Wollongong Coal’s Revised Underground Expansion Project for Russell Vale:

I, Dr Irit Alony, object to the Wollongong Coal Ltd’s Russell Vale Revised Underground Expansion Project (Major Project 09-0013).

It is incredible to me that we favour the profits of a non-Australian corporation over the safety, health, and environment in our local community.

THERE IS NO PLACE IN THE WORLD allowing mining under drinking water catchment area. Not even the greediest and most inequitable nation permits this.

I cannot believe that NSW is so far behind on protecting its residents. Some of the reasons for my objection, of which I am sure that the panel is already aware are:

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# RISKS TO GREATER SYDNEY WATER CATCHMENT

* *Strategically important areas*  
  The areas proposed for mining are the Special Areas of the Greater Sydney Water Catchment: areas that forbid public access because of their sensitivity and strategic importance. These areas reach up to an area underneath the shores of the Cataract Reservoir.
* *Unpredictable effects and reasonable damage risks*  
  There is no precedent indicating how safe the proposed mining method is. The submission is to mine a third seam of coal, beneath two previously mined seams. Triple seam mining has little precedent and therefore there is no guarantee of the impacts.

However, expert opinion and recent evidence suggest that ground subsidence is likely and risky to the water catchment area:

* + NEW INFORMATION shows that subsidence may be much greater than originally portrayed  
    The transcript of a meeting between the Resources Regulator and the IPC Panel on 13 October 2020 reveals that the subsidence impacts of the proposed mining may be much more serious than the Department of Planning has portrayed. It appears that subsidence has continued above longwalls 4 and 5; what was reported several years ago as 1.4 metres of subsidence (still nearly 5 times the predicted subsidence of 30cm) is now 1.78m of subsidence.  A subsidence engineer expressed concern that the cumulative effect of the new project beneath two previously mined coal seams could trigger instability of “marginally stable pillars” in the overlying Bulli Seam mine. The expert makes several concerning statements before the meeting was cut short for private “internal” discussions of the IPC commissioners and staff present.  These include:  
    *– “It’s a substantial effort ….. to control the risk hazard of those marginally stable rock masses, because the – by nature, by definition, they do not need a lot of external force to become non-stable.”  
    – “Importantly, without a reasonable understanding of this key risk factor” [the state and location of the marginally stable pillars in the Bulli seam] “we are in the dark in making decisions in relation to Russell Vale Colliery’s proposed revised underground expansion project. That’s an important message.” (1)*

Wollongong Coal admits that instability in the overlaying old Bulli seam workings may cause pillar collapse and subsidence of the surface of almost 1 metre. **It is unacceptable for the NSW government to allow such risky mining in the water catchment for 5 million people of Greater Sydney in a time of increasing drought**.

* *Consequential approval of longwall mining*  
  Although the bord-and-pillar mining method could be expected to lead to less damage than longwall mining, the approval of this expansion would also reactivate a lapsed approval for longwall mining, enabling 25m of longwall mining close to the upland swamp, CCUS4, to extract the abandoned longwall machine in longwall 6.  This longwall mining should not be allowed to go ahead. Previous mining of Longwall 4 resulted in subsidence of 1.4 metres which was nearly five times the predicted subsidence (2).
* *Increasing bushfire risk*  
  The draining of ground and surface water caused by the mining will make the Cataract Reservoir catchment area, one of the few areas of unburnt bushland in NSW, drier and more flammable.  This increases the bushfire risk, not only around Cataract Reservoir, but also along the heavily treed Illawarra Escarpment.
* *Ecosystem degradation*  
  The mining expansion will drain both surface and ground water from the Cataract Reservoir catchment. This dewatering, exacerbated by drought and climate change, will impact the biodiversity in the area. As the area dries out, it loses the ability to sustain native plants, animals, birds, reptiles and insects in the area.

# ETERNAL COST OF COAL MINING ON COMMUNITY AND FUTURE GENERATIONS

* *Unending mine water discharge at the Illawarra Escarpment*  
  After the project is finished, the mining void will fill up with water. The water will keep rising until it is predicted to reach the adit (mine portal) in the Illawarra Escarpment in about 2057. The water is then predicted overflow through the adit and the outflow will slowly increase, reaching 0.3ML (300,000 litres) per day in 2179 (3). WCL’s modelling shows that the volume of water outflow at the adit above Russell Vale will continue to flow, even beyond 2179.  In other words, there will be escalating water discharge from the adit for at least 160 years, and perhaps, in perpetuity.
* *The Planning Department’s failure to protect our water*  
  The outflow will need to be managed and treated. Wollongong Coal is proposing a commitment to do this for 10 years. Even if forced to commit for longer, given the accelerating global retreat from coal use (i.e., China and Japan’s recent commitments to achieve carbon-neutral emissions targets within about 30 years) raises questions about the company’s longevity prospects. It is questionable if such a commitment will be of use if the company goes bankrupt.

