"Reclaiming our Valley"

Hunter Communities Network

PO Box 14 Singleton 2330

Department of Planning & Environment
Major Mining Project Assessment
GPO Box 39
Sydney NSW 2001

Wednesday 4 November 2015

OBJECTION

Bylong Coal Project
Ref No: SSD 14_6367

The Hunter Communities Network (HCN) is an alliance of community based groups and individuals impacted by the current coal industry and concerned about the ongoing rapid expansion of coal and coal seam gas exploration and mining in the region.

HCN objects to the proposed Bylong Coal Project ('the proposal') because there is no justification for a new green field coal mine in the Hunter region. The cumulative environmental and social impacts on the Upper Goulburn River catchment area are too great and have not been rigorously assessed.

The Secretary's Environment Assessment Requirements (SEARs) have not been adequately met by the Environmental Impact Statement for the proposal.

For the reasons detailed below HCN recommends that the proposal is rejected because it does not meet the public interest test.

1. Lack of justification for the proposal

It is not in the interest of the people of NSW or the current workforce in the NSW coal industry to expand existing thermal coal supply to provide security for the Korean energy market.

The continuing decline in the price of thermal coal is impacting on the value of coal royalties to the NSW Government. The viability of many coal mining operations across the state is under threat due to the oversupply of thermal coal in the export market.

It would be more orderly for Kepco to purchase an existing coal mine with all approvals in place and at operational stage. The application to establish a greenfield mine on prime agricultural in a valley with highly variable water supply is unjustifiable.

There are a number of mines in care and maintenance in the Hunter Region that are no longer supplying royalties to the NSW Government, taxes to the Commonwealth Government or employing a workforce. This is a loss of public benefit. Kepco should be advised to consider the economic advantage to NSW of purchasing a thermal coal operation that is on the market.

Many of the large global coal producers are signalling intent to sell out of the Hunter Region. This is an ideal time for companies such as Kepco to buy into established mining operations.

Operating coal mines in the Mid-Western Regional Council area have been reducing their workforce as an efficiency measure to maintain viability in an increasingly competitive market. There is no public benefit from increasing the volume of thermal coal extraction and causing further decline in the value of the product.

Economic stability for NSW would be better served if current mines continued operation.

HCN recommends that the proposal be rejected on the grounds that it is not economically justifiable and not in the public interest.

2. Cumulative impact

The proposal has significant environmental and social impacts that have not been clearly assessed for their cumulative impact.

Cumulative environmental impacts include loss of significant habitat for a range of threatened species and ecological communities, loss of catchment area and groundwater, increased competition for feeding and breeding resources in remnant vegetation and the adjacent reserve system, increased regional dust & noise pollution, extraction pressure on an over allocated water source, additional impacts on the Goulburn River National Park such as groundwater drawdown.

Cumulative social impacts include loss of the Upper Bylong Public School, loss of the Bylong Bushfire Brigade, increased traffic use on regional and local roads, increased train movements on the Sandy Hollow rail line, ongoing loss of rural population, loss of agricultural industry services from the Ulan/Wollar/Bylong area.

The ongoing breakdown of social fabric across a large portion of the region has not been identified or assessed. The impact on the irrigation community in the Bylong Valley from increased competition for water extraction is an additional social and economic impact that has not been identified

The lack of assessment of impacts of a severe drought on water availability in the Bylong River water source is a key weakness of the proposal.

There is also a lack of assessment of cumulative loss of flows to the Goulburn River, potential increase in salinity levels, decline in water quality and impacts on the Hunter River Salinity Trading Scheme. There is recognition of a potential increase of salinity in the alluvium and connected surface waters of Bylong River and Lee Creek post-mining.

The community has been calling for an independent regional water study of the Upper Goulburn River water source since the approval of increased cumulative impacts on river health from the Ulan, Moolarben and Wilpinjong coal mines.

