuring that impacts on the Greater Sydney Water Catchment Special Areas become better understood and remain within safe and manageable limits.

Yours sincerely,



Bob Timbs
District Vice President