

28 August 2019



NSW Department of Planning, Industry and Environment
Via on-line submission portal

Illawarra Branch
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Dear Sir / Madam,

RUSSELL VALE UNDERGROUND EXPANSION PROJECT: REVISED UNDERGROUND EXPANSION, REVISED PREFERRED PROJECT REPORT, JULY 2019

The Illawarra Branch of the National Parks Association (NPA) has over 1500 members and supporters in our region. Like other branches of the NPA it is engaged in the conservation and protection of nature as well as conducting outdoor activities. We take a particular interest in mining proposals that threaten the natural and cultural values of the Illawarra Escarpment. In addition we advocate greater recognition of mining's wider climate change impacts.

We write to object to the proposed expansion of mining in the Sydney Water Catchment by Wollongong Coal Ltd at the Russell Vale Mine.

The Project under consideration has a history of more than ten years, which we will not try to outline. When Gujarat NRE bought the mine (which had been closed), Stage 2 of the original proposed expansion plans were to mine three million tonnes per annum for 18 years, using longwall mining. There is little doubt that this huge amount of mining, in the Wongawilli seam and underneath previously mined seams, would have created great damage to the land and water of our water catchment.

Mining history is used in the project report to support further mining. The argument goes that mining has occurred at this site for many decades, so it is therefore fine to continue. In terms of the impacts on the surrounding community, this argument is akin to those of tobacco companies when they seek to continue manufacturing a product known to be dangerous to human health.

The company currently employs 14 workers at Wongawilli, where the mine is in care and maintenance, and about 70 at Russell Vale, so the closing of operations would not have a big impact on jobs. The company does not have a record of treating its workers well, although this may improve with the new CEO.

Mining licences and leases are a contract between companies and governments: in exchange for various monies paid to the state, the company undertakes to explore, plan and operate responsibly within agreed time frames. The two companies which have held the coal lease CCL 745 have violated many conditions and not paid monies due to federal and state governments and local councils without court proceedings or other actions being taken.

The second PAC review was held in 2016: why did the company take until now to respond to that review? The company seem to ignore proper processes. The present lease expires in 2023. **We suggest that it should not be renewed.**

It is certainly an improvement that the Revised Preferred Project no longer seeks longwall mining, but rather a less destructive process which they describe as a "non-caving first workings mining system".



However, the mining process will still create underground cavities (voids) across a wide area, with extensive mining in 32 or so panels in the Wongawilli coal seam, mostly beneath the Bulli and Balgownie seams which have been previously mined. More than three million tonnes of coal will be dug out from the catchment. It is difficult to conceive that this will have a neutral or beneficial effect.

We will briefly address some of the reasons why we object to the Project being approved. The short time given to read and analyse the report and write a submission does not allow all issues to be adequately addressed.

1. Greenhouse gas emissions and climate change
2. Water supply and groundwater
3. Cumulative impacts of underground coal mining
4. Traffic
5. Air quality and noise
6. The company's past record
7. The company's financial state

Greenhouse gas emissions and climate change

The NSW Land and Environment Court has recently refused development consent for the Rocky Hill Coal Project in the Gloucester Valley, citing the mine's likely contribution to climate change as a key reason. The decision will have wide-reaching consequences and will likely affect the viability of coal and other fossil fuel-dependent industries in Australia.

The growth in international jurisprudence directly linking fossil fuel developments with climate change may also lead banks and others who would traditionally invest in these industries to consider alternatives. Chief Justice Preston said that the Rocky Hill mine would be in the wrong place at the wrong time. The mine was open cut, not underground, but like Russell Vale, was for coking coal.

BHP recently (July 2019) announced that it will set public goals to address Scope 3 greenhouse gas emissions. Their CEO stated that "It is clear from the IPCC's 1.5 degree report that we all must work to prevent more greenhouse gases from entering the atmosphere." We don't live in isolation as far as climate change is concerned. Recent research by Climate Analytics estimates that if all current coal and gas projects are completed, Australia could be responsible for between 12 and 17 per cent of global emissions by 2030. Do we want to shoulder this kind of responsibility?

The Project report Appendix 8 (for which the consultants are Umwelt) assesses the total greenhouse gas emissions to be 11,147,000 tonnes, including Scope 1,2 and 3.

We note that the mine will be classified as a gassy mine (Page 5 of Appendix 8).

