



870 Ophir Rd  
Summer Hill Creek  
NSW 2800  
[www.cwecouncil.com](http://www.cwecouncil.com)

**Submission  
Independent Planning Commission of NSW  
Bylong Coal Project  
Public Meeting 7 November 2018**

CWEC is an umbrella organization representing conservation groups and individuals in central west NSW working to protect the local environment for future generations.

We welcome the opportunity to discuss our objections to the Bylong Mine with the Independent Commissioners here today, charged with making a final determination on this new coal project.

This submission will outline a number of experiences we have had with previous decisions on coal mines in the Central West and the lack of independent consideration of cumulative impacts of these large and significant changes to land use in the region.

We are particularly concerned by one (among the many) statements made in the Department of Planning and Environment, DPE, final assessment report. In the discussion of the Economic Evaluation and Cost Benefits Analysis of the project on p18 DPE states that:

*'Ultimately, the precise financial viability of the project is a matter for the Applicant and is not relevant to the assessment of the merits of the project under the EP&A Act. If the project is likely to be unviable, it will not proceed.'*

We strongly disagree with this position and note that the **first three objects of the EP&A Act** all refer to economic merit in the decision-making process.

CWEC considers it imperative that the Independent Commission consider the financial viability of the project as part of the merit assessment particularly

now that the size of the open cut mine and coal production has been reduced through a revised mine plan.

There are three other areas of uncertainty about the production predictions for this mine.

The first is related to water availability for mining operations. The draft conditions at Schedule 4 condition 23 states that:

*'The Applicant must ensure that it has sufficient water for all stages of the development, and if necessary, adjust the scale of mining operations to match its water supply.'*

This is a key threat to the viability of the project. I will be addressing the water issue later.

In regard to subsidence impacts, the DPE final report outlines that longwall panels near cliff lines have been shortened and a set-back of 150m has been included in conditions for two important cliff lines.

If subsidence impacts are greater than predicted then other measures must be taken that all add to the cost of producing the coal.

These possible constraints to production levels have not been taken into account in the economic analysis.

Finally there is a proposal to inject surplus water from the open cut operations into the underground mine to prevent the need to discharge mine water. There is no detail provided on how this will operate, how it might interfere with underground operations or how mining will be impacted if the pits fill up with water during an extreme storm event.

There are many impacts on the viability of this proposal that have not been included in the economic assessment.

The DPE final report also states on p 16 that:

*'The Department is assessing the merits of the proposed project on the land identified in the development application. If the project was approved, the development consent would be tied to the land and like any development, the proponent could change over the life of the consent.'*

This statement, therefore, puts the Applicant out of the picture. The project could be owned by anyone. It is essential that the Independent Commission, as the final determining body, closely consider the economic viability of the project in regard to a significant change in land use.

We have a number of examples in the Central West where decision-making on this matter has been highly inadequate and caused major social and environmental disruption – well beyond assessed predictions.

The first case is the **Cobbora Coal Project** owned by the NSW Government, in the Laheys Creek area between Gulgong and Dunedoo, to the north-west.

The community invested in a detailed independent economic analysis that demonstrated that the Cobbora Mine was an unviable project. The Planning Assessment Commission, in their final determination, ignored that advice and approved the project.

This resulted in ongoing cumulative social impacts in the region, as the state owned corporation continued to purchase property for biodiversity offsets, purchase water licenses and pipe line easements and started to demolish heritage homesteads.

Eventually the NSW Government could not find a buyer for the unviable project and began a process of selling the land back. This has been a very painful and unforgettable experience for the regional community.

CWEC considers it would be in the interest of the future of biodiversity, water sources, agricultural production, heritage values and the social fabric of the Bylong Valley for the project to be rejected on economic grounds so that the sale of land back to agricultural production could commence forthwith and the Bylong farming community could start to rebuild again.

There are several more examples in the region where the Applicant sold the project immediately on approval. So the likely unviability of the project is not necessarily a matter for the Applicant, as long as they can make a profit on their investment of shepherding a project through to approval.

