



Hunter-Central Rivers

CMA CATCHMENT MANAGEMENT AUTHORITY

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NSW Coal & Gas Strategy
Department of Planning
GPO Box 39
SYDNEY NSW 2001

Your Ref:
Our Ref: A522517

Dear Sir / Madam

Subject: NSW Coal & Gas Strategy Scoping Paper

I refer to your letter seeking comments on the above Scoping Paper. The Hunter-Central Rivers Catchment Management Authority (CMA) has reviewed the Scoping Paper and provides the following comments for consideration.

The Terms of Reference

- The overall objective must be for the ecologically sustainable development of the coal industry, not just "sustainable development of the industry".
- The aim and purpose do not clearly reflect the need to ensure sustainable ecosystems and appears to assume the "community's commitment to co-existence".
- The tasks for the Subcommittee are not clear that under ground mining and gas extraction are included in the context (point 1).
- The key impacts (point 2) need to specifically mention loss of biodiversity and water quality (surface and groundwater).
- The use of, and method to determine offsets needs to be included in the terms of reference (point 3 or point 4).
- The benefit-cost analysis (point 5) must give equal weighting to all environmental, social and economic aspects. Environmental services and social values (lost or gained) need to be accounted for over the very long term or at least as long as the impact of mining lasts, for example, up to 200 years for some water tables to rebound.
- Transport related impacts on the environment also need to be assessed (point 6).
- An appropriate term for review of the Strategy needs to be incorporated into the Terms of Reference.

The Scoping Paper

- The Paper assumes NSW will increase supply to meet growing global demand. This assumption constrains the proposed strategy into a position not fully examined or justified.
- The section "Coal and Coal Seam Gas in NSW" does not give a balanced account of the benefits and costs of coal and coal seam gas in NSW. It concentrates on the economic significance and quotes financial figures, but does not give associated quantitative figures for impact on society or the environment such as hectares of endangered ecological

communities lost, number of villages abandoned or loss and contamination of surface and groundwater resources.

- It is incorrect to group impacts associated with coal mining and gas exploration under “Emerging Community Concerns”. These issues are not new or emerging and neither are they the sole concern of the general community. The social and environmental impacts directly associated with mining are not merely “concerns”, they are real threats to social-ecological resilience and have already caused long term (or irreversible) damage, including impacts on groundwater tables, loss of native vegetation and small community villages.
- Concerns about conflicting landuses needs to include tourism, high conservation areas, cultural heritage values, loss of prime agricultural land and associated aquifers.
- The section on Government Initiatives should be rewritten as an objective list of programs, policies and legislation under which coal mining and gas exploration are managed.
- The “Coal and Gas Industry Prospects” section appear to be contradictory with regard to coal demand and increased exports. The second paragraph and table show that demand for coal will remain much the same, however the third paragraph then states that “coal exports from NSW could increase substantially”. This statement is not justified given the forecast demand.
- The CMA disagrees with the statement under “Future Growth Areas and Issues”, that the Newcastle and Gloucester areas are not likely to expand significantly. At least eight applications for coal or gas operations within these areas have been lodged or approved in the last 12 months. This indicates that these areas are continuing to expand and, given the relative size of the areas, this expansion would be considered significant.
- The Hunter Valley Key Issue “Biodiversity” should include the fact that most of the remnant vegetation on the valley floor is considered endangered.
- The Hunter Valley Key Issue “Water” states “there is growing community concern about the impact of mining on alluvial aquifers”. Again, this is not just a community concern – studies on cumulative impacts on water resources and technical reports on mining alluvials and associated cracking have been prepared by government departments and should be included in any strategy.
- Key Issues should include the potential for the increased extraction of coal to create “boom-bust” or “two speed” economies and regional housing impacts.
- The Gunnedah Basin Key Issue “Managing the expansion of coal seam gas development” could also apply to the Hunter Valley.
- The Western area Key Issues needs to include cultural heritage impacts, surface and groundwater interference impacts and consider the need for a regional water assessment rather than just at individual assessment level. Managing cumulative impacts at the Moolarben-Ulan-Wilpinjong mining complex and the proposed Bylong projects should be scrutinized as an integral part of the Hunter Catchment.
- Infrastructure as a key issue needs to include the pipelines associated with gas extraction – these have a significant cumulative impact on the environment. In addition, any additional infrastructure for rail and roads will have an impact on the environment.
- The wording used throughout the Scoping Paper, implies that the increase and intensification of mining is a foregone conclusion. This pre-empts the proposed Coal and Gas Strategy which needs to investigate (and justify) options for the rate of coal extraction.

