

SUBMISSION ON THE DENDROBIUM COLLIERY EXPANSION

This submission provides comments on aspects of the Dendrobium Expansion Project State Significant Infrastructure Application (SSI Application) of relevance to the Council position and issues raised in regard to the previous Application lodged as a State Significant Development (SSD Application). The modifications to the SSD Application is noted to involve the removal of Area 5 from the previous application that was located within the Wollondilly Local Government Area (LGA).

The amended application is understood within this context not to involve underground or surface activities within the Wollondilly LGA. The provision of comments by Council on specific activities associated with the Project Application is consequently recognised as not being appropriate. However, the amended Project is viewed as having continued relevance to the broader issue of potential impacts of the Dendrobium Project on potable water supply raised in Council's previous submission.

Council resolved at its meeting when endorsing the submission on the SSD application to provide objection until satisfaction was expressed by Water NSW. This submission continues to express objection to the Dendrobium expansion consistent with this resolution based on feedback received from this Agency over its position to amendments to the Project from the former SSD Application.

Broad Council position regarding the overall Dendrobium Expansion Project

The following provides an overview of the current position of Council regarding the overall Dendrobium Colliery Project based on key issues contained in its submissions on the initial State Significant Development Application as well as applicable resolutions.

(i) Economic benefits of the Dendrobium Expansion Project

Council recognises the importance of the expansion of the Dendrobium Colliery to the continued operation of the Port Kembla Steelworks in any representation with state government agencies and the proponent. In this regard, it is understood from a presentation provided by South 32 to a Councillor Workshop on 5 August 2019 that approximately 60% of the metallurgical coal required by the Port Kembla Steelworks is supplied by the Dendrobium Project. The South 32 presenter stated that approval of the Expansion Project Application was important for the continued operation of this Steelworks particularly given that coal of required quality cannot be readily sourced from other locations within the Southern Coalfields. In addition, the Dendrobium Expansion Project is recognised as being likely based to have employment benefits based on modelling within the document "*Community Demographic Resources for Wollondilly Shire Council*" which calculates economic benefits for the Wollondilly LGA based on the direct employment of a particular Project.

(i) Implications of the Dendrobium Project to Potable Water Supply

The Wollondilly LGA receives its water supply directly from Avon and Cataract Dams located within a section of the Drinking Catchment Area covered by the Dendrobium Project Area rather than Warragamba Dam. The potential adverse implications to this water supply (with associated economic and aesthetic effects) from water loss as a consequence of mine induced fracturing is consequently viewed as being a potential impact of the Project.

The concerns of Council regarding the monitoring and regulation of impacts associated with mining on water supplies (both quality and quantity) in Catchment Special Areas raised in its SDD Application had a high level of synergy with a submission provided by Water NSW on this Application. Council has consequently in a broad perspective aligned its position over the monitoring and regulation of impacts to water sources with Water NSW's position regarding both mining in Catchment Areas and the Expansion Project Application. It accordingly resolved at its meeting on 16th September 2019 (in part) to *“oppose the expansion of the Dendrobium Colliery Extension mining operations and formally objects to the proposal until the potential impacts on water sources (e.g. drinking water) and supplies are addressed to the satisfaction of Water NSW”*.

PART B: The Dendrobium State Significant Infrastructure Application

1) Implications of the Independent Planning Commission determination of the previous SSD

The Department of Planning and Environment (DPE) is requested to note that Council requested the retention of Independent Planning Commissions (IPC's) and their current responsibilities in its submission to their review by the NSW Productivity Commission. The key issues and concerns of Council were provided to the IPC in a separate meeting, presentation to the Public Hearing as well as submission (which provided recommended conditions and areas for investigation). The Media Release dated 5th February 2021 issued by the IPC in refusing the Application was noted to state *“The level of risk posed by the Project has not been properly quantified and based on the potential for long-term and irreversible impacts -- particularly on the integrity of a vital drinking water source for the Macarthur and Illawarra regions, the Wollondilly Shire and Metropolitan Sydney -- it is not in the public interest.”*

The above finding is viewed as having a high level of synergy with the current endorsed Council position on the Dendrobium Colliery Expansion and applicable issues raised in its submission. **The DPE is consequently requested to ensure that the EIS and any Assessment Report has a detailed and suitably scientific response to this Finding of the IPC Report, (in particular), as well as other findings applicable to potential impacts to potable water supply.**

2) Community consultation by South 32 and the Department of Planning and Environment

Council endeavours to undertake community engagement in line with social justice principles to ensure equitable access for all stakeholders. However, and it is not clear in the information provided that this is the case for community consultation carried out as part of the public exhibition of the SSI Application. The level of engagement undertaken by the DPE during the public exhibition period has been observed to be comprised of the placement of advertisements and public availability of the EIS at locations including Council buildings and facilities. The Dendrobium SSD application, despite a similar low level of consultation and exhibition, was noted to receive 125 public submissions objecting to the proposed development. Considering this community interest and the level of impact this project is expected to have Council would have expected a stronger focus on community engagement and consultation.

