

Senate Standing Committee

on

Rural Affairs and Transport

SUBMISSION

from

Southern Highlands Coal Action Group

June 29, 2011

Executive Summary

- **The Southern Highlands Coal Action Group (SHCAG)** is a community organisation with over 3500 members based in the Southern Highlands of NSW. It was formed in August 2010 to prevent the creep of destructive Coal Mining and Coal Seam Gas development across the Highlands.
- We believe that the rapid development of coal and coal seam gas industries based on simplistic future growth and demand projections is not in the best interests of NSW. This approach is very short term and could have a very serious impact on the Air, Land and Water of the State to the detriment of future generations.
- We support the concept of **Ecologically Sustainable Development** where the true long-term impact of mining on the community, the environment and the economy is assessed on a cumulative basis before development is considered.
- We support the new Coalition State Government's **Strategic Regional Land Use Policy** and particularly the concept of "triple bottom line" analysis. We wish to see the Government implement the policy quickly and without fear or favour.
- We wish to see **tough new regulations** in a number of areas to ensure that the present unhealthy imbalance between the mining industry, the community and the environment is redressed. We are encouraged that the State Government has recently passed amendments to replace Part 3A of the EP&A Act 1979 plus Draft Aquifer Interference Legislation. Much more needs to be done.
- We want the mining and gas industries to be **strictly monitored** in the execution of any agreed mining approvals. Penalties for non-compliance should be severe.
- We believe that **the Southern Highlands should be "ring fenced"** from these types of developments due to the unique character of the area, its dependence on groundwater resources and its location in the heart of the Sydney Water Catchment Area. Mining is also incompatible with the development planned by local government and desired by the community.
- We have requested that the State governments **Regional Land Use Plan for the Southern Highlands** is expedited to ensure that the area is protected from the ongoing assault from mining and gas companies.

1. Introduction:

This submission has been prepared by the Southern Highlands Coal Action Group in response to the invitation for submissions to the Senate Select Committee on Rural affairs and Transport

2. The Southern Highlands Coal Action Group:

The Southern Highlands Coal Action Group (SHCAG) is a community organisation formed in August 2010. Its role is to prevent the unconstrained expansion of destructive Coal Mining and Coal Seam Gas exploitation in the Southern Highlands of NSW. The group's membership exceeds 3500 and is growing steadily, week by week.

3. The Southern Highlands:

The Southern Highlands lies approximately 100 to 135 kilometres south of Sydney. It forms a vital part of the Sydney Water Catchment. The Highlands is known for its many historic hamlets, towns and villages, its physical beauty and the relatively untouched nature of its environment. Towns include Mittagong, Bowral, Moss Vale, Bundanoon, Burrawang, Berrima, Exeter, Robertson and Sutton Forest.

The Southern Highlands has an extensive residential population and a semi-rural lifestyle in many areas. The area boasts boutique agricultural activities including vineyards, truffieries, horse breeding and equestrian activities, cattle and alpacas breeding amongst other things. The area has many unique heritage buildings dating to the early settlers, indigenous culture and artefacts, gardens and nurseries, arts, crafts and museums. It has a flourishing tourism industry. It has an English type climate with four distinct seasons. In summary, it is an environmentally and socially sensitive tourism, lifestyle, retirement and recreational area for Sydney.

4. Mining in the Southern Highlands:

The Southern Highlands sits in an area denoted the Southern Coalfields. Coal seams run under almost the entire area in close proximity to extensive above and below ground water systems. For the first half of the 20th century, mining played a key role in the area's economy however those times are long gone. Apart from Boral's small coal mining operation near Berrima, no extensive mining operations now exist in the Highlands. However, given the extraordinary rise in coal prices and the demand for natural gas as an alternative to coal for power generation, the area is now under threat from both Coal Mining and Coal Seam Gas exploitation

5. Ecologically Sustainable Development:

We support a robust regulatory regime to ensure that coal and Coal Seam Gas developments are assessed on an *ecologically sustainable basis* and can only occur in the least valuable areas of the State from a community, environment, water and alternative land use perspective. Future Water and Food Security should be critical ingredients in any evaluation.

These developments should only be undertaken where the damage to communities and the environment is minimal (as distinct to minimised) and where any damage that occurs can be actually (rather than theoretically) remediated. Permanent damage to land, water and air quality should not be acceptable.

6. State Coalition Government Strategic Regional Land Use Policy:

We strongly support the Coalition's Strategic Regional Land Use Policy announced prior to the recent election. We have not endeavoured to critique every element of the proposed new regulatory regime for NSW as it is still to be formalised.

