

# Senate Standing Committee on Environment and Communication

Inquiry into the Environmental Protection and Biodiversity  
Conservation Amendment Bill 2013

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Submission by Caroon Coal Action Group – April 2013

Senate Standing Committee on Environment and Communications  
Parliament House  
Canberra ACT 2600

## Introduction

The Carroona Coal Action Group is a volunteer community group comprised of residents of the Carroona district on the Liverpool Plains, as well as members of the wider community. CCAG was formed and incorporated in April 2006 following the grant of a five year coal Exploration Licence (Carroona EL6505) by the New South Wales Minister for Mineral Resources to Coal Mines Australia Limited (CMAL), a wholly owned subsidiary of BHP Billiton. The company paid the NSW Government a sum of \$100 million for the licence. BHP Billiton proposes to continue exploration activities that include drilling over 300 exploration boreholes until 2011 – a period that has now been extended – after which they intend to apply for a mining lease. In November 2008, Shenhua Watermark Coal Pty Ltd was granted an Exploration Licence (Watermark EL7223) over the Watermark Exploration Area for a record \$300 million. The NSW Government has stated that it is considering offering further exploration licenses in the area.

## Background

The Carroona EL covers an area of 344 km<sup>2</sup>, while the Watermark EL covers an area of 195 km<sup>2</sup>. Both exploration licences are located on the Liverpool Plains within the Upper Namoi Catchment, approximately 300 kilometres north-northwest of the Port of Newcastle, to which they are linked by rail and road. The Liverpool Plains spreads 12 000 km<sup>2</sup>, with a climate, soils and unique groundwater that make it one of the most fertile and drought-resistant agricultural areas in Australia. Figures from the Australian Bureau of Agricultural Research indicate that the Liverpool Plains produces on average 40 per cent above the national average for cereal cropping.

Water from this region forms part of the headwaters of the Murray–Darling Basin – the Mooki River drains northward to the Namoi River, progressing by way of the Barwon, to the Darling, right to the mouth of the Murray at Goolwa. This is a riverine system stretching approximately 3,330 km. The groundwater aquifers and surface water flows of the Upper Namoi Catchment provide stock, domestic, irrigation and town water supplies for Carroona and neighbouring towns including Quirindi, Gunnedah, Breeza, Curlewis, Spring Ridge, Tambar Springs, Premer and the Walhallow Aboriginal Community. The area of the Upper Namoi Catchment referred to covers an area of 5,621 km<sup>2</sup>.

All the water from this area flows past the Breeza Mountain across a plain that is 8.4 km wide (see **Appendix A**). If the proposed mining developments take place, 20 million tonnes of coal would be extracted annually from the outcrop ridges to the North and South above this floodplain, bringing to the surface heavy metals, salts and other pollutants that would be stored adjacent to this important water resource.

Maintaining and managing the integrity and quality of water resources has been a major project in the Liverpool Plains region. Since large-scale irrigation for agriculture commenced in the 1960s, water policy has evolved significantly.

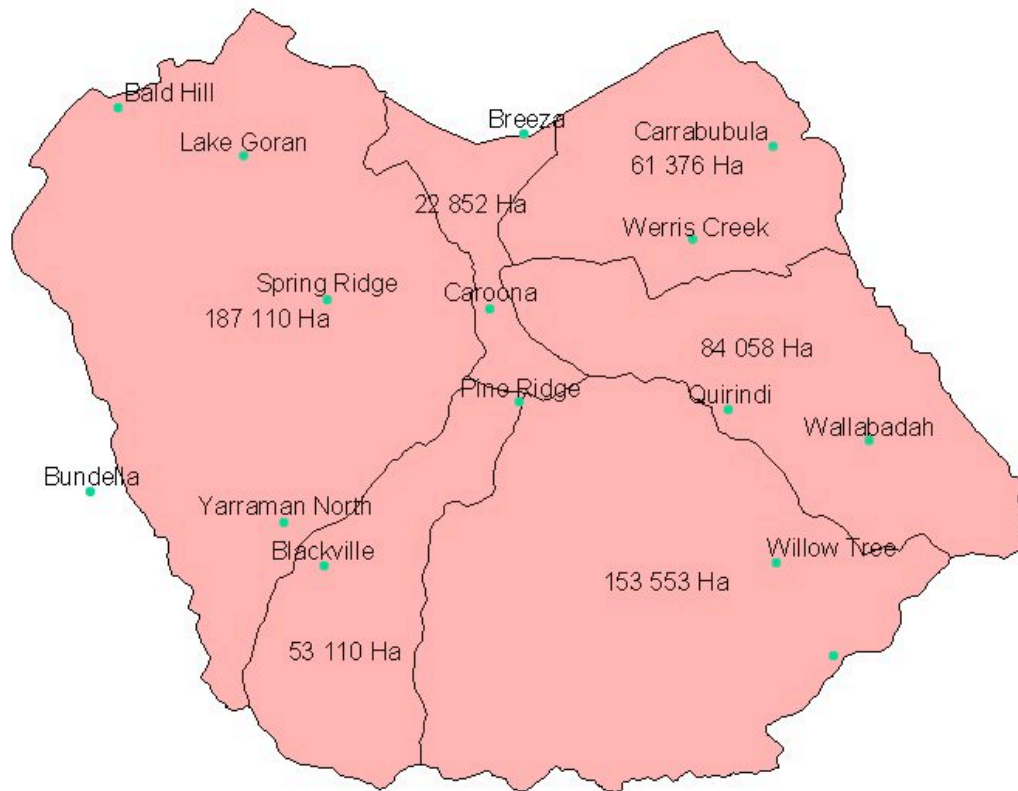
When, in May 1980, the Minister for Mineral Resources first granted an authorisation to prospect for coal in the Caroon area, pursuant to the *Coal Mining Act 1973*, water security did not appear on the mainstream environmental or political agenda. Rather, water resources were seemingly abundant and largely unregulated. Widespread and severe drought in the 1980s in particular raised awareness of the issue, prompting concern that the area could not sustain the historical level of water extraction. In 2000, the NSW Government acted by introducing the *Water Management Act 2000*, with the intention to provide for the protection, conservation and ecologically sustainable development of the water resources of the State. This had the effect of reducing the water entitlements of users in Zones 1 - 12 of the Namoi Valley catchment by 62 per cent in order to attain sustainable yields. The Department of Infrastructure Planning and Natural Resources calculated the sustainable yield at 201,443 ML per year (see **Appendix B**).