Generations of NSW taxpayers should not be responsible for the costs of managing all future discharge. The Planning Department’s recommendation that Wollongong Coal be required to merely “make a plan” for outflow management is ludicrous, as such a plan would still require costly management and maintenance. This recommendation is indicative of the Department’s failure to protect our water through decades of mining the Greater Sydney Water Catchment.

* *Ongoing water treatment requirements will cost future generations*

The project will further the loss of ground and surface water from Cataract Reservoir and its catchment, increasing the loss of water by 131 ML/year of ground water and 10 ML/year of surface water in addition to water lost by previous mining damage. This is estimated to bring the total ground and surface water loss from the project to 298 ML/year (4). This is the equivalent annual water usage of over 4,000 people.

# CLIMATE CHANGE AND GREENHOUSE GAS (GHG) EMISSIONS

* *Increasing, instead of reducing, Greenhouse Gas emissions*  
  If the Russell Vale coal project goes ahead, an additional 304,600 tonne of CO2-e per annum of Scope 1 and 2 emissions (5) will be added to the NSW GHG inventory at a time when NSW Government policy requires a reduction in GHGs of 35% by 2030 (6). In a recent submission on the Narrabri Gas project, former Chief Scientist of Australia Professor Penny Sackett stated that meeting NSW’s own 2030 GHG target *“will require an annual new reduction of about 2.4 MtCO2-e per year, year on year”* (7).  The Russell Vale project would add about 0.3 MtCO2-e every year for the next five years, thus working in the opposite direction and nulling about 12% of the intended reductions in all other areas of NSW industry and commerce.

***The Planning Commission must ensure that the Planning Department operates in alignment with NSW Government.***

* *Top 100 GHG emitters for very little coal*  
  If approved, Russell Vale would add only a very small volume of additional coal (about an extra 0.25% per annum) to export volumes but it would add a large volume of GHGs to NSW's inventory. This is because Russell Vale is a gassy mine, meaning a lot of methane would be released into the atmosphere during mining. If approved, this project would make Russell Vale mine the top 100 largest emitters of Scope 1 emissions in Australia.

*This means that the mine will create far more damage to the environment than the benefit of its product.*

 DANGEROUS PRECEDENT

* *Seeking even more mining around Cataract Reservoir*  
  The Planning Department confirms that the purpose of this proposal is to pave the way for a much larger expansion of mining around Cataract Reservoir and to its west (8). It is reckless and lacking in forethought for the NSW Government to further jeopardise the integrity of the water catchment.  Cataract Reservoir area has been extensively mined already and the ground was still moving 25 years after a project in the 1990’s longwall mined around and under the Reservoir (9).  The Special Areas of Greater Sydney Water Catchment should be declared off limits to mining.  They should be protected, not only on the surface, but to the centre of the earth.

# ECONOMIC DISADVANTAGE​

* *NSW Government failure to recognise the company’s financial risk*  
  Wollongong Coal’s liabilities outweigh its assets by approximately A$1 billion (10).  It cannot be expected to properly resource mining in the sensitive and strategically important water catchment.

Furthermore, the company is no longer listed on the Australian Stock Exchange and therefore even the basic accountability requirements for ASX-listed companies do not apply (10).

The NSW government has been investigating whether Wollongong Coal is fit and proper to hold a mining license for 4 years but has never concluded the investigation or released the findings.  The investigation is still going on, with the government just saying that they can’t establish that the company is *unfit* and *improper* (11).

A company in such a risky financial situation is **NOT** fit and proper. It should not be allowed to mine the water catchment of the largest city on the driest inhabited continent on earth.

* *Costs to NSW taxpayers*  
  The coal would be mined for supply of WCL’s parent company in India, Jindal Steel and Power Ltd (12); this expansion is unrelated to steel making in the Illawarra.  By selling to the parent company, WCL is unlikely to get the best price and therefore the people of NSW are unlikely to benefit from even the meagre royalties.

# IMPACT ON LOCAL COMMUNITY

* *Proximity to Residential Areas*

The colliery site at Russell Vale is closer to dense residential areas than any mine in Australia. Residential communities have suffered the impacts from this mine over many years, including noise and particulate pollution.  In this day and age, Russell Vale is not a suitable location for a colliery and “mitigation” measures will not remedy this.