This study has still not occurred and is now critical to better inform the cumulative impact of the proposal on the largest westerly rising tributary of the Hunter River catchment.

HCN sees this as a major failing of the planning system.

The impact of a large increase in water extraction and impoundment from the Bylong River tributary and associated groundwater systems has not been adequately assessed.

There are a number of conflicting and confusing statements in regard to water management and mine rehabilitation that need to be addressed. The proposal is assessed to have no voids in the final landform. The proposal is assessed to have no requirement to discharge mine water throughout the life of the mine under all historical climatic scenarios modelled. However, under extreme weather events, it is predicted that up to 3,560 ML may have to be stored in the open cut pits with a proposal to pump the water back down the underground mine on its completion.

This is a high risk and untested proposal. It conflicts with the orderly backfilling of the open cut and could interfere with mining operations. It is highly likely under these circumstances that mine water will need to be discharged into surrounding water sources, as is the case with the Ulan, Moolarben and Wilpinjong mines.

The conceptual final landform appears to have mine water dams remaining. These dams, for all intents and purposes, are final voids. There is no clear discussion about their management after mine closure.

HCN considers that the discussion in regard to the water balance for the proposal has too many unresolved issues, conflicts and contradictions. There is likely to be a much greater cumulative impact on water sources and the landscape than predicted.

3. Mine modifications in the future

HCN considers that the proposal is not well assessed and the likelihood of ongoing modification of the project will ensue, if it is approved under the current design.

There is no security for the community or the environment under a planning system that allows a major development to be continuously modified and enlarged, increasing its impacts over time.

The nearby Wilpinjong and Moolarben Mines have had ongoing modifications since approval. This has cause significant cumulative impact on the environment and community causing an increased lack of certainty and lack of orderly development.

The proposal has many unknown and untested risks that need to be further assessed. These include the outstanding issues with water availability and water balance on the mine site, the ability to manage dust in times of severe water shortage, the possible need to discharge water off-site, the proposal to 'recreate' Biophysical Strategic Agricultural Land on mine rejects, anomalies in the final landform and other general areas of mine management.

The community deserves some certainty when a project of this scale moves into a remote rural area. The proposal needs to be based on information that provides surety that the mine will be able to operate as designed and assessed.

There are numerous instances and case studies where applications for mine modifications commence immediately after approval. This is a strong indication that the mine design and assessment were either highly inadequate or misleading. This sheds a very negative light on the rigor of the planning, assessment and approvals process in NSW.

HCN considers that the number of uncertainties associated with this proposal cannot be approved as presented. A far more rigorous assessment is required otherwise the proposal should be rejected.

4. Key issues with assessment

4.1 Water

While Kepco maintains that there is sufficient water access licenses purchased to cover water use under all scenarios, there is no recognition of the over allocation of water access in the Bylong River water source. The river has been rated as a high hydrological stress system because peak extraction demand exceeds flow in December.

The Hunter Unregulated and Alluvial Water Sharing Plan will be adopting cease-to-pump rules in 2019. There is no evidence that the surface water or groundwater model have assessed the impact of this rule on water availability in dry times.

There appears to be no consideration of the history of use of the acquired water licenses or their ability to provide the volume of water required for the operation of the proposal. The total lack of water available to all users in 2006 at the height of the millennium drought has not been clearly identified.

HCN considers that the water demand for the proposal is far greater than the Bylong River and associated alluvial aquifers can provide.

The combined influence of groundwater drawdown, loss of base flows, loss of catchment area and aquifer interference has not been adequately assessed and will lead to adverse impacts on other water users and the health of the riverine environment.

The impact of the proposal on water resources in the Bylong Valley is extensive and will cause irreversible damage to the environment and agricultural production in the area.

4.2 Prime Agricultural Land

The mapping conducted in the Bylong Valley for the Upper Hunter Strategic Land Use Plan has demonstrated that the area has significant agricultural values.

