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ILLAWARRA RESIDENTS FOR RESPONSIBLE MINING

Attention: Director, Mining and Industry Projects
Major Projects Assessment
Department of Planning
GPO Box 39
Sydney NSW 2001
13.05.2014

To Whom It May Concern,
Objections to Proposal MP 10_0046 - MOD 2
We write to object to this second modification to the Preliminary Works Project MP 10_0046.

Illawarra Residents for Responsible Mining Incorporated (IRRM) is a community group that was formed in response to the current operations and planned expansion of the Gujarat NRE (now called Wollongong Coal) No. 1 Colliery (now called Russell Vale Colliery).

The Proposal is not a “modification” to the Preliminary Works

Wollongong Coal (WC) has not put forward a justifiable reason for the necessity of this application, other than its own inability to manage its mine in an appropriate way. The proponent still has outstanding debt to the Government, in the form of royalties and carbon taxes that mount to millions of dollars and clearly indicates the proponent's current poor financial situation. The proponent is again fractionating the development process because of their own inability to justify and resource the Preferred Project Report (PPR) application. Wollongong Coal is attempting to incrementally establish their Preferred Project Report. Also it is clear that the first 400m of Longwall 6 is the most problematic, being closest to Cataract Dam and having the most impact on the upland swamps and Cataract Creek.

This application is miniscule in size but is demanding on Govt agencies and the community. That it has been released to the public reflects poorly on the Department of Planning and Infrastructure (DoPI). Furthermore, the DoPI failed to identify and act upon a number of non-compliance matters and it was left to community members to point out the failures in a series of complaints. While the DoPI clearly goes out of its way to accommodate the interests of the proponent, it seems it acts on the concerns of the public with great reluctance. The WC EA was again released at the time of public holidays. This time the exhibition encompassed the Easter – ANZAC Day week when many people were on vacation. Its associated documentation contains a large amount of material for which the general public were given only two and a half weeks to respond. This is unreasonable and unacceptable.

Reason for this application

It should be noted here that Gujarat NRE (GNRE) and Wollongong Coal should be read as the same company, the name and major shareholder have changed but the personnel and attitudes remain the same. WC has stated that the viability of this mine is dependent on the approval of this application. In all of GNRE's previous applications they have said exactly the same thing. The proponent is incapable of making an application and justifying a major project because they are incompetent and very under resourced. Now WC are not prepared to commit financially to a major project. We believe that they are not the appropriate proponent for such a sensitive mine.

The community and the Govt agencies have always been opposed to the fractionation of the development process but this company continues to flaunt this stance. The previous applications are: Preliminary Works, the controversial Subsidence Management Plan for LW4, Modification 1, the Preferred Project Report for the major expansion. Now we have this portion of LW6. Each and every one of these applications was claimed to be necessary to keep the mine operating. This latest application will only extend the life of the mine by a few months. This has now turned into a farce and the DoPI are the main instigators for allowing such a time wasting application. The time it has taken the Govt agencies and community cannot be justified for such a minor application to keep an incompetent company operating, a company that should have investigated the situation before investing into the crippled GNRE. It is not the fault or the responsibility of the Govt agencies or the community that Jindal Steel and Power did not perform their due diligence.

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Furthermore, GNRE actually has approval to extract coal from the V Panels in the Bulli seam right now but WC seem to insist instead on pursuing approval for the use of their longwall machine. This application should be rejected based on the fact that WC is misrepresenting the situation.

Financial aspects of Wollongong Coal

It should be noted here that WC have numerous outstanding obligations to the community, tax payers, contractors, suppliers, contractors, consultants and previous clients.

These obligations are in the form of unpaid taxes, unpaid royalties, unfulfilled planning obligations, unpaid services and future possible legal actions. The proponent is using these financial management issues as brinkmanship in an attempt to pressure the authorities into approving this minor application, when in fact all of these outstanding debts should actually be resolved and paid for prior to any approval to this company.

It is of great concern that WC states that this minor application will ensure that the company will be able to continue to meet its "environmental and safety obligations". If the company is that financially fragile, the Govt should insist on a substantial bond to cover any future unpaid costs. This is clear testimony that WC is not an appropriate proponent to extract this coal or operate this colliery.