* *Coal Processing Plant Onsite*  
  Wollongong Coal plans to build a coal processing plant at the Russell Vale Colliery and process coal on site.  The Russell Vale mine is the closest mine to any built up residential area in Australia and is not a suitable area for coal processing.  Moreover, the proponent has been unable or unwilling to comply with many conditions of past approvals (13) and the NSW government has proven to be unable or unwilling to enforce compliance.  Residents have no confidence in “conditions” or “commitments” to operate the processing plant according to safe and suitable standards.
* *Coal Trucks are a traffic hazard and pollution risk*  
  The coal would be trucked along Bellambi Lane, past people’s homes onto the Northern Distributor to Port Kembla Coal Terminal.  The mine proposes to produce up to 1 million tonnes of coal plus 0.2 million tonnes of fill material per annum.  The maximum truck frequency leaving the site will be 17 loaded trucks per hour, that is 34 truck movements per hour, or 1 truck every 1 minute 45 seconds (14). The Northern Distributor is already at capacity in peak hour with regular traffic jams; this large number of coal trucks will delay and endanger drivers on the main arterial road of the Illawarra’s growing northern suburbs. The coal trucks will also cause coal dust/particulate pollution along the trucking route.
* *Particulate Pollution*  
  The colliery is too close to residential areas, with homes bordering the colliery site on 3 sides, just 225 m from coal stockpiles and schools located just several hundred metres away.  The colliery is a major source of particulate pollution.  It is well documented that coal particulate pollution increases human morbidity and mortality from respiratory and cardiovascular disease.  In this day and age, Russell Vale is not an appropriate location for a colliery, and particularly not for a colliery that wants to expand.
* *Pollution from two new coal stockpiles*  
  Coal stockpiles have a large surface area that is prone to dust generation. This development proposes two new stockpiles, bringing the total number to three (15). This will increase the stockpiled coal surface area further and exacerbate the particulate pollution from the colliery.
* *Pollution from loading coal onto trucks with tractors*  
  The proposed new truck loading facility will not be operating for years (if ever!) and until then loading trucks off the stockpiles with tractors on unsealed roads will create more particulate and noise pollution. WCL was supposed to build a truck loading facility as a requirement of their previous approval, but the NSW government failed to enforce this condition, so we are now left with last century methods of truck loading and the local community will pay the price.

# PROMISED SOCIO-ECONOMIC BENEFITS UNLIKELY TO BE DELIVERED

* *Insecure employment and safety risks*  
  There’s a high risk that promised socio-economic benefits won’t be delivered or sustained given WCL’s inability to safely and profitably operate mines.
  + In April 2019, Wollongong Coal shut down operations at its Wongawilli mine throwing 45 people out of work after the NSW Resources Regulator identified “significant safety issues” (16).
  + In 2017 a ‘catastrophic failure’ of a diesel engine occurred at Wongawilli, which the Regulator said could have caused an explosion in the methane-rich underground workplace (17).
  + In 2014, 100 miners lost their jobs at Wongawilli after an expensive longwall machine was buried in a roof collapse (18). Workers were asked to take a pay cut to keep the mine going, but the company's offer of $21.50 an hour combined with a loss of working conditions was voted down by miners. The miners were made redundant (19).
* *Wollongong Coal does not pay company tax*  
  Wollongong Coal has lost money every year since 2013 when the current majority owner took control. As the company has not generated a taxable income, zero company tax has been paid to the Australian Government since 2013. This is very unlikely to change in future.
* *It would cost the Australian government about $24,000,000 to offset the GHG emissions that Russell Vale will generate*Wollongong Coal’s cost benefit analysis (CBA) overstates the benefits and understates the costs. For example, the CBA does not include the cost of offsetting emissions from Russell Vale. In September 2020, the Clean Energy Regulator paid an average of  $15.74 per tonne of abatement to buy emissions reduction as part of their 11th Emissions Reduction Fund auction (20). Using this price as a guide, it would cost about $24M to abate the 1,523,000 t CO2-e of Scope 1 and 2 emissions that this project will generate in NSW over 5 years. As Wollongong Coal pay no company tax, they will likely contribute nothing towards the cost of abatement.

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The proposed Russell Vale UEP is not in the public interest, and in fact poses a great risk to the local, national, and global community.  I ask that Commission, based on the abundance and clarity of evidence, rejects this application from Wollongong Coal, and recommends a process to close the mine at Russell Vale permanently.

# Sources

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