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## **Hume Coal Submission, Integrated Mining Policy Stage 1**

### **Executive Summary**

Hume Coal welcomes the opportunity to provide comment on the first stage of the New South Wales (NSW) Government's Integrated Mining Policy (IMP).

The IMP is an important part of the Government's effort to improve the regulatory regime for State significant mining projects. Hume Coal believes that better communicating the expectations of regulators and providing more guidance to proponents are two important ways of improving the assessment process. Identifying areas for greater efficiency and removing instances of duplication are also welcomed, so long as the rigour of the assessment process is maintained.

Hume Coal notes that most of the changes outlined in first stage of the IMP are already common practice. However, the move to codify these standards and afford proponents greater clarity throughout the course of preparing a Preliminary Environmental Assessment (PEA) and Environmental Impact Statement (EIS) are positive steps. Similarly, Hume Coal welcomes the clarification of standard requirements which regulators will need to consider when developing Secretary's Environmental Assessment Requirements (SEARs). Such actions will help both proponents and provide greater clarity to the community about the expectations of various regulators in respect of the assessment process.

Hume Coal sees merit in these policy initiatives being implemented in tandem with other changes to the regulation of mining in NSW which have already been signalled by Government, such as reforms to simplify the land arrangements under the *Mining Act* (1992).

We also strongly recommend that any new initiatives to be introduced by the Government be effectively communicated to the community and proponents to ensure they are fully understood and that all parties have confidence in the system.

### **About the Hume Coal Project**

Hume Coal Pty Ltd is a wholly owned subsidiary of POSCO Australia, a leading multi-national steel manufacturer and one of the largest buyers of Australian coal and iron ore. The Hume Coal Project is the first time the company has taken a 100 per cent equity interest in an Australian project.

The Hume Coal Project falls within Authorisation A349, around the areas of Sutton Forrest, Exeter and the Belanglo State Forest. The Project proposes to develop and operate an underground coal mine that will extract approximately 50 million tonnes (Mt) of run of mine



(ROM) coal over a 19-year period. The primary product will be metallurgical coal which is in demand by steelmakers such as POSCO across the globe. The Project will employ an estimated 300 full-time employees during peak operation.

After carefully undertaking exploration works, the Hume Coal Project is now preparing to enter the Planning system by submitting a PEA and a request for SEARs.

### **The Integrated Mining Policy: Hume Coal's Response**

Hume Coal welcomes the first round of the IMP. Hume Coal is of the opinion the current approvals process is beset by significant levels of duplication and unnecessary delays. The principle of providing greater clarity and guidance, while removing unnecessary red tape, could easily be applied across the whole spectrum of the approvals process.

Hume Coal is of the opinion that material improvements to mining regulation will only come through addressing shortcomings at all stages of the assessment and approvals process. For Hume Coal, a lack of guidance and regulatory prescriptions in the area of land access under the *Mining Act (1992)* has been particularly problematic. Parties have used the absence of set timeframes for arbitration proceedings to intentionally frustrate the process, resulting in confusion and costly delays to the development of a detailed mine plan.

Ensuring changes to the assessment process are adequately communicated to the community is also critically important. In particular, explaining the rationale and purpose of policy initiatives will help to foster understanding and confidence in the assessment process. Hume Coal notes that there is great deal of confusion around the function of bodies such as the Mining and Petroleum Gateway Panel which has a role in the pre-development stage of a mining project. The Panel was introduced to provide a preliminary assessment of impacts on Strategic Agricultural Land and recommend mitigation measures and further assessments to assist the ultimate decision maker. However many people in the community see it as effectively having the power to determine if a project should proceed. Such misconceptions only serve to weaken confidence in the assessment process and heighten anxiety in the community.

Finally, Hume Coal believes it is crucial that industry is adequately consulted regarding proposed policy changes and that sufficient transitional arrangements are put in place. With Hume Coal is currently finalising its PEA, the Project would have serious concerns about any retrospective application of elements of first phase of IMP and subsequent delays which this would inevitably cause.

### **Mine Application Guideline**

Hume Coal welcomes the new Mine Application Guideline. In particular, Hume Coal sees merit in clearly articulating the expectations of various regulators to both ensure delays are avoided and that proponents adhere to high assessment standards.

