

The Director-General
Department of Planning
GPO Box 39
SYDNEY NSW 2001

28th November 2013

DA Modification Number 300-9-2002-1 Mod 6

Extension of the Warkworth Mine

I do not support the application to extend the Mount Thorley and Warkworth Mine (MTW) application and I object to the application for the reasons detailed in the following pages.

I object to the extension of the Warkworth Mine into the area set aside as a Non Disturbance Area in the 2003 Approval and rejected in the 2013 Land and Environment Court *Bulga Milbrodale Progress Association Inc v Minister for Planning and Infrastructure and Warkworth Mining Limited* [2013] NSWLEC 48 decision which is under challenge in The Supreme Court.

This application I believe should not have been submitted prior to The NSW Supreme Court's decision. I believe this application and the application acceptance and the public exhibition by the Planning Department challenges the independence and separation of The NSW Law Courts from the NSW Government.

This area covered by this extension formed part of land covered by a Deed of Agreement with Rio Tinto and the Minister that was specifically required in the 2003 Approval. The land was required to be registered with the Singleton Council as a Mine Buffer Zone Non Disturbance Area (NDA). This was not carried out by the Planning Department nor Rio Tinto which would have prevented this application.

Environmental Assessment

In Justice Preston's decision in the Land and Environment Court, he rejected all the submissions tendered by Rio Tinto and the Planning Department in their Planning Project 09_0202 application for a mine extension his reasons are still valid for this extension application.

This extension is not an "Ecologically Sustainable Development" as required under the present Planning Laws reinforced by the Upper House vote in the NSW Parliament this week.

Mining Methods

The proposed extension to mining of the coal resource in the NDA as set aside in the 2003 Approval is not an "ecologically sustainable development" strategy due to the high strip ratio of overburden removal to coal recovery in the 350 metre block covered in this application.

The removal of the majority of the overburden can only be undertaken by truck shovel method. This method has the highest cost in non-renewable resources in both diesel fuel and electricity consumption. The cost for each Bank Cubic Metre (BCM) of overburden will only decrease the viability of the Warkworth Open Cut.

The economics of lengthening of the strike length of the open cut by the proposed 350 metres will not decrease the already high resource cost of coal production in the Warkworth Open Cut.

The least cost equipment for overburden removal at the Warkworth Mine is by the use of a dragline.

The draglines utilised at Warkworth are mismatched. The older draglines having smaller buckets and shorter reach than the newer P&H dragline and cannot be utilised efficiently within the same strip width.

The shorter length booms of the two older draglines, enforce a narrow strip and limits the depth reach and consequent spoiling height. The use of these draglines in combination with the newer P&H dragline must increase the overburden BCM cost.

Management should focus on efficient mine planning within the boundary constraints of the 2003 Approval by the recovery of lower strip ratio recoverable coal. The inability of the Warkworth Open Cut to produce a least cost product highlights the poor present management of the resource recovery.

The fall in the price of the Australian Free On Board coal price requires management to tighter manage the coal recover. The principle of long strike lengths does not always produce least cost coal when high strip ratios are evident.

The coal industry has a cyclic coal price history. During the last thirty one years, I have been associated with the coal industry, I have witnessed this cycle on at least three occasions. Only by management making decisions to invest resources in efficient, low cost, low strip ratio coal recover will this mine survive.

MTW has a lease that extends to 2021 within the 2003 Approval. The mine life for another eight years provides security of employment for the MTW workforce. As long as the resource is efficiently managed.

The adjacent mine has a shorter strike length and with efficient planning is able to profitable mine coal at a much lower cost than MTW.

Governance

The Rio Tinto Warkworth Mine continues to exceed its approval criteria as shown by the convictions awarded against the company. These convictions highlight the failure of Management within MTW. The disregard for compliance by MTW Management should be a warning that the Management Systems used at MTW have failed and cannot be trusted to effectively recover the coal resource.

The level of complaint remains very high about the mining methods causing high levels of dust and loud noise.

MTW fail to monitor and report their noise emissions as required by the NSW Industrial Noise Policy with regards to Low Frequency.

MTW still generate and allow high dust levels to leave the MTW lease.

This extension will bring the Warkworth Open cut closer to its boundaries and increase noise and dust generation due to the high strip ratio. This will lead to an increase in the impact the mine has on the community and the environment.

The return to the NSW Government by granting this extension will be less than if Warkworth efficiently mined the current lower strip ratio strike length. Due to the greater volume of overburden to be removed in this 350 metre block, fewer royalties will be returned to the NSW Government. The only additional returns to the NSW Government will be in prosecutions and fines that will be incurred by MTW as history records.

I do not donate to any Political Party.

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