- The ventilation system will extract a flat rate of 270,000 t CO₂-e of fugitive emissions per annum (historical average).
- The mine will be classified as a 'Gassy Mine' and generate post mining emissions from stockpiled ROM coal.

There is no plan to capture emissions. Unlike BHP, no attempt is made to include Scope 3 as being important and the Appendix concludes, after much justification, that

The Revised Project may increase the national effort required to reach Australia's 2030 GHG mitigation target, however, the Revised Project in isolation is unlikely to affect Australia achieving its national mitigation targets in any material way.

We see that the global climate is changing more quickly than anticipated in 2009. **We believe that any mining expansion should cease.**

Water Supply and groundwater

According to a 2012 report from the National Water Commission, climate change will lead to decreased inflows to reservoirs due to longer and more severe droughts and reservoir levels will drop due to increased evaporation on the more frequent extremely hot days. We are already experiencing these hotter days, and the water storage in the catchment is now less than 50%. Evaporation due to wind has been extreme recently. Cataract Reservoir is less than 30% full.

Government planning needs to provide for a fast-growing population in a changing climate. **It is time for the government to prioritise water supply for future generations.** We need to have clean, reliable water in the future. For this reason NPA Illawarra branch members strongly believe that expansion of mining in the water catchment should not be approved.

Community groups and volunteers should not constantly have to campaign against the ongoing degradation of an essential public asset. The protection of the Special Areas is the responsibility of the relevant agencies and the elected representatives of the people of NSW.

It seems fairly well accepted by various consultants (ERM, Geoterra) that water seepage into the old mine workings in the area averages about 1.1ML /day, ie about 400 ML/year. Geoterra is of the opinion that the Revised Project may not add to this water loss, but does state that the old mine workings mean that there is some risk of additional water loss. The geology of the area is complex and the groundwater modelling accepts that it is not possible to describe the situation accurately, only to make a best estimate. Even if the quantity of water lost does not change, the existence of multiple voids underground will change the quality of the groundwater.

If the Project goes ahead and the groundwater modelling is correct, then in fifty years or more the groundwater will rise enough to reach the mine adit on the escarpment and need to be released. If this were to happen, who will pay for the long term treatment of this water?

Cumulative impacts of underground mining

This project will mine the Wongawilli seam, underneath old mine workings. SCT in Appendix 1 does not entirely rule out risks due to this (p.32):

The formation of isolated roadways in the Wongawilli Seam is not expected to have potential to cause instability in these Bulli Seam pillars. There is no known evidence of this effect at the Russell Vale site. **However, the possibility cannot be ruled out completely.**

SCT has repeated much information from former reports and is probably a reliable consultant. We find this paragraph interesting, in terms of the possible legal impacts of a small risk:

In the unlikely event of further subsidence due to pillar instability in the Bulli Seam without any further nearby mining activity in the Wongawilli Seam, any consequential impacts would be due to historic mining and any remediation costs would be covered by Subsidence Advisory NSW (formerly the Mine Subsidence Board). If, on the other hand, subsidence due to pillar instability in the Bulli Seam were to occur after mining in the Wongawilli Seam, even if only in the general vicinity, WCL would be in the position of needing to demonstrate the subsidence was not due to their recent mining activity to avoid being held responsible under the Work Health and Safety Act 2011 and specifically the Work Health and Safety (Mines and Petroleum Sites) Regulation 2014 for any impacts that may occur. This burden of proof may be difficult to support.

This Project should not be considered in isolation. There are also operating mines at Dendrobium (to the south of Russell Vale), and at Helensburgh and Appin to the north. The cumulative impacts of these are currently under consideration by the Independent Expert Panel for Mining in the Catchment. The Final Report from this body is now delayed until October. **The community should be able to assess the**

information from the Panel before any decision is made regarding Russell Vale.

Traffic

The impacts from traffic remain very similar to previous proposals. There are still about 30 additional trucks per hour (loaded and unloaded) travelling along a residential street, the expressway and the motorway. There has been a new traffic count, in May 2017, but it was done before a large Bunnings store opened in October 2017 at the intersection of Bellambi Lane and Grand Pacific Drive which substantially increased traffic volumes and potential for accidents.

Serious problems continue for the community: noise, diesel fumes and air pollution. They have all been cited before and are not minor. Only recently residents on Bellambi Lane have complained about noisy trucks, as the company removed material from the emplacement near the pit top.