In the course of preparing its PEA, Hume Coal has complied with the robust standards set out in the draft Guideline, including the requirement to demonstrate how the design process has sought to mitigate environmental, social and economic impacts. This has taken more than two years to complete.



The level of detail required in the PEA and the proposed 50 page limit is inconsistent with the amount of work required by proponents to meet the levels of certainty required at this stage in the process in particular in areas such as groundwater modelling and preliminary dust, noise and visual assessments. If the level of detail proposed in the Mine Application Guideline is to be adopted, then the other supporting requirements in the PEA must either be relaxed accordingly or deferred to the EIS phase of the approvals process.

After an extensive exploration phase, Hume Coal has developed a bespoke, low-impact mining method to eliminate impacts related to subsidence and minimise any groundwater impacts. Similarly, following several rounds of air quality and noise modelling and visual assessments, key surface infrastructure has now been positioned away from roads and public areas, and significant mitigation measures incorporated into the design. Hume Coal has been mindful to maximise social and economic benefits while reducing the potential for community and environmental impacts as far as practicable.

### ***Standard Secretary's Environmental Assessment Requirements***

Hume Coal is concerned with the move to standardise the requirements proponents must consider as part of the EIS process, in particular, the significant increase in requirements that the standardised document represents (19 pages) in comparison to recent SEARs (typically two to three pages). Many of these increased requirements may duplicate relevant guidelines which would ordinarily be followed by proponents and are therefore unnecessary.

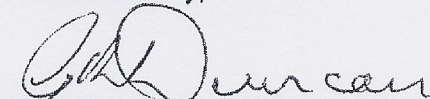
In addition, Hume Coal is concerned that the standardised document may result in assessment requirements that are not relevant to individual proposals. All coal mines are unique in their design and environmental setting. Hume Coal strongly advocates the Secretary issues Environmental Assessment Requirements that deviate from the SEARs where appropriate in recognition of the unique nature of each proposal, and to avoid unnecessary, costly and time consuming requirements. Specific concerns are noted in the enclosed addendum.

### **Conclusion**

Hume Coal supports the Government's efforts to improve mining regulation in NSW by providing proponents and regulators with more guidance and greater certainty of assessment requirements. The first stage of the IMP is a positive step in this direction.

Hume Coal notes that these policies are part of a broader process and looks forward to providing further feedback in the future. We also strongly urge the Government to undertake detailed consultation and education about the changes in local communities where mining projects are proposed to ensure these changes are not misconstrued or misrepresented.

Yours sincerely,



Greg Duncan  
Project Director  
Hume Coal

(Encl.)



## Addendum

### Mine Application Guidelines:

- The requirements and timing of the PEA and Gateway/SVC process are out of step. The Gateway process requires a groundwater model to be developed which requires a level of certainty around the mine design that is commensurate with the EIS requirements.
- Page limit on PEA of 50 pages is not commensurate with the level of detail required

### Draft SEARs

#### Page 3:

- Mapping requirements: drawings, diagrams and other designs are the proponent's intellectual property. Providing these electronically to integrate with the Government's mapping software raises issues around copyright, and other commercial and legal issues.
- The requirement for JORC resource and reserves is out of step with current exploration REF approvals being granted. In the case of the Hume Coal Project, these limit drill hole spacings to sub-JORC "indicated" resource spacings, and do not allow for fault delineation or other close-spaced drilling, even on explorer-owned land. Faults are considered to be a "modifying factor" required to be considered in reserve calculations. The allowed spacing of drill holes in REF approvals is a significant issue and cannot be understated.

#### Pages 4-6:

- The rehabilitation requirements applicable to open cut mines should be clearly differentiated.

#### Pages 7-9:

- The water requirements applicable to open cut mines should be clearly differentiated.

#### Page 14:

- The level of detail required in the "Air Quality Management Plan" is not commensurate with the stage of development of projects yet to be approved. It is unrealistic to expect proponents to develop management plans when they have not been provided with development consent conditions.

#### Pages 17-18:

- The subsidence assessment should be an assessment of the potential impacts of subsidence, as opposed to a prediction of the, "nature, magnitude, distribution, timing and duration of subsidence".
- Assessing global *pillar stability* is far more relevant for non-caving underground mining systems. Subsidence assessments are an inappropriate tool to deal with these mining systems.
- Results of feasibility studies are commercially sensitive in nature

#### Page 19:

- Points 1 and 2 are duplicated.