

“Reclaiming our Valley”

Hunter Communities Network

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Resource Assessments
Department of Planning & Environment
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SYDNEY NSW 2001

Friday 13 May 2016

Submission of Objection

Wambo Mine – Modification 12 – Southern Longwall Modifications

Introduction

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 twelfth modification of the Wambo Mine because the cumulative impacts are too great and have not been adequately assessed. The past damage to Wambo Creek has not been mitigated as required under existing management plans. The regulation of conditions approving the current operations at Wambo Mine has been very poor.

The justification for the modification demonstrates that previous approvals have been granted for poorly assessed mine plans and design. The proposed extension of time for operating the open cut mine relates to a joint super pit proposal currently under assessment with Glencore United Mine. HCN strongly objects to this development and does not support its facilitation through the proposed modification of Wambo Mine.

The impacts of past and current operations on the integrity of Wambo Creek and on the critically endangered Warkworth Sands Woodlands ecological community have not been identified or assessed.

HCN is concerned that Peabody Energy is not in the financial position to properly manage Wambo Mine or to meet the rehabilitation and mine closure commitments.

The proposal to continue mining coal, damage the local environment and disrupt farming production is unacceptable in the face of the rapid acceleration of climate change impacts experienced in NSW, Australia and across the globe.

HCN recommends that Wambo Mine – Modification 12 – Southern Longwall Modifications (the proposal) no be approved as it is not an ecologically sustainable development.

Key Issues:

1. Cumulative Impact

The proposal has not been adequately assessed for cumulative environmental, social and economic impacts.

The Wambo Mine is adjacent to a significantly large area of open cut and underground mining operations. The cumulative impact of past and current operations in the Wambo mine lease area together with past and current impacts from Hunter Valley Operations, Warkworth Mine and United Mine have not been identified or assessed in relation to the proposal.

1.1 Cumulative water impacts

HCN considers that the long term and irreparable cumulative damage to surface water and ground water sources in the Wollombi Brook catchment and Hunter River catchment has not been assessed. The long term costs of this cumulative damage has not been taken into account in the economic analysis of the proposal.

The subsidence damage to Wambo Creek that has occurred since the commencement of longwall mining operations in 1991 has not been identified or included in a cumulative impact assessment. The impact of Wambo Creek diversion on the environmental health of the creek system is also a cumulative impact on surface water that has not been identified.

The information provided in Table ES-3¹ in relation to groundwater and surface water impacts fails to identify the cumulative impacts on water sources from Wambo Mine operations over time.

The assessment also fails to identify or assess the cumulative impact of subsidence on the perched aquifer system supporting the Warkworth Sands Woodlands Critically Endangered Ecological Community occurring within areas of mine impact.

The assessment also fails to identify the cumulative impact of two dam failures on the mine site since 2009.

1.2 Cumulative social and health impacts

The assessment of the proposal fails to identify the cumulative dust and noise impacts caused by the current Wambo Mine operations in conjunction with neighbouring large scale open cut mining activities.

The assessment of current compliance with noise and dust conditions at Wambo Mine has not been included in the environment assessment report.

¹ South Wambo Underground Mine Modification Environmental Assessment p ES 6

The cumulative loss of private property caused by mining company acquisitions in the Warkworth district and the subsequent loss of social fabric and neighbour support systems has not been addressed. The loss of community has been substantial in this area of the Hunter. This cumulative social impact needs to be recognised.

1.3 Cumulative subsidence impacts

The proposal to undermine neighbouring private property and mine-owned property, Wambo Creek, Wambo Road and other services infrastructure such as power lines and phone lines has not been adequately assessed in relation to past and current cumulative impacts on these features.

1.4 Cumulative ecological impacts

The ongoing loss of the Warkworth Sands Woodlands Critically Endangered Ecological Community has not been identified or assessed for cumulative impact. The cumulative impact of clearing for the Wambo Mine and the development of the rail link combined with approved clearing for the Warkworth Mine Continuation Project has not been addressed.

The loss of permanent pools in Wambo Creek that had provided drought refugia for aquatic and terrestrial fauna has not been reported.

2. Lack of compliance

HCN is concerned that outstanding conditions of approval for management and mitigation of past mining impacts have not yet been adequately met or appropriately regulated.

The requirements associated with damage to permanent water holes in Wambo Creek are a legacy that has not been fairly addressed over a long period of time and through various negotiated agreements with affected landholders.

The required repair work to Wambo Creek has not been carried out as required under conditions of approval and management plans. This issue has been ongoing since longwall mining commenced in 1991.

This lack of compliance has not been reported in the assessment for the proposal.

The past over-topping of mine water held in the South Water Storage Dam and the failure of the sediment dam in January 2016 demonstrates poor design, prediction and approvals process for the Wambo mining operations. The pollution of water ways from this operation has not been assessed and demonstrates ongoing harmful project management.

