

NSW Government Planning & Infrastructure  
GPO Box 39  
SYDNEY NSW 2001

**Attention:** Director Mining and Industry Projects  
**Re:** Watermark Coal Mine  
**App No.:** SSD – 4975, Watermark Coal Project

**Name:** Timothy Duddy  
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Dear Sir,

As the CEO of the Caroona Coal Action Group, which is a volunteer community group comprising a wide range of residents of the Liverpool Plains, I would like to offer up some observations that may be helpful in your assessment of the Shenhua Coal Project EIS. I have been involved in the mining versus agriculture debate since its onset with the issuing of the exploration license at Caroona.

In November 2005, the Department of Mineral Resources first held a meeting at the Caroona Mechanics Institute Hall. At this time, they expressed their intention to issue Exploration Licenses over this portion of the Liverpool Plains, which was a Greenfields site within the Exploration Area 216. The Department was informed by my community of significant issues affecting Agricultural and residential Water supplies in this area.

The Primary Industry Minister Ian Macdonald said on the public record that there would be no studies of studies of the water resources in this area prior to Exploration Licenses being awarded; he made lengthy speeches about jobs and investment in the region

In April of 2006 BHP Billiton were granted a five year coal Exploration Licence (Caroona EL6505). The company paid the NSW Government, for the first time in the history of New South Wales, a record fee of \$100 million upon the granting of consent to mine.

Prior to the introduction of the Water Management Act 2000, this area was deemed unsustainable for irrigated Agriculture: - if the level of development that was standard practice at that time was continued. Through a very lengthy and often painful process (there were farmers in this region who took their own lives as a result), we arrived at a sustainable yield level in the aquifers in the Namoi Valley. This was made into law with the first water sharing plan in NSW. Compensation was paid to landowner for the water that had been surrendered to arrive at sustainable extraction levels. These areas in which compensation was paid were listed in the Water Management Act 2000 at Schedule 10.

For this reason there is already precedent regarding compensatory liability for the NSW Government regarding permanent removal of access to water where a water-sharing plan is in place.

Following the awarding of the EL this community continued to pursue the need for a catchment wide three-dimensional water study of the region, but to no avail.

The farmers in the Caroona area engaged in the process of negotiation with Coal Mines Australia (the entity that BHP-Billiton carries out its Caroona operations) in effort to ensure that the water resources in this area were protected. CMAL flatly refused to accept that this was an issue and continued to try and gain access to farmland for coal exploration with no regard for the water resources.

This came to a head on 21st July 2008 when my family blockaded access to CMAL for the purpose of coal exploration after the NSW Mining Warden had refused to take into account protection of our water resources and had imposed access arrangements.

On 22<sup>nd</sup> September 2008, Caroon Coal Action Group, NSW Farmers, NSW Minerals Council, Coal Mines Australia, Minister Macdonald and representatives from his department met at Governor Macquarie Towers and it was agreed that Namoi Water Study would be commissioned. The Hon Pam Allan was engaged to oversee the completion of Terms of Reference. Over the next 18 months there were bi-monthly meetings and I personally attended every one.

The Namoi Water Study was scoped at \$18- \$20 Million to provide a proper assessment of impacts of extractive industries on water resources.

On 22<sup>nd</sup> October 2008, Shenhua Watermark Coal Pty Ltd, a Chinese state-owned company was granted an Exploration Licence (Watermark EL7223) over the Watermark Exploration Area, this time for a record fee of \$300 million payable to the NSW Government upon the granting of consent to mine.

When the Watermark license was issued considerable concerns had already been raised by the community regarding security of its water supplies. As set out above, the Namoi Water Study had already commenced. Shenhua was in full knowledge of the concerns over potential harm to agricultural and town water resources.

The Namoi Water Study was completed in July 2012 on a budget of \$4.5 million, one quarter of the original scope. It had been jointly funded as Federal and Industry project. The NSW Government had refused to contribute to this important work- although the NSW Government had been the beneficiary of over \$400 million from this valley. As a result no independent field work had been carried out on behalf of the study.

The Namoi Water Study has identified that the cumulative impacts of the proposed projects in the Namoi Catchment area will have a permanent impact on the agricultural water resources. The draw downs that are predicted in zone 3, 7 and 8 of the Upper Namoi Catchment will trigger permanent ie. 7 year cease to pump orders. This will in turn expose New South Wales to compensation claims by the water users.

The Namoi Catchment is one of Australia's most productive food and fibre production areas, and the protection of the integrity of the water resources is essential to maintain its agricultural viability. The permanent destruction of these water resources could not possibly be a sound outcome for NSW or the nation as a whole.

Shenhua Watermark's proposal contemplates building a mine that is almost 1.8m below the 1 in 100 year flood event. By all interpretations, this means that they are building a mine on the flood plain although a succession of Ministers has claimed they will not be building on a flood plain.

There is absolutely no water quality data in the EIS, and I contend it is not possible to assess this mine's potential impacts with the information that you have in the EIS.

Respectfully I would ask that you refuse this mine proposal on this EIS until such time as it is established that Shenhua can construct this mine without destroying the agricultural viability of this region. If they cannot prove beyond all doubt that this is the case these projects must not be allowed to proceed.

I would like to thank the Department of Planning for its cooperation in providing the missing water data associated with the EIS and the granting of an extension allowing us the extra time to consider its content and lodge our submissions, I am in full support of the submissions lodged by Caroon Coal Action Group.