In order to adequately engage the community Council would have expected South 32 to utilise a range of robust methods to promote their community consultation including direct

correspondence with key stakeholders, distribution of flyers, paid advertising including newspaper and digital advertising, utilisation of signage, cross-promotion at other community activities to name a few; and ensure that their information days were held in highly visible locations that were accessible and held at appropriate times to encourage community participation. **The organising of a widely advertised public forum in consultation with SIMEC (preferably as part of an extended exhibition period), is requested as a minimum.**

In relation to this matter, the Environmental Assessment is a detailed document that in certain areas has a high level of complexity. The EA is acknowledged to contain a number of features to simplify this complexity such as a Summary of Key Issues. However, it is considered, (based on received feedback), that the document is overwhelming to members of the community in terms of achieving an understanding of the Project. **Council would expect in this regard that a Plain English Guide on various pertinent aspects of the EIS be produced and distributed.**

The consultation with Council staff by South 32 and DPE in the form of a Briefing on 19th June 2022 and the organising of a site visit on 1 June 2022 is appreciated. The briefings that have been periodically provided to Wollondilly Councillors by South 32 in regard to the Project has also been appreciated. However, there has been a noted absence of a briefing provided to Councillors specifically in relation to the Dendrobium SSI. ***It is therefore requested that Senior DPE Staff arrange for a meeting with senior Council Staff and Councillors (subject to availability) to discuss concerns over the assessment and public exhibition process as well as identify means of addressing these concerns during subsequent stages of the Application in detail.***

3) Draft position over amendments to the Dendrobium Project detailed in the SSI application

The SSI Application is recognised as containing a range of amendments that has resulted in a stated, (by South 32), sixty percent reduction in longwall mining area as well as approximately 78 percent “reduction in peak annual surface water losses (from the previous application). These amendments are welcomed and supported in terms of addressing the position and concerns of Council in regard to the SSD Application referred to above. However, they are viewed as only resulting in a reduction in the severity of the impacts rather than achieving a sufficient minimisation/mitigation outcomes. A review of the documentation (within permitted timeframes) has identified considered potential shortcomings leaving raised issues regarding potential impacts to water sources remaining outstanding. A representative of Water NSW was noted to express similar views and concerns in discussions with Council staff following review of the SSI Application EIS.

The DPE is requested to note that an updated Council position on the SSI requires the consideration of a staff report following the determination of a position on this Application by Sydney Water in accordance with its current position being aligned with the position of this Agency. The DPE in this regard is requested delay the forwarding of an Assessment Report on the application until the receipt of an updated Council position which will occur at the next available meeting on 19th July 2022 taking into account internal reporting timeframes. The DPE is further requested to note that objection to the SSI application based on the updated advice from Water NSW and in accordance with this resolution is being provided by this submission as an interim position until an updated position is obtained at this meeting. Details of the updated position of Council specifically in regard to the SSI Application will be forwarded to DPE as soon as practically possible.

4) Updated draft position regarding potential implications of the Dendrobium SSI to potable water supply

The following provides an updated draft position of Council based on specific issues raised in its previous submission in regard to potential impacts of the Project on potable water supply (both quantity and quality).

(i) Implications to quality of potable water

Council has raised the importance of identifying potential impacts of mining operations on the quality of potable water, (as well as quantity), in a range of related submissions (based on the broad view that abundance volume of water would not satisfy definition of potable if of insufficient quality). The comments provided on this issue and associated updated draft position in regard to the SSI Application is provided in Table 1 for consideration by DPE during its review of the Application.