We note the emphasis on:

- Regional Strategic Land Use Plans;
- Enhanced Community input and involvement;
- Systematic "Triple Bottom Line" evaluation of regions;
- New Aquifer Interference Legislation (draft out for comments);
- New Planning Legislation and the repeal of Part 3A (completed);
- A significant Transition Period where the Precautionary principle is applied;
- "Ring fencing" of sensitive areas;
- Agricultural Productivity Impact assessment;
- Adequate departmental resourcing and improved monitoring and compliance;
- Review of existing Exploration Licences;
- A complete review of the Just Terms Legislation;
- Much more rigour in the evaluation of CSG applications;
- Review of relevant Water and Environmental legislation with regard to CSG;
- Ban on the use of BTex chemicals and evaporative ponds; and
- A timeline for delivery including Regional Strategic Land Use Plans.

We would encourage the new State Government to urgently put this policy into effect and meet, or beat, the timelines announced.

7. Community Involvement in the Highlands:

We applaud the commitment by the Coalition that Community views will be given much more weight in decision-making. In the case of the Southern Highlands, the Wingecarribee Shire Council has twice voted unanimously in opposition to the expansion of Coal Mining and Coal Seam Gas exploration in the Shire. This activity is also specifically excluded in the draft 2031 plan. SHCAG's membership base would strongly support this view.

However at this time, we have seen little evidence of this approach. To the contrary there appears to be a "business as usual" approach by the Government Departments involved. This is early days in the life of the new government and we trust that this does not continue.

8. Southern Highlands' Mining and Petroleum Exploration leases:

There are two active Coal Leases in the Southern Highlands and two Petroleum Exploration Leases as follows:

- AUTH 349: Sutton Forest Exploration Lease recently purchased from Anglo Coal Ltd (a subsidiary of Anglo American Plc.) by Korean Steel Company POSCO in joint venture with Cockatoo Coal Ltd. The joint venture company is called Hume Coal.
- ELA 3772: Berrima Mining Lease held by Boral Ltd. Active coalmine since 1926. Provides feedstock for the Berrima Cement Works.
- PEL 469: Held by Leichhardt Resources Ltd. Planet Gas Ltd has an agreement to farm in to the lease. Prospective for Coal Seam Gas.
- PEL 2: Held by AGL. Covers the Northern part of the Highlands. Actively producing Coal Seam Gas in Camden.

9. Coal Mining and CSG Issues in the Southern Highlands:

- **Hume Coal AUTH 349, Sutton Forest Coal Lease:** Anglo Coal held the Sutton Forest AUTH 349 coal lease since 1985 until selling it to Cockatoo Coal/POSCO. No active exploration work has been undertaken in that time. The lease has been renewed at each expiry date without any reduction penalty. The lease termination date is November 23, 2011.
- Hume Coal is now exploratory drilling in Belanglo State Forest based on an approval obtained in May 2011. In their Review of Environmental Factors Hume claimed that they had undertaken community consultation including discussions with SHCAG. This is incorrect. No such consultation was undertaken. They are also approaching landowners for access. 120 wells are planned.
- The coal seam in question lies at 100 to 200 metres below the surface directly under the Hawkesbury sandstone aquifer that is an important groundwater source for the area. New irrigation bores for local landowners are now embargoed by DECCW and much more rigorous controls are being implemented on existing bores.
- **Leichhardt Resources/Planet Gas PEL 469:** A project management company representing Planet Gas has approached landowners to gain approval to undertake seismic exploration along public roads in the High Range area of PEL 469. They did not obtain the required Council approval that was subsequently denied. The company also advised the WSC that they intended to commence drilling on a property in April. The Department of Planning has advised that they do not have approval to undertake any exploration activity. The application is presently subject to an inter-agency review by DECCW, SCA and the Department of Planning. The planned drilling location is close to groundwater resources that are presently being used for bottled water by a major multinational.
- **Boral Coal Mine, Berrima:** Boral wish to expand production at this very old mine from 220k tonnes per annum to 460k tonnes maximum. Excess coal (over and above that required as feedstock for the Berrima cement plant) is planned for export from Port Kembla. The preparation of a new application for a mining lease is open for public submission. Transportation of coal by road is causing significant aggravation with local landowners.

10. Preservation of Areas for Future generations:

We believe that the Government has an obligation to preserve areas of the State, of particular value and characteristics, for future generations. This should be by “ring-fencing” them from coal mining or CSG development. Given its unique combination of attributes, we believe that the Southern Highlands is one of these areas.