Previous outstanding planning obligations

It should be noted here that WC have deliberately excluded any mention of surface water in the Russell Vale colliery site. The Preliminary Works approval required GNRE to realign Bellambi Creek. This condition was postponed in Modification 1 due to GNRE's inability to finance the work and under an understanding that GNRE would be liable for any clean-up cost of a flood event caused by the over-topping of the faulty culvert. This work still hasn't been carried out and the now it has become known that there was never any liability agreement entered into by GNRE and DoPI. The company is now operating non-compliantly in regard to this issue and the community downstream from the mine is under constant threat of a flood event like the 1998 floods. GNRE (WC) has now made application in the PPR to retain the inadequate stormwater system instead of fulfilling their obligation of the creek realignment. This proposal is seriously flawed as it has an overland flow path through the proposed 360,000 tonne coal stockpile. This is totally unacceptable and it is imperative that the Bellambi Creek realignment is completed or resolved prior to any further development approval at the mine.

The Preliminary Works approval required GNRE to construct sound walls on the northern side of the colliery site to protect the residential area from noise generated on the site. These sound walls were again mentioned in the Expansion Project as being necessary for sound attenuation. Modification 1 conditioned that these sound walls could be removed following other sound attenuation measures taking place on site, in consultation with the CCC. These measures have never been fully formulated with the CCC, the alternative sound attenuation measures have never been instigated and the sound walls have never been constructed. This is totally unacceptable and it is imperative that the noise issues are resolved prior to any further development approval at the mine.

GNRE and now WC move glacially when it comes to the instigation of any measures to limit the impact on the very close residential areas to this mine and it is now time to ensure that this company treat the local residents with the respect that they deserve.

Antiquated colliery infrastructure

GNRE and now WC are continuing to operate this mine with antiquated and outdated infrastructure. They have made application in their Expansion Project, their subsequent PPR and now in this Modification to continue to load coal off the stock pile and on unsealed roads. The PPR has requested an increase of coal production up to 3 million tonnes but has not fully committed to the construction of new truck loading facilities in a timely manner. It is vital that these truck loading facilities are fully constructed and operational prior to any further approval at this mine. The noise and dust generation from this antiquated infrastructure impacts greatly on the local residents. WC has also been refusing to design and plant vegetated windbreaks on site that would drastically reduce the 670 tonnes of coal dust currently being eroded from their small stockpile each year. Fifty tonnes of dangerous 0.25 micron dust is blown over the surrounding residential areas each year and this is from their current 60,000 tonne stock pile. (Reference: *Final Report – NRE No. 1 Colliery Particulate Matter Control Best Practice Pollution Reduction Program*, PAE Holmes, 2012, p. 10).

Appropriateness of LW6 first 400m's

WC has made an assumption that because this application only deals with the first 400m of LW6 that there will be only minor impacts but they are not considering accumulative impacts of previous and future approvals. This small part of the longwall cannot be taken in isolation but should be taken into consideration with the whole development. This piecemeal approach has been the problem with mining approval in general in the water catchment area. The whole proposed developments impacts should be assessed at one time.

Furthermore, the first 400m will have the most dramatic effect on the swamps, the water catchment area and the Cataract Dam. If WC were committed to low impact on the catchment area and dam they would propose mining the last 400m or use bord and pillar extraction. If this proposal is to be considered we believe the portion should be relocated towards the east beyond any impact of Cataract Creek, this will mean that there is no impact on upland swamps, there will be no possible impact on Cataract Dam and there will be no future impact on Cararact Creek. If WC were committed to lessening the impact on the catchment area and dam to enable them to continue operation they provide options rather than just resolutely continue with their proposed PPR layout. They could for instance divide the LW6 down the middle with gateroads and mine it in two halves. This would drastically reduce subsidence and risk to our precious water catchment. They could mine the first portion of longwall 6 using bord and pillar to reduce subsidence and damage to the Special Areas. They could also mine the eastern portion of longwall 6 first, thus avoiding the problematic western section.

WC needs to be more active in proposing solutions to their own financial, management and planning difficulties, rather than relying on the Govt agencies and community to take pity on their self-induced woes.

