

2 April 2015

Planning Assessment Commission's recommendations for the Russell Vale Colliery Underground Expansion Project: An overview

The Planning Assessment Commission has advised the Minister for Planning that the Russell Vale Colliery underground expansion project in Wollongong requires more work and assessment before a determination could be made. This advice is consistent with submissions and input received from a range of government agencies and experts, including the Dams Safety Committee, Water NSW (the former Sydney Catchment Authority), the Commonwealth Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development, the Office of Environment and Heritage and the Environment Protection Authority.

The project is seeking to mine 8 additional longwall panels, some within close proximity to Cataract Reservoir, a key drinking water resource for the Sydney, Illawarra and Blue Mountains region. Up to 4.7 million tonnes of coal would be extracted over 5 years and would be transferred through the existing pit top at Russell Vale, to the Port Kembla Coal Loader.

The project would provide up to 5 years employment for the mine's existing workforce, along with associated economic multiplier benefits for the region, and royalties revenue for the State of NSW. Notwithstanding the benefits the mine would bring, the project's location, in a sensitive and protected part of Sydney's drinking water catchment, and with pit top facilities in close proximity to residential suburbs of Wollongong poses particular risks and challenges.

Public hearing and submissions

As requested by the Minister, the Commission held a public hearing on the project on 3 February 2015 and received submissions both for and against the proposal. In support of the project, the Illawarra Business Chamber and a number of individual businesses and mine workers spoke of the employment and economic multiplier contribution the mine would have, especially for the region's economy. Concerns and objections were raised by a number of special interest groups and local residents. Most concerns and objections fell into one of two key categories, those relating to impacts on the Sydney's drinking water catchment and associated biodiversity; and those affecting surrounding residential receivers, particularly traffic, noise and air quality. Some also highlighted the need for an independent economic analysis of the project, and particularly questioned the extent of the economic benefits and employment multipliers claimed by the proponent.

Key issues

In relation to the potential impacts to water resources, the advice the Commission has received from the Dams Safety Committee, Water NSW, the Commonwealth Independent Expert Scientific Committee on Coal Seam Gas and Large Mining Development and the Commission's independent experts is consistently critical of the residual uncertainties and risks relating to current plans. Outstanding issues include: uncertainty about potential connections with pre-

mined upper seams; precise delineation of the Corrimal fault; and the inability to seal off the adit below escarpment if there is leakage into the mine.

The Commission has found that an integrated risk assessment and the development of mitigation strategies, focusing on, but not limited to, the interactions, impacts, effects and consequences (including environmental consequences) of key areas of risks surrounding the groundwater, surface water and subsidence impacts is warranted in order to credibly establish the efficacy of an adaptive management regime to respond to potential impacts of the project.

In regards to upland swamps located within the Sydney Water catchment area, the Commission recognises that the upland swamps are complex ecosystems, and predicting the ecological and hydrological response of each upland swamp being undermined is difficult. The Commission notes that while these swamps have been undermined previously, the resulting impact on the swamps remains uncertain. There is general agreement that at least some of the swamps to be undermined would be damaged to some extent by the proposed mining. The Department of Planning & Environment and the Office of Environment & Heritage briefed the Commission on an offset policy framework for upland swamps which is currently being developed and the Commission also heard concerns from special interest groups about potential offset arrangements. It will be important that any potential offset policy addresses the key elements recommended in this report.

Potential impacts to residents in the vicinity of the Russell Vale pit top have also drawn concerns from both the community and the Environment Protection Authority. The site adjoins a number of residential streets making noise and traffic impacts difficult to manage at current production levels, which are less than one third of the proposed 3 million tonnes per year maximum. The Commission has recommended further consideration of noise, including justification for recommended increases in noise levels from the 2011 approval, air quality and traffic impacts, and additional restrictions of coal truck haulage hours and the movement of trucks into the pit top during the morning period.

The Commission is conscious of the factors weighing in favour of the proposed mine expansion including continuation of current employment and economic benefits to the region. However, at this stage the Commission does not have sufficient information or confidence to anticipate that impacts can be adequately managed. The Commission has provided recommendations outlining additional assessment work that needs to be provided to enable determination of the proposed mine expansion. A key recommendation is that a risk assessment panel, chaired by an independent expert be established to oversee the additional work required before a determination is made.

Conclusion

The Commission has considered all the available information including additional information requested from relevant agencies and experts. There is no disagreement about the importance of protecting Sydney's drinking water catchment, both in terms of the water quality and quantity. The proponent has argued that this can be achieved by the proposed mining layout and mining methods, acknowledging that the mine plan has been substantially modified and reduced compared with the original proposal. Advice from NSW Water and the

Commonwealth's Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development have both identified significant risks with respect to the proponent's modelling of the predicted impacts.

The Commission acknowledges that there will always be some degree of uncertainty and risks in any modelled predictions and experts legitimately may have differing views. In such cases the decision maker needs to take into account a risk assessment that predicts the likelihood of an event occurring and then the consequence of such an event should it occur. In order to successfully manage the identified risks, appropriate risk mitigation strategies need to be developed and implemented, overseen by the recommended risk management panel.

The Commission considers that the likelihood of the proposed mine causing a significant detrimental impact on the Sydney water catchment water quantity or quality is low, however the consequence, if such an event did occur, could be substantial and irreversible. The precautionary principle requires the Commission to have regard to likelihood and consequence of these risks for each proposal.

At this stage, the Commission does not have sufficient information or confidence to determine the merits of the proposal sufficient for a determination for approval. It may be possible for the proposal, or a modified proposal to be approved if all the additional information identified in this review report provides a greater level of confidence for the protection of the water quality and quantity in the Sydney Catchment Area and satisfies all the other issues identified in this review.