HCN objects to the proposal to destroy any Biophysical Strategic Agricultural Land (BSAL) or Equine Critical Industry Cluster (CIC) land. This type of land is irreplaceable and cannot be reconstituted on a different area.

BSAL is important for its close association with groundwater. The proposal is predicted to cause a groundwater drawdown of up to 10 metres. This is a major impact that cannot be easily mitigated. Aquifer systems cannot be reproduced in rehabilitated mine land. The damage will last for centuries and is essentially irreparable.

4.3 Impacts on a High Conservation Value Hotspot

The ecological assessment of the area has demonstrated that the Bylong Valley has significant biodiversity values that will not be mitigated through the proposed offset arrangements.

HCN is concerned that the process of calculating ecosystem and species offset credits has not correctly discounted the impacts of mining under Offset Area 5. We also note that there is a shortfall in the offset credits for native grasses associated with nationally endangered woodland communities.

The result is not the required ‘maintain or improve’ outcome because the majority of the largest offset area will be impacted by subsidence, groundwater depressurisation, cliff collapse and surface infrastructure for longwall mining operations.

The design of the longwall panels leaves no room for error with subsidence predictions up to the boundary of Goulburn River National Park.

The significant number of native flora and fauna species and ecological communities recorded in the proposal area, including a high number of threatened species, indicates the high species richness of the Bylong Valley.

The importance of remnant vegetation in the landscape, particularly the critically endangered Grassy Box Gum Woodland ecological community, that provides connectivity for species movement and ecosystem function needs to be recognised.

HCN considers the Bylong Valley to be an important biodiversity hotspot that should not be disturbed by mining impacts.

4.4 Traffic and train movements

The assessment of increased traffic and train movements caused by the proposal is particularly poor.

While the Wollar Road has been identified as the main route to Mudgee for mine traffic, there has been no assessment of the condition or suitability of the section between Wollar and the Mudgee-Ulan Road. This section passes through the Munghorn Gap Nature Reserve and is not the standard road width.

HCN considers that a more detailed traffic impact and road condition assessment is required.

The assessment of additional train movements with a peak of up to 10 movements per day is very poor. There has been no analysis of additional time for trains idling in rail loops, particularly because of the constraints with ventilation of the Bylong tunnel, or increased noise levels at properties neighbouring the line or increased impacts on rail crossings within properties and on roads.

Assessment of the impacts of possible increased train lengths to 100 wagons also needs to be conducted. If Kepco are in negotiation with ARTC to increase the length of trains on the Sandy Hollow rail line, then the impacts must be identified and assessed at this stage of the proposal.

4.5 Social Impact

The social impact assessment (SIA) for the proposal is very poor and does not meet the SEARs. There is very little information provided about the methodology used in the research and poor analysis of the social impacts identified. There is little evidence of broad stakeholder engagement, no information about the survey or how interviews were conducted.

HCN was not contacted by Kepco or contracted consultants for any form of community consultation or social impact analysis.

The SIA fails to assess cumulative impact or the impact of population loss through property acquisition during the exploration phase of the proposal.

The social impacts on the Bylong community have already been significant. This is not clearly identified in the SIA. The loss of rural population, social fabric, rural industry services and emergency services from Ulan to Bylong has not been identified or assessed.

The social and economic impact of increased competition for water resources in the Bylong Valley has not been assessed.

HCN considers that the conclusions of the SIA are misleading and need to be reassessed.

Conclusion

A greenfield mine in the Bylong Valley is not in the public interest of the people of NSW. It cannot be justified as an economic benefit because it will compete negatively with other sources of thermal coal produced in NSW.

The proposal will cause significant, irreversible damage to prime agricultural land and associated water sources. The proposed biodiversity offsets will not mitigate the destruction of high conservation value habitat.

The cumulative social, amenity and transport impacts have not been adequately considered.

HCN strongly objects to the Bylong Coal Project and recommends that it be rejected.

Yours sincerely

B. Smiles

Bev Smiles
Convenor