

I support this project.

I am a mining engineer with 18 years' experience in the underground coal mining industry, with expertise ranging from statutory mine management roles to planning and designing underground coal mines. I have read the Bylong project EIS and attended the public PAC hearing in Mudgee. I have visited the Bylong Valley.

The mine design is well considered.

- The open cut parts of the mine avoid the alluvial soils.
- The open cut parts of the mine are well designed to fit within environmental and geographic constraints.
- The use of the final void for emplacement of coal wash reject from the underground operation is smart and environmentally responsible, and will avoid the issues associated with salinity in open cut final voids that will occur in some of the Hunter Valley open cuts.
- The underground mine employs appropriate setbacks from major cliff lines.
- The project's residual impacts on surrounding landholders are small and manageable, with the use of standard management measures.

In relation to the PAC hearing I feel the need to correct some of the misinformation told to commissioners during the speeches by various opponents of the project, since the hearing process provides no opportunity for the proponent to correct these mistruths during the hearing.

Steven Pells

Steven Pells mischaracterised the magnitude and types of potential impacts on cliff lines.

Firstly, the Bylong EIS states:

“As a starting point, the large majority of cliffs that are considered visible from reasonable public vantage points have been excluded from mine plans where negative impacts could be realised” (EIS Mine Plan Justification Report, p. 14). So cliffs that are publically visible will not be impacted.

Furthermore, the mine design avoids the more significant features and cliff formations.

Finally, the EIS assesses that “rock falls” could occur along 20% of the remaining cliff lines within the mining footprint (subsidence assessment, p. 47). At the hearing, Pells characterised these rock falls as major, toppling style failures (of the entire cliff), when in reality, the majority of the rock falls will be minor, and would represent an acceleration of natural erosion processes, which are already very evident in the cliff lines present at Bylong. I have pasted some images of similar rock falls at Ulan West and Ulan No 3 Colliery below, from their publically available subsidence reports.



Figure 13: Examples of impacted cliff formations above Longwalls 1 and 2.

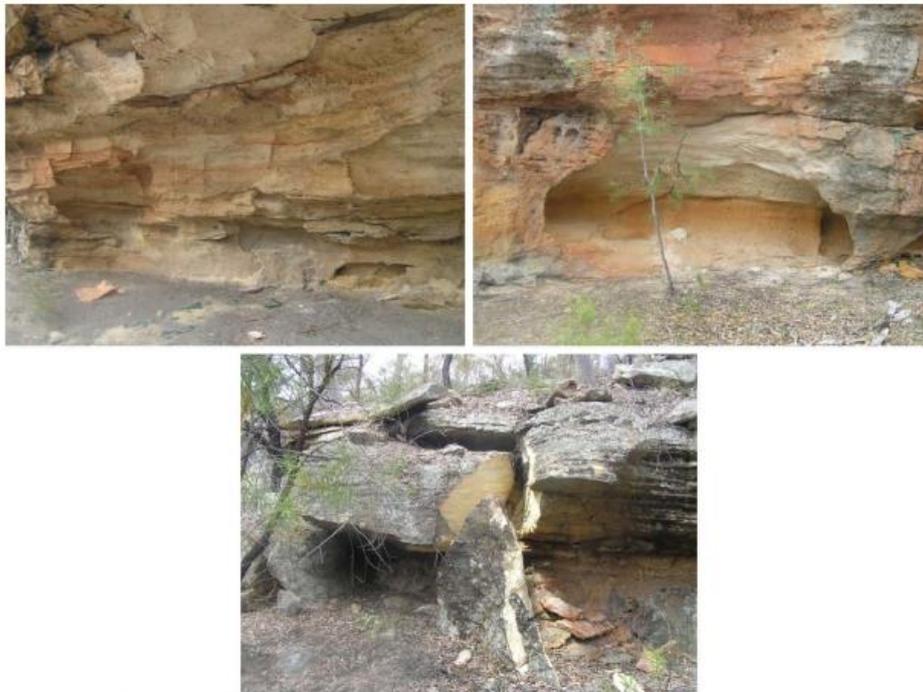


Figure 6: Minor rockfalls and cracks observed on sandstone rock formations above Longwall F.

Images above: impacts on cliff lines at Ulan mine, west of the Bylong project

The images above do not show major toppling failures, as was described by Pells to the commissioners. Whilst major toppling failures may occur in some rare cases, the images above show the most likely nature of impacts. Over time, this cracking and the minor rock falls will become indistinguishable from natural erosive and weathering processes.

