

Second Review of the Russell Vale Colliery Underground Expansion Project finds water and subsidence issues remain unresolved

The Commission has conducted a second Review into Wollongong Coal's proposed expansion of its Russell Vale coal mine. The Commission received submissions from the public and state and commonwealth agencies and held a public hearing on the proposed project.

Concerns were raised by WaterNSW, Office of Environment and Heritage, Department of Primary Industries, Environment Protection Authority and the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development. Their concerns include risk of water loss, risk to upland swamps, noise impacts on nearby residents and along Bellambi Lane, potential hydrological impacts and loss of ecosystem functions. The Commission is of the opinion that from the information presented to it, these issues have not been satisfactorily resolved.

The Commission engaged experts on groundwater and subsidence to review the proposal. They concluded that the potential for and degree of loss of surface water flow due to subsidence and cracking remains uncertain. They noted the proponent has placed substantial emphasis on mitigation strategy to deal with residual impacts. However, they considered there is considerable uncertainty about the types of mitigation measures to be employed and the effectiveness of the measures. Long term operation and management costs of these measures after mine closure have not been considered.

The Commission acknowledges that the project, if approved, may generate immediate short term benefits including up to 300 jobs for 5 years, about \$23 million in royalties to the NSW Government, \$85 million capital investment and other direct and indirect flow on effects. Other benefits include the maintenance of coal production in the Southern Coalfields and the utilisation of the Port Kembla Coal Terminal, which is currently underused.

However, there are some external costs which have not been included in the economic assessment including the on-going monitoring role of the WaterNSW, Greenhouse gas emissions, monetary compensation to the loss of water, long term operational and maintenance of water treatment plant (if required) to control water outflows from the adit or mine entrance.

Potential noise impacts on residents adjacent to the pit top site and along Bellambi Lane have been under-estimated because the assessment was based on "modelled" not actual noise levels. Impact on air quality is edging towards exceedance of established criteria. Hence real-time monitoring and proactive measures including facilities shutdown are of critical importance to reduce impacts on nearby residents.

Notwithstanding the additional works carried out by the proponent and the detailed assessment provided by the Department, the Commission finds that it is not satisfied that the project is consistent with the *State Environmental Planning Policy (Sydney Drinking Water Catchment) 2001* that it would have a neutral or beneficial effect on water quality in the catchment area. The magnitude of water loss is uncertain with the projected range from the proponent and Water NSW varying from minimal to 2.6GL/year. The Commission considers this is a high risk situation. .

On the basis of all the information provided, the Commission is of the view that the social and economic benefits of the project as currently proposed are most likely outweighed by the magnitude of impacts to the environment.

Given the Commission's findings, it has not provided detailed comment on the Department's recommended conditions of consent for the project.

In reaching its conclusion, the Commission has had regard to the evidence presented to it by the proponent, the Department, the public submissions and presentations to the public hearing and from the advice provided by the Commission's independent experts, the IESC, OEH, and WaterNSW and the relevant State Environmental Planning Policy (Mining SEPP and Sydney Drinking Water Catchment SEPP).

The Commission recommends that any further consideration of the proposal should have regard to the issues raised in this Review Report.