



## **Submission in support of**

Gujarat NRE Coking Coal Limited's modification application under s.75W of the *Environmental Planning and Assessment Act 1979* to the NRE No.1 Mine Preliminary Works Project Approval (MP 10\_0046)

To the Director-General, New South Wales,  
Department of Planning and Infrastructure.

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## Overview

The Construction, Forestry, Mining and Energy Union (Mining & Energy Division) (“CFMEU”) supports the modification application made by Gujarat NRE Coking Coal Limited (“NRE”) under s.75W of the *Environmental Planning and Assessment Act 1979* to the existing NRE No.1 Mine Preliminary Works Project Approval (MP 10\_0046).

The CFMEU has reviewed NRE’s modification application and the independent environmental assessment it has commissioned. We believe NRE has put together a very strong argument and an excellent case for the modification application to be granted.

Conversely, in our assessment if NRE’s modification application is not granted, unfortunately, but inevitably, it puts at risk good, well paying coalmining jobs, jobs in ancillary and support industries; export earnings and royalties to the people of New South Wales.

## The CFMEU

A national union for Australia’s coalminers was first federally registered in 1915 as the Australasian Coal & Shale Employees Federation (although it was most commonly referred to as the “Miners’ Federation” or, simply, “the Federation”). However, coalminers’ unions had existed in Queensland, New South Wales and in several other states of Australia prior to this. In 1990, an amalgamation process led to the formation of the United Mineworkers Federation of Australia (“UMFA”). In 1992, UMFA along with several other unions including the Building Workers’ Industrial Union, the Federated Engine Drivers’ and Firemen’s Association and the Australian Timber and Allied Industries Union embarked upon a further amalgamation process which ultimately led to the formation of the CFMEU.

The CFMEU is a registered union at both federal and state level in Australia and has over 120,000 members organised into three divisions: the Construction and General Division, the Forestry and Forest Products Division and the Mining and Energy Division.

The CFMEU, through its Mining and Energy Division, is the principal union in the black coal mining industry in Australia and represents the occupational safety and health (“OH&S”) and industrial interests of approximately 22,000 workers in that industry. The CFMEU also represents miners in the brown coalmines of Victoria’s La Trobe Valley, stevedores in export coal ports on Australia’s eastern seaboard and miners, subject to coverage limitations, in the metaliferous mining industry.

The CFMEU has a very large stake in the economic performance of, and prospects for, Australia's mining and energy industries. Specifically, in the relation to NRE's modification application, the CFMEU has over 400 members employed at NRE's No.1 Colliery and a further 200 members employed at NRE's adjacent Wongawilli Colliery.

### **Broader benefits**

The coalmines of the Illawarra have for decades provided stable employment, economic and other forms of support to the local community and significant financial contributions in the form of royalties and taxes to the New South Wales State Government and the Federal Government. However, the coalmining industry in the Illawarra was, until the resources boom, in a state of long-term decline. The industry has been reinvigorated in the last several years and NRE have been at the forefront of that. The two underground coalmines operated by NRE were until recently slated for closure and along with them, the loss of hundreds of jobs. However, NRE have defied the odds and silenced the naysayers by revitalising these two coalmines. In the process, they created in the vicinity of 600 jobs and invested, as we understand it, around \$600 million dollars.

Recently, NRE's two underground coalmines were classified as emissions intensive 'gassy' underground coalmines for the purposes of the emissions trading scheme. Consequently, they incur high carbon permit costs for which NRE are currently being compensated by the Federal Government. However, within context, NRE are also facing a tracking down of the worldwide price for coking coal and a high Australian Dollar. Whereas previously, high coking coal prices helped to ensure the viability of NRE's two underground operations in the Illawarra, the recent falls in those prices have no doubt been affecting their financial performance.

The hard logic is that all coalmining operations must develop to basic economic levels of production in order to survive. The last six months have seen coal companies react strongly to cost pressures. Examples of this include Xstrata scaling back its operation at Tahmoor and BHP Billiton closing two mines in Central Queensland. For coalmining companies like NRE, which face additional cost pressures arising out of operating two 'gassy' underground mines, this imperative becomes even greater. In our assessment, NRE need access to the coal that Longwall 5 will produce to ensure the long-term viability of, at least, the NRE No.1 Colliery and, indeed, due the economies of scale that are achieved from having adjacent underground coalmines, probably also the NRE Wongawilli Colliery.

In the event that NRE's modification application is not granted, "downstream" jobs could also be affected, particularly if NRE are forced to scale back or cease their operations, including with rail operators and at the Port Kembla Coal Terminal, from where NRE's coal is exported.

Whilst it is important to consider and understand the full gambit of potential environmental impacts that are likely to occur from a proposed mining operation, this must also be put into context with the history of mining in the area, the economic benefits which are likely to occur and the efforts made to protect significant natural and made features. We believe that NRE's independent environmental assessment addresses all of these issues.

We believe NRE has put together a very strong argument and an excellent case for the modification application to be granted. The longwall mining method is international best practice and the safest form of underground mining technology available. We believe in the interests of promoting safe working conditions for all coalmine workers, it must be utilised.

Finally, the consequences of not granting the modification application also mean the unnecessary sterilisation of valuable coal resources, which is a loss for the whole community and a loss that can never be redeemed.

## **Conclusion**

The CFMEU supports the modification application made by NRE under s.75W of the *Environmental Planning and Assessment Act 1979* to the existing NRE No.1 Mine Preliminary Works Project Approval (MP 10\_0046) and we do so having regard to the broader benefits to the community that would flow from the granting of this application.

NRE advances a strong case for the approval of their modification application and the independent environmental assessment appropriately addresses any environmental issues arising from the grant thereof.

As the coal industry begins to contract in response to cost pressures, it is the responsibility of government to work with the industry to protect jobs and communities. To this end, the CFMEU commends to you NRE's modification application.