Such a drastic reduction indicates the concern for water resources that were, quite rightly, held at that time. In stark contrast though, we draw your attention to the fact that the NSW *Mining Act 1992* does not recognise the vital importance of water resources and, in fact, does not even mention the word 'water' once anywhere in the legislation. The grant of exploration or mining licenses in the Caroon area without proper regard for these same water resources is wholly inconsistent and irresponsible consequent management, allowing mining companies to explore the resources of the region without a proper understanding of the spatial relationship between coal and water resources.

Access to a reliable source of water is an essential requirement for coal mining, used variously to drill for the coal, to wash the product, to manage dust, and so on. Current reports provide statistics showing that at least 200 litres of water can be consumed for every tonne of coal produced, however this may vary according to operation practice and circumstance, and may be as high as 1000 litres. This represents a huge volume of water that is removed from the Murray Darling Basin, while remaining water may be irretrievably damaged through salinity, subsidence and cross-contamination.

## **APPENDIX A**

## Catchments Feeding Breeza Gap



20 0 20 40 Kilometers

**Total Area = 562 059 Ha  
or 5 621 sq km**

## APPENDIX B

### Upper & Lower Namoi Valley Groundwater Sources Water Reform Entitlement cutbacks by zone

Location		Licensed Entitlement	Sustainable Yield	Entitlement To be removed To reach sustainability
		ML	ML	ML
	<b>Upper Namoi</b>			
Quirindi area	Zone 1	8,659	873	7,786
Mullaley to Boggabri area	Zone 2	23,501	7,141	16,360
Breeza to Gunnedah area	Zone 3	55,997	17,140	38,857
Gunnedah to Boggabri	Zone 4	82,777	21,040	61,737
Boggabri to Narrabri area	Zone 5	35,909	20,000	15,909
Quirindi area	Zone 6	11,435	14,000	-
Spring Ridge area	Zone 7	6,121	3,700	2,421
Quirindi to Breeza area	Zone 8	47,883	15,950	31,933
Tambar Springs area	Zone 9	11,542	11,303	239
Willow Tree to Quirindi	Zone 10	1,420	4,500	-
Maules Creek area	Zone 11	8,500	2,200	6,300
Kelvin area	Zone 12	7,487	2,000	5,487
	<b>Total Upper Namoi</b>	<b>301,231</b>	<b>119,847</b>	<b>187,029</b>
Narrabri to Walgett area	<b>Lower Namoi</b>	170,592	81,596	88,996
	<b>Total Namoi</b>	<b>471,823</b>	<b>201,443</b>	<b>276,025</b>

#### Source of Data

Sustainable yield and entitlement information as per the water sharing plan gazetted 27.12.02

Usage information provided by DIPNR. Usage shown is only up to 1997 when voluntary cutbacks were implemented in some zones.

The current usage is higher than the 1997 levels shown.

## **Proposed amendment to the EPBC Act**

It is the position of the Caroon Coal Action Group to fully support these amendments to the EPBC act. By recognising significant water resources in the same context that an endangered species is identified and then protected under this act, will provide ongoing security of irrigated agriculture in Australia. This amendment poses no threat to current agricultural practices in any region.

Caroon Coal Action Group has engaged with all levels of Government trying to secure a sensible recognition of the importance of irrigated agriculture in our region. It is unfortunate that on several occasions, despite public engagement the extractive industry bodies have successfully lobbied and made it impossible for a balanced outcome.

The Commonwealth Government will now be in a position to protect the water resources that are so essential to the survival of Regional Australia. To this end CCAG are also fully supportive of the Windsor Amendment that does not allow bilateral referrals to the States.

It is our experience that the States do not provide a balanced assessment of Large Scale Mining and Coal Seam Gas Projects when they are in proximity to significant water resources, the change will allow an arms length consent ensuring that all water resources will be protected by this approval process.

The added benefit of both civil and criminal penalties with work as a deterrent for project managers who may decide be conservative in their estimation of the damage when I project is operational. This has been one of the major shortfalls of the current state based approval process.

Timothy Duddy.  
CEO Caroon Coal Action Group.