The regulation and management of Wambo mine impacts over a long period of time has been very poor. HCN considers that past approval conditions must be satisfactorily met before any additional or modified approvals can be considered.

3. Justification and economic assessment

HCN notes that the justification for the modification appears to demonstrate that the existing approval for the mine is based on uneconomic access to coal seams and the likelihood of job losses. This raises a question about the rigour of assessment and predictions for past approvals and the quality of Department of Planning review of past proposals.

The justification outlines differences in the economic viability between different coal seams. The Woodlands Hill Seam is deemed to be more favourable than the currently approved Bowfield Seam.

The reasons for this are given to be:

- Ability to be economically mined beneath the existing/approved surface development area
- Shorter time period between the commencement of construction and commencement of longwall production
- Longwall mining production would otherwise be discontinued for 3 years between 2019 and 2021

These reasons demonstrate poor planning and approval for the existing mine. HCN has no confidence that this precedent has not been continued in the assessment of this modification proposal. The inability of the Department of Planning to review the adequacy of previous predictions and assessments for the Wambo Mine and to properly regulate impacts and conditions is of great concern to the community.

Other justifications include the extension of open cut operations from 2017 to 2020 to allow for the assessment of the proposed super pit joint venture with Glencore and the neighbouring United Mine.

HCN strenuously opposes this super pit proposal and does not support its facilitation through this proposed modification. We also do not support the proposed extension of time for Wambo Mine operations for an additional 7 years of thermal coal production up to March 2032.

The full impact of this extension has not been adequately assessed.

The economic assessment of the proposal is highly inadequate and does not comply with the December 2015 *Guidelines for the economic assessment of mining and coal seam gas proposals*.

The assessment is not transparent and is based on inflated \$AUD coal price forecasts.

HCN recommends that Department of Planning and Environment conduct an independent review of the economic assessment of the proposal.

4. Peabody in financial distress

It is of great concern that an inflated economic value has been provided to justify the proposal.

Peabody Energy is under considerable financial distress. The filing for Chapter 11 bankruptcy mitigation in the US may have significant implications on the financial viability of the company's Australian operations.

We note that the 2015 annual report for the Australian holding company has missed the April deadline. The ability of the company to meet any of its operational, environmental management and rehabilitation commitments is highly questionable.

HCN is concerned that the commitments for mine closure and rehabilitation outlined in the proposal are very inconclusive and open ended and thus impossible to regulate.

It is noted that the rehabilitation objectives include trials and design studies, the revegetation strategy is merely provisional and the final landform and mine closure plans are yet to be developed.

This is an impossible situation for adequate regulation of rehabilitation outcomes and poses a significant question around the management of the financial assurances and the adequacy of the rehabilitation bond.

Peabody Energy's ability to meet any rehabilitation or mine closure commitments is highly questionable. The existing unmitigated damage caused by mining operations on the site is a case in point re regulation and commitment to repair environmental damage

5. Climate Change

The proposal to produce 11.3 mtpa of thermal coal until 2032 is irresponsible in the light of rapidly increasing climate change impacts.

HCN is also concerned that the Wambo Mine is a large producer of methane gas and that gas drainage wells have been approved in past extensions of mining operations. The fugitive emissions from this mine are considerable and add to the annual greenhouse emissions from NSW.

We note that the method of calculation for fugitive greenhouse gas emissions from the proposal has changed from previous assessment methodology and does not comply with the National Greenhouse Accounts Factors (Department of Environment, 2015a).

The fact that the Todoroski methodology has dropped the annual fugitive emissions by 0.32 mtpa calls for an independent review.²

The Australian Government has committed to international agreements to reduce greenhouse gas emissions.

This proposal is predicted to continue emitting at least 0.34% per annum of Australia's emissions until 2032. This is not inconsiderable in the face of the challenge of reducing emissions to prevent uncontrolled climate change impacts.

The cost of these emissions to the environment and to the Australian economy has not been adequately assessed.

The economic, social and environmental disruption caused by severe weather events is being felt around the globe and here in the Hunter Valley.

6. Community Consultation

HCN considers the lack of community consultation on this proposal is a significant issue. We were not informed of this proposal until it went on public exhibition.

The fact that the modification was assessed and lodged with the Department of Planning in 2012 and then put on hold until April 2016 is unacceptable. This demonstrates a lack of commitment by both the mining industry and the NSW Government to informing the community about planning processes and the status of pending projects.

Conclusion

HCN does not support the approval of this proposal to prop up a failing coal mining giant at the expense of the long term future of the Hunter Region.

The NSW Government must start planning for a just transition away from the polluting thermal coal industry so that employment in the Hunter is not reliant on bankrupt coal companies or the unfinancial small companies that they may offload assets to.

Focus needs to turn to the rehabilitation of mine sites and environmental damage. The Wambo Mine is a good place to start.

Yours faithfully



Bev Smiles, Convenor

² South Wambo Underground Mine Modification Environmental Assessment p 67