

Chair, Members of the Planning Assessment Commission

Thank you for the opportunity to address this hearing on the proposed Underground Expansion Project (UEP) at the Russell Vale Colliery.

I am speaking on behalf of the proponent, Wollongong Coal Limited.

The UEP is an integral part of Wollongong Coal's vision for a long-term future in the Illawarra.

The Project will allow mining operations to recommence after the Colliery was placed on care and maintenance in September. It will secure 300 jobs, generate more than \$23 million in royalties to the New South Wales Government and contribute \$114 million to regional output.

These are all compelling reasons why the Project should go ahead.

However the UEP is more than this. It is a crucial step in Wollongong Coal's ambition to expand production at our Russell Vale and Wongawilli Collieries. This will solidify our reputation as a leading producer and exporter of high-quality coking coal, which continues to enjoy strong demand around the globe.

We're excited by these plans and look forward to being a leading job creator, investor and local partner in the Illawarra.

Under new management, we have made significant capital investments in our operations. The company is back on a financially sustainable path.

In the last two years alone, Wollongong Coal has invested \$1 billion into our mining operations. We've also cleared more than \$80 million in debt left by former management, including royalties owed to the NSW Government.

A key focus of the team at Wollongong Coal has been addressing concerns regarding the Underground Expansion Project. We appreciate the genuine questions raised by members of the public and the PAC about aspects of the Project. We have sought to address these questions methodically, rigorously, through independent scientific studies and frameworks recommended by the PAC.

To save time, I will not make a technical presentation, but briefly speak to the Independent Risk Assessment Panel's report and the Department of Planning and Environment's addendum report and recommendation that the application be approved by the Commission.

Issues raised during the first review of the Project have been comprehensively addressed in a document which is before the Commission. We are confident that all 15 recommendations made by the Commission have been fully addressed.

No mining project in NSW has been subject to as much scrutiny as the UEP. In April 2015, the PAC asked that Wollongong Coal address concerns about subsidence and its likely impact on the Cataract Dam and upland swamps. It recommended that an Independent Risk

Assessment Panel (IRAP) be formed to oversee an integrated risk assessment of the Project.

A Panel was established and constituted five leading experts in the fields of groundwater, surface water, mine subsidence, rock mechanics and biodiversity. The Panel consulted with WaterNSW, the Dam Safety Committee and Department of Resources and Energy to establish a robust risk assessment methodology, which guided the work of a team of specialist advisors. This work was overseen by the Panel, which ensured a high degree of impartiality and scientific integrity.

The risk assessment provides in-depth and accurate insights regarding potential impacts associated with the Project. The Panel found that & I quote

Following an extensive review of the risk assessment and the relevant documentation, it is the opinion of IRAP that the risk assessment is 'integrated' and has been based upon an approach that is sufficiently detailed and at an appropriate level to evaluate the risks to the swamps, streams, groundwater and the water of Cataract Reservoir."

Also, the Dam Safety Committee stated it is, 'satisfied with the Integrated Risk Assessment that has been undertaken on behalf of Wollongong Coal and feel[s] the process undertaken was as rigorous and far reaching as is possible'.

The Department of Planning and Environment, the Division of Resources and Energy and the Environmental Protection Authority have also expressed their approval of the risk assessment process and its findings.

The results of the Independent Risk Assessment Panel process are unequivocal: the Project does not pose an unacceptable level of risk.

The vast majority of potential impacts have been assessed to have 'low' or 'very low' consequences. Wollongong Coal will undertake work to offset the potential impacts of two higher category risks identified in relation to one upland swamp, as I will outline shortly. The report concludes that the UEP represents no threat to Cataract Reservoir or Sydney's drinking water and water supply. It reaffirms Wollongong Coal's earlier findings that seepage from the Reservoir will be negligible.

Concerns that the Corrimal Fault and other geological structures might facilitate water inflow from the Reservoir to the mine have also been addressed. The report determined the Corrimal Fault is not hydraulically conductive and terminates some 540 metres from the Cataract Reservoir. Intersections of the Fault during previous mining operations proved such activity does not result in increased mine inflows. Studies conducted by SCT Operations for the integrated risk assessment also found there is also no credible mechanism by which other geological structures, such as dykes, could facilitate water inflow to the mine.

Wollongong Coal's earlier conclusions regarding impacts to upland swamps have also been reaffirmed. While Wollongong Coal has taken

measures to avoid most ecologically sensitive swamp environments, two swamps are likely to be partially affected by drying. A comprehensive offset strategy has been developed, in line with all relevant government regulations, to ensure there is no net loss to the ecological community as a result.

Lastly, the risk assessment looked at whether there would be any changes to water quality at Cataract Reservoir as a result of mining. Once again, the report demonstrates the UEP poses no threat to the Reservoir's water quality or to Sydney's drinking water. Any impacts will be minor, localised and unobservable in the context of the Reservoir.

This analysis is based on rigorous, peer-reviewed science. The Department of Planning and Environment and WaterNSW have recommended that the Independent Risk Assessment Panel play an ongoing monitoring role during the Project's operational stage. Wollongong Coal welcomes this recommendation and the opportunity to continue to benefit from the Panel's expert advice. This should provide members of the community with added confidence regarding the low-risk nature of this Project.

The level of scrutiny the UEP has been subject to is unprecedented for a mining project in NSW. We welcome that scrutiny, because it adds to the weight of evidence in favour of the Project's approval. Wollongong Coal is pleased that this has allowed all residual concerns regarding the Project to be put to rest.

Approval of this Project paves the way for mining operations to recommence at Russell Vale Colliery, boosting employment and other benefits to the State as I have outlined.

On behalf of Wollongong Coal, I would like to thank you for your time.

We trust that your review of the scientific evidence and recommendations of experts will clear the path for the Project to proceed. Wollongong Coal looks forward to your approval so that we can pursue our exciting vision for sustainable, responsible mining of high-quality coking coal in the Illawarra.