Another aspect of the first 400m of LW6 that should be considered is the three tier mining and the fact that Cataract Dam has already had longwalling under it. This is in close proximity to the proposed longwalls. The proposed first 400m of LW6 already encroaches on the Wongawilli seam exclusion zone and the 35° marginal zone has already been compromised by the mining in the bulli seam above. This is a blatant disregard for the safety of the Cararact Dam.

Community Consultation

It is very noticeable that this application makes no mention of community consultation. The flow of information from WC to the community via the CCC has stagnated, with WC actively obstructing the flow of information to affected and interested members of the community. Resolution of community complaints is at an all-time low. Regrettably, WC is continuing the abysmal consultation record of GNRE.

The community have made numerous requests for information about the large exhaust fan above the residential area. This fan is the only fan to the exhaust the current workings and has not even been mentioned in any planning documentation by GNRE and now WC. It is referred to in this application as rubber vehicle portal. GNRE and WC have refused to give the community any information about the monitoring data of this exhaust, citing 'commercial in confidence'. The community can only assume that this is a pollution source and request that it is relocated further from the residential areas (preferably above the escarpment) or heavily regulated and monitored.

Numerous complaints are still being made about the inappropriate coal transport system. Bellambi Lane has been reclassified and is maintained by Wollongong City Council. This is a point of contention, why should Wollongong Council spend \$100,000's of rate payers' money on a road that is primarily used and degraded by WC. WC does not even pay their royalties or carbon tax and certainly do not contribute to Wollongong City Council.

It should be noted that during and after the Modification 1 application and approval process, that GNRE constantly told the community that there would be no other planning application or further fractionation of the planning process and that GNRE were committed to wait for the approval of the Major Expansion project. We are now in the situation that the community has again been misled.

This was the first Planning Development application to be made by WC and it is regrettable that they have started by neglecting to hold an information session to present the proposal and answer questions. They have even refused to answer questions seeking details of the proposal directed to them by the community and a member of the Community Consultation Committee.

Longwall mining under the Sydney Water Catchment Area poses unacceptable risks to our water supply

The extraction of coal from Longwall 6 will cause subsidence within an area that includes Cataract Creek and several upland swamps. Cataract Creek has been recognised by the Planning Assessment Commission (PAC) as having "*highly significant values*" making it "*worthy of protection*" (Bulli Seam Operations report, 2010). Subsidence impacts on swamps, surface waters and groundwater has been described in detail in the Southern Coalfield Inquiry report and the PAC reports for the Metropolitan Coal and Bulli Seam Operations (BSO) projects. These reports recognise the importance of swamps both as water stores and filters, and as biodiversity pools of very high conservation value. The evidence that swamps cannot be safely undermined is overwhelming. Remediation of swamps is not possible and there are no examples of 'self-healing'.

Two first order streams run directly over Longwall 6 to form a second order tributary to Cataract Creek; these streams will be severely impacted by the subsidence over Longwall 6.

Subsidence, increased strata permeability and strata depressurisation risks redirection and loss of surface and ground water from the Cataract catchment, as the Sydney Catchment Authority believes has occurred as a result of damage to the Waratah Rivulet. Recent work by Professor Philip Pells (Thirlemere Lakes report and addenda, and research accepted for publication in Australian Geomechanics) shows that the Bald Hill claystone layer cannot be counted on to protect surface and near surface waters from depressurisation and water loss.

In the Expansion Project EA Appendix E Pells cites examples highlighting the uncertain nature of subsidence prediction. The severe damage to two kilometres of the Waratah Rivulet provides another example of modelling and prediction failure. The widths of the longwalls that caused the catastrophic damage to the Waratah Rivulet were much the same as the width of Longwall 6. Compounding this uncertainty, there appears to be little precedent for multi-seam mining, for which additional subsidence factors of up to 80% have been suggested. Such risks and uncertainties are unacceptable in relation to our water supplies and the need for biodiversity conservation. The water catchment area is not ours to risk. We have a responsibility to preserve the catchment special area and its underlying land and aquifers undamaged, so that future generations of this area can have the access to drinking water that we have taken for granted in our lifetime.

The location of the Gujarat NRE No. 1 Colliery in a residential area is unacceptable

Residents in the vicinity are exposed to airborne particulates from the colliery's operations. These operations include; a coal stockpile located just 200m from people's homes; a resizing (crushing) facility; an enormous ventilation fan that blasts air from the underground mine directly at homes in West Corrimall; and, trucking of coal past people's homes to Port Kembla Coal Terminal.