By comparison, below is an image of a natural landslide on Mt Keira, west of Wollongong, which followed a period of heavy rain in 2007. This shows that it can be very difficult to distinguish natural cliff falls from those induced by mine subsidence, and that this type of cliff fall is a natural process. The fall in the image below is not dissimilar to falls that have been rightly or wrongly attributed to mining near Baal Bone Colliery by anti-coal activist groups. The lower slopes of Mt Keira – indeed the entire Illawarra escarpment and others like it - are covered by talus from this erosive process. A new cliff face, and new flora and fauna habitat is created in this process.



Image above: a natural cliff fall on Mt Keira, West of Wollongong

In terms of the public safety risks, Pells again mischaracterised the project, telling the commission (in my recollection) that the EIS predicts steps in Bylong Valley Way road surface of up to 200m, or ten times what the RMS considers to be “safe”. It is unclear where this 200mm value comes from, because it is certainly not stated anywhere in the EIS, as far as I can tell, or the response to submissions report.

I draw the Commission’s attention to the excellent summary of the experience in successfully subsiding Charlton Road at Glencore’s Beltana mine that is provided in the Proponent’s response to submissions report, from page 264.

The management measures at Beltana included 24 hr visual monitoring during the active undermining of the road, with road crews and traffic control on standby, and temporary speed limit

reductions. These measures proved highly successful and cost-effective in managing these temporary impacts.

There is absolutely no requirement for the style of monitoring undertaken by Bylong that is done by the RMS/South32 on the national highway at South32's Bulli Seam operations near Douglas Park, as was suggested by Pells at the hearing. The RMS online traffic volume viewer tells us that the Hume Highway at Douglas Park handles 52,000 vehicles per day at a 110kph speed limit. Bylong Valley Way handles less than 500 vehicles per day, or less than 1% of the traffic volume of the Hume Highway. There is no valid comparison between these two roads.

I feel it is necessary to point out to the Commission that Steven Pells has no qualifications in mine planning or mine design – his CV is available online. It is troubling that the PAC chairman felt it appropriate to ask him for his opinion on the feasibility of mine design modifications during the public meeting. An honest answer from Pells would have been that he is not suitably qualified to provide an expert opinion on the feasibility of mine design modifications.

General mistruths and irrelevant matters

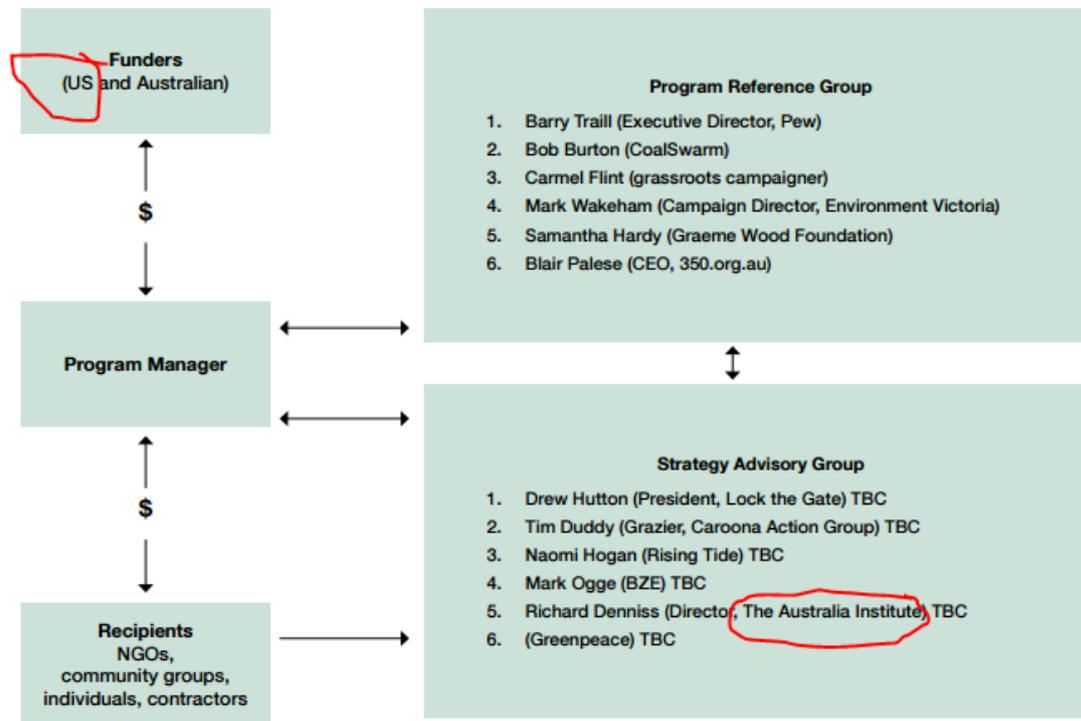
Certain speakers were given an uninterrupted stage to speak about things like “white rainbows”, Korean elections, climate change, and mistruths about “forced” property acquisitions, and the lack of a social impact assessment in the EIS, among various other irrelevant matters or mistruths. It was disappointing that these speakers were allowed to talk whilst a young mining engineer who spoke in support of the project was interrupted by the commission. This, and projects like it, are the future career opportunities for these young engineers, and thus of direct relevance to the PAC's deliberations, which should be taking into account the aspirations of young hardworking professionals who will contribute enormously to society over their working lives.