One point not mentioned in the traffic analysis is the stretch of freeway between the Expressway and the Port Kembla exit. **This link is now very crowded with trucks and there are frequent accidents.** The RMS traffic volume viewer at the bottom of Mount Ousley Rd measures 5,105 trucks per average weekday in 2019, increased from 3,319 in 2010.

Air Quality

The Project report states “Construction of the proposed Pit Top upgrades will commence at the same time as operations and the use of new and upgraded facilities will be phased in over approximately 12 - 24 months as construction is completed.”

In the past the company has failed to meet commitments such as this. What action will the Department take if the upgrades are not made?

Looking at the currently available monitoring available on the company website for air and noise monitoring, the latest quarterly report available is for April to June **2018** and it is obvious that the equipment has not been maintained:

Air

A statistical summary of the monitoring data collected during the second quarter of 2018 is provided in **Table 4.1**. The data recovery rate (for 24-hour average) was 22% for TEOM1 and 30% for TEOM2. There were no days over the criteria from April to June 2018. The 24-hour PM10 concentrations are presented in **Figure 4.1** for TEOM1 and **Figure 4.2** for TEOM2.

Noise

Two permanent ambient noise monitors continuously monitor noise levels from all sources at two locations near the site boundary.

The unattended noise monitoring during the second quarter of 2018 recovered 3% of data at NMT1 and 0% of data at NMT2.

For NMT1, there was 3.3% data capture for April, 3% for May, and 3.3% data capture for June.

The new estimates for air quality and particulate pollution lie within EPA guidelines but for some of the receptors, especially R1 and R2, they are very close to residents and very high values of PM10 of 45 micrograms per 24 hour period are modelled. We know that particulate pollution is dangerous to human health, so why take this risk? We don't see it factored in to the Cadence economic analysis of the last Appendix.

The greatest amount of air pollution at the pit top is caused by front end loaders dumping ROM or product coal into trucks. The new plans do not alter this impact.

The Company's past record and current financial state

Wollongong Coal and its parent company Jindal Steel and Power Ltd, are currently the subject of an investigation by the NSW government's Resources Regulator into whether or not they are a 'fit and proper' entity to hold a mining license. The company has a history of failing to comply with conditions of approval. Even its auditors have questioned its capacity to continue as a going concern; **its current liabilities exceed its current assets by nearly A\$1 billion**. The Wongawilli mine recently ceased mining due to concerns with safety in operating with ancient equipment. This means that Wollongong Coal has no current income.

In their consideration of project alternatives the company states the option:

Withdraw the UEP application and close Russell Vale Colliery. The option was not considered a feasible alternative due to the significant investment in the UEP from WCL to date and the extent of valuable coal resources remaining in the colliery holding.

The logic of sunk capital is generally regarded in economics as being fallacious. The company cannot make enough money to cover costs, even if it gains approval and mines until 2023.

In terms of compliance issues, previous applications and approvals promised numerous facilities to protect the community and the environment but the company has failed to implement their promises. These include but are not limited to: truck loading facilities, creating sound barriers, new covered conveyors, and the realignment of Bellambi Creek.

A glance at the most recent available AEMR is enlightening, as the conclusions clearly state:

This independent environmental audit has assessed the compliance status of WCL at Russell Vale Colliery with the key approvals in place including the Project Approval for the mining operations, the WCC Consent for the emplacement area, WCL Mining Leases and the EPL. The audit has identified a number of non-compliances and where appropriate, has made recommendations to improve the compliance status of the operation.

The audit found that some of the compliance issues relate to a period where WCL purchased the mining operation from the previous owner, with some required reporting, monitoring and other compliance matters not being effectively managed during this period. The audit also found that in more recent times some improvements have been achieved, such as the implementation of the real-time monitoring system, however, further work is required to improve the compliance status at the site.

The audit found that the ongoing implementation of a new compliance management system by WCL should assist site personnel to improve compliance, however, appropriate resource allocation from senior management will be required to achieve this outcome.

We have members on the Wongawilli CCC and have frequently observed the effect referred to above: employees try to carry out their roles but are not provided with sufficient resources to do so.

In conclusion we state again that we are opposed to the Revised Preferred Project proposal.

Wollongong Coal have not complied with previous performance measures and are not in good financial health. The traffic, air quality and noise impacts of their operations at Russell Vale continue to be unacceptable since the mine is so close to the urban area. We need to plan for future generations and to prioritise our natural resources of clean water and clean air. We need to transition to a more sustainable and earth friendly economy.

Thank you for the opportunity to comment.

Yours sincerely,

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