Airborne particulates from coal mines are increasingly associated with serious respiratory and other health complaints. In particular, particulates smaller than 2.5 micrometres are known to damage health (NSW Environmental compliance and performance report: Management of dust from coal mine, Dept of Environment, Climate change and water NSW in collaboration with NSW Dept of Planning and Industry and Investment NSW, 2010, p3). This Modification proposal does not even measure or model small particulates. The exposure to particulates of 2.5 microns and less may extend for kilometres and could reasonably be expected to impact on at least 1000 to 2000 homes in the area. It is unacceptable for DoPI and the Government of NSW allow this kind of exposure. Residents are also exposed to noise pollution from colliery operations and trucking. Countless complaints about noise remain unresolved.

Any further approvals at this mine should address the ongoing impacts on the local community. WC has merely offered a blanket statement that "the proposed modification is unlikely to have a significant impact on the natural, built or human environment". The local residents would disagree with this misleading statement and say that any continuation of working at this mine has a significant impact on the human environment. WC and DoPI have to change their attitudes towards the mines neighbours and raise their standards in regard to safeguarding the community's health.

Greenhouse Gas Emissions

WC has neglected to even include a section addressing GHG emissions. This is typical of a company that does nothing to reduce its carbon footprint. This is in spite of the fact that technology is available now to reduce fugitive methane emissions, and that other mines in the area are using technology to reduce emissions. There is no specific monitoring regime defined in WC's application or in any previous GNRE application. To date this company has failed to monitor dust and noise from its operations adequately. So we do not have confidence it is monitoring or would monitor fugitive methane emissions adequately.

We submit that it is wrong for the government to consider allowing CSG wells in the Illawarra on the basis that the methane is a valuable resource, while at the same time allowing large quantities of methane to be wasted only a few kms away by allowing proposals like this WC proposal.

GNRE has demonstrated that it does not have the capacity and resources to operate this colliery

Since the Preliminary Works was hived off from the Expansion Project GNRE has proved that they are not capable of operating and resourcing this mine or even self-regulation. It should be noted that WC is GNRE with a new majority shareholder. They have failed to even comply with basic conditions imposed on them by DoPI and the PAC, including:

implementing plans for noise management and realigning Bellambi Creek. The reason for this non-compliance is that they lack the finance to carry out the work.

GNRE did not have the resources, or the will to bring the antiquated infrastructure at the Russell Vale Colliery up to modern standards. Now with a new major shareholder and change of name, WC are continuing that legacy by not investing in appropriate planning methodology or bringing the antiquated infrastructure up to a standard that will reduce the impact on their neighbours. Following recent share rights offers by this company and the description of how the raised money is to be used, it is clear the WC are themselves in poor financial position to advance the Russell Vale mine into the future. Irrespective of the drawbacks or merits of this proposal, WC is not an appropriate corporation to extract this coal or operate this colliery.

I recognise that jobs and royalty revenues may be lost with the rejection of this entirely unacceptable proposal. I note that this company has cut 20% of its work force over the last few months and has stated that future job losses are necessary for the continuity of this mine. However the company is once again threatening the authorities with brinkmanship about job losses. It should also be noted here that the size of the work force at Russell Vale was 293 (at last notification to the CCC) prior to these cuts. Subsequent to this notification a reduction to the workforce of 20% was announced. We therefore must assume that the workforce of Russell Vale Colliery is 234 staff and that the figure of 300 staff cited in the EA on P. 11 is inflated. The actual amount of royalties not paid by GNRE and WC cannot be stated here as the figures are held in confidence and not available to the public. But given that GNRE have never paid their carbon tax we could also assume that GNRE, and now WC, have never paid any of their royalties. The Department of Resources and Energy have stated in their submission to the Major Expansion project "that they would not approve the project until GNRE's outstanding royalties have been paid" suggests that this is a major concern to Govt agencies as well. However, the broader community interest and inter-generational considerations are of greater significance. The value of the natural assets that would be put in harm's way by this proposal cannot be sensibly quantified; the water resource is priceless.

We have not made a reportable political donation. (Cross out whichever does not apply.)

Yours sincerely,

Gavin Workman
Illawarra Residents for Responsible Mining Inc.