

Good morning Commissioners Fell and MacKay. I thank you both for the opportunity to address you in relation to the Tahmoor South Coal Project.

I was elected to the NSW Parliament for the Seat of Wollondilly in March 2019. My electorate contains the Tahmoor Colliery and the proposed Project area of Bargo.

I strongly oppose this application.

Let me be clear: I have one motivation in stopping the proposed mine beneath parts of Bargo. I have heard too many heart-breaking stories of misery dealing with mine subsidence. I have seen doors that won't open, walls that are cracked, and sewerage pipes broken. Many of these repairs need to wait until the subsidence has stabilised: a period that usually lasts 5 years. My office has provided assistance to more than 50 families affected by mine subsidence since becoming a Member of Parliament less than two years ago.

Whilst the original plan has been amended twice, the fundamental problem remains: mining beneath homes and the devastating impact the expected levels of mine subsidence will have on them. I will not support any proposal which involves mining beneath family homes.

There has been recent criticism in the media by supporters of the mine that I have refused to meet with SIMEC or the unions to discuss this mine expansion. Let me be frank, this is simply an attempt to undermine my stance on this proposal by placing doubt in the minds of the community that I fully understand the extension proposal, or have not given SIMEC management the opportunity to explain it.

For the record, since SIMEC lodged their original proposal to mine beneath Bargo, I have met with their management on 6 occasions – more than any other non-government organisation since becoming a Member of Parliament. I have also met with Union Delegates of the Construction, Forestry, Maritime, Mining and Energy Union, the C-F-M-M-E-U. The suggestion I haven't met with these two key stakeholders, is frankly a joke – albeit, a very bad one.

With your indulgence, I would like to quickly respond to the most egregious of smears forwarded by the supporters of the mine extension – that I am advancing the interests of developers, or a particular developer. In recent weeks a whispering campaign has been run peddling untrue stories to a number of media outlets. It is disappointing that one media network gave airtime to these outrageous smears. Again this was designed

to put unfounded doubts in the minds of the community regarding my sincerity in opposing this mine extension and to bully and pressure me to stop my campaign of spreading information about the devastating impact of mine subsidence.

For the record, the Ironlaw development application was refused last year. The Department refusal specified a number of grounds, including its susceptibility to mine subsidence. I understand from Subsidence Advisory NSW that the expected levels of subsidence at Bargo cannot be mitigated by current building standards. But the important point from this matter is that even if the Tahmoor South Coal Project was not in play, the Ironlaw development would still have had significant hurdles to overcome and would not have been approved.

Moreover, my concerns regarding mining beneath homes and mine subsidence dates back to my Inaugural Speech to the Parliament in May 2019 and followed up in a Private Members Statement the following month. It predates any meeting regarding the Ironlaw DA. I find it disgusting that senior members of the CFMEU would dog-whistle underbelly stories to defend a mine expansion plan. Particularly, a union that is under its own real cloud of underbelly style corruption.

I do declare that I have held four meetings with either Planning Minister Stokes or senior Department officials about this current proposal. In each meeting, I have been crystal clear in my opposition to this expansion.

I am frustrated that this matter is before you today with a recommendation for approval from the Department. For the community to have confidence in processes that are determined at arm's length from Government, it is important that there be consistency in decision-making. Whilst I will argue that on its own merits the Tahmoor South proposal should fail, it certainly should not have received a favourable recommendation when the Hume Coal project, near Berrima, received a 'not approvable in its present form'.

The Hume Coal Mining Project proposed a low-impact, underground operation. The plan involved extracting high-quality coking and industrial coal from the Wongawilli seam 70 to 180 metres below ground, using an extraction method, known as first-workings, designed to preserve the long-term stability of the overlying strata and landscape above.

Total coal production was expected to be 39 Megatonnes over a 19 year mine life compared with

Tahmoor's 33 Megatonnes over 10 years. Hume was to invest approximately \$640 million compared with Tahmoor's investment of \$342 million. Royalties are a bit more difficult to determine with certainty, particularly with the price of coal at present, but I am advised that Hume would have generated a net present value of about \$148 million against Tahmoor's \$131.5 million. Hume would have generated 300 full-time equivalent jobs compared to just 245 jobs at Tahmoor. I will touch on that last figure a little later.

The most significant differences are in the area of subsidence. Hume would have created just 20mm compared to averages in the Tahmoor project of well over a metre. No homes would have required repair under the Hume proposal. In contrast, Tahmoor will see over 100 family homes damaged to varying degrees, with 22 damaged to such an extent that they will effectively be destroyed and will require offers of acquisition.

Water bores: Hume would impact 94. Tahmoor 228.

Not one indigenous rock shelter is impacted by the Hume proposal, but Tahmoor will impact more than 10 significant sites.

In addition, the Tahmoor proposal will impact the Hume Highway, the Moomba to Sydney pipeline and up to 7.6 kilometres of the Main Southern Railway Line.

You may now understand my astonishment at this proposal receiving a recommendation, when clearly it appears to have a greater reach for damaging both the built and natural environment compared with the Hume proposal. But here we are having to deal with this matter today.

Commissioners, I am also perplexed by the arguments put forward in support of this application by both SIMEC and the Department. They both herald the 81% reduction in homes impacted from the original DA as grounds for supporting this application. This reduction is not due to technological advances that result in less impact. Nor different mining methods. This reduction is simply achieved by reducing the size of the project. This is not a logical argument to support this application. If it were, mining applications that have been refused would simply need to reduce the scale of its project to a more acceptable size and resubmit. Logically, they could never be refused. Don't lodge for 751 homes in one go. Do 143 homes today, another 120 in a few years and so on and so forth.