The Key Initiatives of the Strategy

General

- The use of “could” in relation to key initiatives such as triple bottom line cost benefit analysis, specific tasks for dust management, best practice rehabilitation, community services, biodiversity planning, water resource management, etc needs to be amended to “will”. This would be consistent with the terminology used in relation to the initiatives linked the expansion of the industry. The environmental initiatives are essential to a meaningful Strategy.

1. Defining the potential growth of the industry
 - Options for an annual cap on coal extraction to mitigate environmental impacts and maintain resources for the long term needs to be included.
2. Improved management of potential land use
 - The Strategy must include a true and accurate benefit cost analysis associated with coal and gas extraction. This involves assessing costs associated with; long term (or irreversible) loss of native vegetation (including EECs), loss of ecosystem services such as wildlife corridors which affects pollinators and biodiversity movement, loss of amenity, loss of small rural communities, loss of access to surface and groundwater, etc. Potential future land use also needs to be considered.
 - Benefit cost analysis should be used to make decisions regarding not only the scale of mining appropriate to ensure other “valuable industries”, but also to ensure the continued existence of valuable environmental assets.
3. Improved management of impacts
 - Offsets, particularly for loss of biodiversity, needs to be a major initiative for the proposed Strategy. There are several government endorsed methods that can be used to effectively determine offsets that should be utilised in mining assessments. Similar tools should be investigated for use in assessing impacts on water resources. These methods must be transparent, consistent and repeatable. A mechanism for long term protection of offset areas needs to be included. The location of offset areas needs to be captured spatially, including retrospective offsets for previously approved mines.
4. World’s best practice dust and air quality management
 - The Strategy should include studies into health impacts associated with increased dust, severe penalties for breaches, and the impact of dust on roadside vegetation.
5. World’s best practice mine / land rehabilitation
 - The Strategy needs to set rehabilitation benchmarks and investigate the potential for conditioning consent on past rehabilitation success and maintenance.
 - The Strategy should also address future land use options for mined land post rehabilitation.
 - The mine rehabilitation strategies need to address more than visual amenity, they should also include options to increase long term biodiversity value, protection and conservation, and ongoing monitoring and maintenance.
6. Community facilities and services in the regions
 - Consideration of housing and employment needs associated with mining needs to include an assessment of that development on the environment.
 - In addition, the social impacts associated with the influx of short term employees into regional areas and then the departure of this population post mining need to be addressed.
7. Infrastructure planning
 - As stated above, infrastructure planning needs to address the impacts of expanding infrastructure on the environment.
8. Strategic biodiversity planning
 - Offsets and impacts need to cover all affected areas of biodiversity value, not just “high biodiversity conservation value”.
 - Greater consideration needs to be given to the loss of endangered ecological communities – it is not appropriate to clear these communities as they are unable to be adequately offset.
9. Water resource management
 - Surface and groundwater issues need to comprehensively address contamination, extraction, cracking alluvials and aquifer interference and setting acceptable limits for

these. The interaction between groundwater and river flow and ecosystem requirements must also be addressed. A policy on aquifer interference needs to be released.

10. Strategic Aboriginal heritage assessment

- A strategic approach is essential, but it needs to also include mechanisms for protection of Aboriginal heritage.

11. Subsidence management

- Subsidence management should also reflect that this is an important issue for the area around Cessnock and the Central Coast.

12. Regulation and standards

- The CMA would like to see greater resources being directed towards monitoring consent condition compliance, increasing penalties for breaches and less reliance on self monitoring.
- The CMA does not support a more streamlined approval process if this results in fewer checks and balances in regulation. Mining is already exempt from most major environmental legislation. For example, the Native Vegetation Act does not apply to mine land which creates a huge inequity between an individual landholder's ability to gain approval to clear native vegetation and a coal mine operation, which has a much great impact on the environment.
- The complexity of environmental assessments makes it very difficult for community groups and individuals to confidently respond.

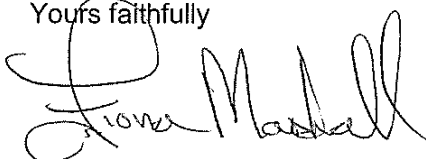
13. Improving communication

- The Strategy needs to take a whole of government approach and consider all other relevant plans and policies, including the State Plan, Catchment Action Plans and Regional Conservation Plans.

The CMA is a government authority with carriage of the Hunter-Central Rivers Catchment Action Plan, a whole of government endorsed plan, and should be included in the list of key government agencies on page 12.

If you require any further information please do not hesitate to contact Anna Ferguson, the CMA's Regional Catchment Coordinator on 4337 1213.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Fiona Marshall', written over a horizontal line.

Fiona Marshall
General Manager

14 April 2011