Table 1: Draft position in regard to issues previously raised by Council

Issue raised in regard to the SSD Application	Updated draft position in regard to the SSI Application
The EIS is not considered to have adequately modelled and considered the extent of geological fracturing on a localised scale to enable the identification of appropriate buffers that would avoid (preferably) impacts to water sources.	The inclusion of an analysis integrating the geological and groundwater modelling with an intention to understand the interaction between subsidence induced fracturing and the local groundwater environment is acknowledged and welcomed. However, this analysis is viewed as not having any demonstrated consistency with Guidelines and research regarding this matter including the Independent Expert Scientific Committee (*), (a matter requested in Council's SSD Application).
The Project proposes to directly undermine smaller watercourses that will be the subject of Plans after Determination rather than a detailed scientific based assessment of likely subsidence induced impacts to all watercourse orders at the application stage.	The SSI Application is recognised as resulting in reduced direct undermining of watercourses including 50 percent reduction in length of First and second order streams. However, there is a viewed absence of the requested detailed scientific based assessment of impacts to the ecological health of watercourses (that includes the interaction between ground and surface waters). The shortcomings in this assessment is viewed as being highlighted by the statement " <i>Potential impacts on water quality as a result of the subsidence related impacts are predicted to be localised and temporary</i> ". This statement is noted to have been retained from the SSD Application.

The IESC has released Characterisation and Modelling of geological Fault Guidelines (which contains guidelines for analysis of the interaction between groundwater sources and naturally occurring fractures which is available on its website at

<https://iescenvironment.gov.au/consultation/iesc-en-characterisation-and-modelling-of-geological-fault-zones>. Council would expect that the DPIE require the Dendrobium SSI EIS be fully consistent with this Guideline. The EIS has further advised that an *Information Guidelines Explanatory Note containing guidelines for the analysis of the interaction of mine subsidence induced fracturing and groundwaters* is expected to be released for public consultation in July and/or August 2022. **Council would expect that this Guideline be utilised as a reference source by the DPIE (and specialist reviewing personnel) in identifying the**

adequacy of the EIS in predicting likely impacts of the Project to Groundwater sources.

(ii) Impacts to quantity of potable water

Council's submission on the SSD Application expressed the view that the EIS did not contain a discussion and assessment of the implications of the Project to the ongoing continuation of potable water supply in a regional context. The submission further expressed the view the EIS had not investigated potential long-term associated social and economic implications of any such reduction in supply for both current population and projected growth in the Wollondilly and Macarthur Region (including Growth Areas).

The SSI EIS is noted to state in relation to this matter that the amendment to the application will result in an approximately 78 percent reduction in peak annual surface water losses (compared to the previous SDD application) which is not being opposed or questioned by this submission. However, the basis of the figure is requested to be independently reviewed and investigated given its technical nature and strong implications to the availability of potable water supply to existing and future residential areas referred to above prior to the preparation of any Assessment Report. The full economic loss and full water loss have been adequately accounted for over the full life cycle of Project (including subsequent to the ceasing of mining operations) as well as the adequacy of the scientific basis of the adopted methodology is also requested to be investigated. The DPE is requested to note that both investigations were requested in Council's submission to the IPC.

(iii) Payment to funds as offsetting for water take associated with the Project

Council's submission on the SSD application recognised that this approach was a matter between South 32 and applicable government agencies. It also noted that Water NSW had not adopted a formal position over this matter but raised comments over the existence of an appropriate pathway for implementation and overseeing. Council's submission to the IPC in response to these concerns and consistent with the alignment of its position with that of Water NSW requested the "*adequacy of the approach by South 32 and agreed upon by DPIE for the annual payments to the Government for the Project's actual annual surface water take in terms of scientific basis, consistency with legislative framework, specialist advice and SSEAR's and ability to offset all water losses associated with the full lifecycle of the Project*" be investigated. **This draft submission requests that the DPIE arrange for such an analysis by a suitable qualified third party prior to the compilation of any Assessment Report for the Application.**

5) Conclusion

The range of amendments made to the previous SSD application including an approximately 50 percent reduction in longwall mining area and 78 percent reduction in total water take are welcomed and supported in terms of addressing the position and concerns in regard to this Application. However, they are viewed as only resulting in a reduction in the severity of the impacts rather than achieving a sufficient minimisation/mitigation outcomes in terms of water quality and quantity. Council as its current formal position has expressed objection to this Application until the potential impacts on water sources (e.g. drinking water) and supplies are addressed to the satisfaction of Water NSW.

Discussions during the preparation of this preparation has identified that Water NSW continues to have concerns over potential adverse implications of the SSI Application to the management and provision of water supply within the Drinking Catchment Area. Objection to the SSI application based on the updated advice from Water NSW and in accordance with this

resolution is consequently being provided by this submission as an interim position until the provision of an updated position following the consideration of this matter at the next available Council meeting on 19th July 2022.