Another argument advanced by both SIMEC and the Department for supporting this application is that Bargo was declared a Mine Subsidence District in 1975. Put simply, the township knew what was coming for them and they should just accept it. This argument, however, overlooks a few key facts. Firstly, 83% of the township was built after 1975. Successive Councils, and I must add State Governments, have been complicit in permitting increasingly urbanised development in and around Bargo. It has sent a signal to the community that mining would never occur beneath the township.

Secondly, in 2016, Glencore, the previous owners of the Tahmoor Colliery, publicly announced that they intended to close the mine in 2019. I understand that the mine was no longer financially viable, and with the legislative reforms of the new subsidence compensation scheme shifting the burden from the Mine Subsidence Fund to the individual collieries, Glencore wanted out.

This was a watershed moment. The Tahmoor Colliery, with 340 employees and contractors had announced to the local community that it would close forever.

There was no mention of an economic tsunami coming for the area. The local community weren't rallying to save the mine. Instead, people saw new opportunities

– but of course, other events intervened and now SIMEC are the mine owners.

This gives me the opportunity to deal with the final argument put forward by SIMEC. The number of jobs this Project will save, and the economic impact it will have for the local area. We have again heard today the line that the mine supports more than 400 jobs. I do believe its time that their claims be substantiated. We must deal in full-time equivalent numbers. And all the advice I have received from experts in the industry is that Tahmoor cannot support more than 245 FTE jobs.

This brings me to the Economic case which is supported by the Ernst and Young Economic Impact Assessment. The figures contained in it are not verified by Ernst and Young and are provided by SIMEC. When simple job figures are not accurately provided, it is fair for the community to be sceptical about the economic benefits. It is not helped when the Net Present Value of mine subsidence costs is estimated by SIMEC to be \$13.8 million. This is included in the operational costs borne by SIMEC, but, in my considered opinion, is entirely inadequate when the full costs of the Tahmoor North operations are fully investigated and extrapolated to this Project.

Furthermore, I am advised that Kalinya Estate, an award winning Bargo luxury residential accommodation venue, has alone estimated that its predicted damage bill from subsidence is \$14 million.

And this is important. Unlike previous owners of the mine, SIMEC is a wholly owned subsidiary of an overseas private parent company. Its financials, are opaque. Unlike public companies that publish regular financial updates, the community is largely in the dark about SIMEC. We know that Glencore retreated from Tahmoor due to profitability concerns. This was when mine subsidence levies were imposed, prior to the current scheme, and were a fraction of the direct cost of subsidence damage, which SIMEC must now directly bare. I accept that whether SIMEC activities are profitable is a matter for them, however, if they fail it may have implications for the taxpayers of NSW who would need to cover any outstanding compensation claims. No sensitivity analysis has been conducted in the EY report around this scenario.

The Economic Assessment makes the assumption that the mine extension will not reduce the output of other industries. Presumably, it also assumes there is no opportunity cost by undertaking this Project. These assumptions are wrong. Wollondilly Shire has made a concerted effort outlined in its Development Strategy

to pivot towards agri-tourism. This mining proposal will undermine that strategy and will stymie investment opportunities in the local area: not just Bargo.

A glaring omission from the Economic Assessment is the mental health costs and the loss in productivity from subsidence related matters. As mentioned earlier, damage to a home happens over prolonged periods lasting about 5 years. Lack of functioning bathrooms or kitchens throughout this period has serious and life changing impacts on the households affected. Disputes regarding whether liability is accepted for damage is frequently raised as an issue. I understand that on average about 40% of claims are refused – usually on grounds of reactive soil or drought impacts. It would be irresponsible to ignore these mental health impacts from dealing with subsidence and its economic impact on the community and this project.

Commissioners, I have presented to you the key facts that I have at my disposal and I believe will best place you in determining this matter. However, I will concede that there is more information that should be made available to you. For example, I am led to believe that the Government may have prepared a report around 2013 that investigated the issue of co-existence between mining and urban development. I would urge you to make contact with the Department of Premier

and Cabinet, as well as the Department of Planning to ensure that any detailed studies are made available to you.

Another factor that is denying you all the facts, are the non-disclosure clauses that settled compensation claimants are required to sign. These gag orders are concealing the true social and economic cost of mine subsidence. SIMEC claims to put people right if they suffer from mine subsidence. The evidence I have seen from those affected differs from the rhetoric. I am yet to receive a satisfactory reason for not permitting these people to be released to talk of their experiences to this Commission. After all, if settled claimants are happy, as SIMEC may suggest, what do they fear from these people being free to discuss their experiences?

Commissioners, as I stated in the Parliament last week, this mining expansion beneath parts of Bargo is an embarrassment to those in the industry I have spoken to, and as someone who supports mining, it is an embarrassment to me. When I explain the true impacts of mine subsidence to my Parliamentary colleagues, irrespective of their political stripes, they express shock and dismay.

The Tahmoor South Coal Project is unique in its damage profile on family homes and its harmful effects on the mental well-being of the community.

I urge that this Commission factor in the enormous social cost of this Project proposal. If you do, I am confident you will find it must be refused.