The **Wilpinjong Coal Mine**, almost directly to the west of the proposed Bylong project, was approved with the key justification of providing domestic coal to the Bayswater Power Station in the Upper Hunter. Immediately after approval the mine was purchased by Peabody Energy who discovered that, with a fixed contract of \$32.90 per tonne of coal over 19 years, the approved mine was unviable. This decision should have been made by the determining body at the time.

Peabody commenced to apply for modifications and expansions to increase production for the export coal market. The result has been a very large mine footprint, many times larger than the original proposal, with significant loss of biodiversity, Aboriginal Cultural heritage, water sources and the demise of the Wollar community. The cumulative impact of six modifications and a major extension of the Wilpinjong Mine has not been independently assessed and, particularly, not included in the assessment of the proposed Bylong project.

The **Moolarben Mine**, adjacent to Wilpinjong, gained approval under an Australian applicant and was on sold to Yancoal, a company controlled by the Chinese Government. Even before this sale, a second stage of mine expansion had been lodged for approval.

The Moolarben Mine now has approval for 4 large open cuts and 3 separate underground mines producing 17 million tonnes of coal per annum. The modelled predictions of water impacts for this large operation were more than 500% under estimated.

The Moolarben model was peer reviewed by the same consultant that DPE uses on most large coal mine proposals, including the Bylong project. The neighbouring Ulan Mine has also intercepted much larger volumes of water than predicted in models used for the assessment process.

CWEC has absolutely no confidence in the water modelling and peer review process conducted for this Bylong proposal. The real time monitoring of water inflows into the Moolarben and Ulan mines demonstrates a critical failure in the assessment and approvals process for these mines.

We have no reason to expect anything different with the predictions for this Bylong project.

We strongly urge the IPC to commission an independent water model analysis that reviews all the assumptions, not just the fit for purpose criteria.

The cumulative impacts of the three large coal mining operations to the west of the Bylong Valley have not been assessed in the context of the additionality of impacts from a fourth major coal project in the same region.

CWEC particularly objects to the cumulative loss of the critically endangered Box Gum Woodland in this region.

This rare and endangered woodland ecosystem is major habitat for the critically endangered Regent Honeyeater and other threatened woodland bird species.

This region has been identified as an Important Bird Area providing critical food and nesting habitat for a broad range of native bird species.

The remnant patches of woodland in the Bylong Valley should not be approved to be destroyed in the same manner as the thousands of hectares of vegetation loss approved across the 3 existing mines to the west. The risk of successful re-establishment of these complex ecological systems is very high and unproven.

The aim to re-establish 64 ha of critically endangered woodland species on mine rehabilitation, at the end of the Bylong mine life, is untested and causes more questions on the validity of the costs benefits analysis conducted for the project.

The high level of failure of the assessment and approvals process for existing mines in the region must be taken into account, particularly the assessment of water impacts

The viability of the Bylong project should be an essential consideration in the final determination, as one of the key areas of merit under the EP&A Act.

There is no confidence that the Bylong project, once approved, will **not** be subject to ongoing modifications and expansions, as has happened with the other three mines in the area. This is particularly because the Applicant has now agreed to put forward a smaller mine plan, to get the approval across the line.

We have seen time and time again, once a mine is approved it will get larger, the impacts will increase and the assessment of cumulative impact is conveniently ignored.

If there is to be any faith at all in the planning system in NSW, we depend on you, the Commissioners, to demonstrate your independence and take particular notice of the evidence being provided to you in regard to lack of economic viability, lack of integrity of the water models and lack of rigorous assessment of cumulative long term environmental and social impacts.

In this context, you cannot approve a coal mine that will be providing carbon to the global atmosphere until 2044.

The Korean Government can purchase high grade coal from existing operations without destroying the Bylong Valley, while Korea, along with other OECD countries commence to move away from coal-fired power production.

Dr. Cilla Kinross  
Central West Environment Council  
12<sup>th</sup> November 2018.