Rod Campbell

Perhaps the most egregious mistruths told to the PAC were by the Australia Institute's Rod Campbell. Rod works for an organisation that is secretly funded. The leaked document “Stopping the Australian Coal Export Boom”, and the recently leaked emails of the US Democrats have shed some light on this secret funding and other links that exist between this organisation and offshore (anti-Australian) interests. I respectfully request that before accepting the testimony of the Australia Institute and other such groups in future (such as Lock the Gate), the PAC should enquire where they source their funding – in the interests of transparency – to ensure we are not being misled by people that are working against Australia's interests, paid for by entities with their own hidden agendas and investments. The commission's Chair did ask another speaker where they derived most of their revenue (“farming or mining?”), and other speakers were required to disclose if they worked in association with the project, so the precedent does exist.

6. Program management

Program management structure



Above: Funding links shown in the leaked document titled “Stopping Australia’s Coal Export Boom”, a document that was financed by the Rockefeller Family Fund in the US.

Rod’s organisation seems to believe that unless a mine is enormously profitable, no benefits will accrue to the citizens of NSW. It is an interesting position for the Australia Institute to take, since this mob complains the loudest when mining companies are making good profits, often calling for the industry to be nationalised or shut down. His assertion is patently false, as a foreign owned mine that generates a break-even profit will provide almost all of the benefit to NSW as one that generates a reasonable profit, with the exception of NSW’s approximately 23% share of corporate income tax. The benefit to NSW is mostly captured in the wages and other income related benefits that accrue to workers, and the royalties that accrue to the NSW government, with other significant benefits arising for suppliers of goods and services to mining operations.

This is best demonstrated with a simple example.

A tonne of coal might sell for A\$90. Of that \$90, the mining company spent \$25 to mine it - on wages, salaries and consumables, \$6 to process it, \$15 to rail it and \$10 to load it at the port, leaving \$34 to pay back the initial capital investment, for State Government Royalties and to invest in replacement capital to account for wear and tear on equipment. This might account for another \$25 – including a royalty of \$6.48), meaning the profit is only \$9 out of total revenue of \$90. This means

that \$81 has been spent in Australia to mine and transport the tonne of coal, and on royalties, and then a further \$3 is paid in Australian corporate income tax. Only \$6 remains out of \$90 as net profit after tax. Some companies will then reinvest this profit in Australia. The profit is almost irrelevant to the economic benefits that accrue to NSW, since the taxes paid on this portion of the total cost structure would be 23% of \$3 – a whole 69c. A doubling of the profit would increase the benefits to NSW by a further 69c, out of a total of \$82.

- Everyone knows who is funding the Bylong Coal Project and what their agenda really is – Kepco, who wants coal to power one of our major trading partners, Korea. This is a tremendous moral good, bringing health and energy to millions of people.
- No one knows who is funding the Australia Institute or what their agenda really is, as it is a completely non-transparent organisation.

NSW-Korea Strategy

I would also like to draw the commission's attention to the NSW-Korea strategy, and the Korea-Australia Free Trade Agreement (KAFTA). The Bylong project is consistent with the NSW-Korea strategy and KAFTA, which both seek to expand investment, export and technology ties between NSW and South Korea. Specifically, Action 1 of the Implementation Plan of the NSW-Korea strategy, which states that the NSW government will commit to "Promote inwards investment opportunities into NSW's resources and energy sectors." Approving this well-considered project is therefore consistent with current NSW government policy.