



**NSW FARMERS ASSOCIATION**

**Mudgee District Branch**

**Submission**

**Hawkins Rumker Preliminary Resource Issues Assessment**

**16/08/2021**

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## Who is NSWFA?

The NSW Farmers Association (NSWFA) is Australia's largest State Farming Organisation and is the peak representative body for farming business. Agriculture in NSW is worth approx. \$13 B annually, employs 66,000 people and manages 70% of the states land mass.

NSWFA members grow food and fibre for domestic and export markets including beef, dairy, sheep and goat meat, wool, grains, cotton, horticulture, poultry, oysters, eggs pork, wine growers and thoroughbred breeders, large scale and small niche speciality producers. The Mudgee District Branch of NSWFA has members who produce most of these products with the exception of oysters, cotton and dairy.

We are a grass-roots member driven organisation where each producer member has a democratic voice in developing and forming policy. We support public policy and technical innovation aimed at:

- ❖ Growing agriculture's contribution to the Australian economy,
- ❖ a sustainable natural environment reflecting the dedicated stewardship of our farmers and,
- ❖ The world's best production and marketing practises, joining science with practical expertise of farmers.

We are well placed to be a strong voice on behalf of our members when it comes to highlighting issues that threaten to affect the agricultural industry in NSW.

NSWFA is not opposed to mining however, we insist that mining developments must only occur strategically and not at the expense of productive agricultural land and water resources and important existing industries.

## Mudgee District Branch (MDB NSWFA)

MDB NSWFA members operate farming business across the Midwestern Regional Council LGA and the Capertee Valley. Hawkins & Rumker has a combined area of 32700 Ha. It has the normal mix of farming enterprises mainly wool, sheep meat, and beef. Some horticulture in the form of vineyards and olive groves are nearby. Many farms in the district have also diversified into short term accommodation utilising excess and or new dwellings as Air B&B enterprises. The agriculture, fishing & forestry sector is the largest employer in the East Mudgee Region; representing 22.3% of employees.

It has to be noted that potential coal developments could affect a wider footprint that just the proposed site posing a risk to agriculture's production in both quantity and quality.

Agriculture's contribution to the local economy has increased in recent years due to higher commodity prices, particularly beef & sheep meat. Meat and Livestock Australia (MLA) has quoted the Eastern Young Cattle Index (EYCI) at a record 1000.75 cents /Kg Auctions Plus online marketing has quoted the current cattle market 42.6% up from the this time last year. MLA report strong Lamb and Mutton indicators at 934 c/kg and 647c/kg respectively are all in near record territory. Even the wool market is holding its own. Agriculture has always been the back bone contributor but is now presently a key local economic driver and should remain strong for the foreseeable future. It should

also be noted that even with the effects of prolonged drought this region managed to produce quality food and fibre proving its sustainability credentials.

The members of Mudgee District Branch NSWF have a number of concerns which leads them to believe that; neither a coal mine nor the issue of exploration licences within Hawkins & Rumker should occur. And that any notion of proceeding to a PRIA process with Ganguddy – Kelgoola should be abandoned.

Principle is the belief that The Rylstone District could become another Bylong, and suffer enormous disruption to agriculture production, social community & local economy; marked by indecision and all for nothing. No farms, no store, no community and in the end no mine.

### Bylong; what Happened?

Prior to the KEPCO Coal Project the Bylong Valley was a highly productive locality. Due to it Biophysical Strategic Agricultural Land (BSAL) beef cattle cropping and equine enterprises turned- off quantities of prime livestock including highly regarded Angus(2) & Hereford (1)studs & Melbourne Cup winning Thoroughbreds. During dry times Bylong was regarded by the wider Rylstone district as a sure source of fodder from its irrigated lucerne flats.

Bylong was a tight knit farming community centred about a store and with many small social clubs, school, hall, sports ground and a church.

Fragmentation of that community began with the exploration process. Landholders were divided, differing terms for access and secrecy drove a wedge into the community. The community dissolved where land acquisitions for a coal mine started. Some landholders took advantage of the high prices paid for their farms, others held out for a while before selling, others hoping to sell where left (broken) as neighbours to a potential open cut coal mine. Investment on farm improvements and capacity expansion were put on hold due to uncertainty.

Those remaining farmers and others (including NSW Farmers Association) decided to fight to save the Bylong Valley and its BSAL lands and water from open cut coal mining were eventually vindicated by the project failing to gain approval. The proponent KEPCO still owns the acquired land and has partially operated it as a farming operation. It has been estimated that farm production is only 20% of what was achieved as multiple family owned and run farms.

## Issues raised as concerns

In addition to the general concern created from the events experienced at Bylong directly by some of our members and observed by others there are a number of issues which need to be highlighted.

Economic & Political Viability. Given the rather long term (in excess of a decade) to gain all the approvals necessary to start a Greenfield coal mine and the fact that political pressure both locally and globally against thermal coal is gaining momentum it is difficult to see a potential new coal project having a long productive life. Australia's current commitment to greenhouse gas emissions caps must lead to reduced fossil fuel consumption in the medium term and it is likely that international pressure will deepen the reduction targets over time.

NSWFA holds that thermal coal as an energy source will sunset in the next 20 years unless real break-throughs in carbon collection can be achieved. This would give a potential thermal coal mine in the Rylstone district about 10 years productive life. In comparison the existing agricultural and farm based business put at risk by a potential mine have no such sunset. We fail to understand why the NSW Government is even instigating the PRIA process unless it is to gain revenue from issuing exploration licences to prospectors knowing full well new thermal coal mine projects will be unviable in the future. It just doesn't pass the pub test.

Also given the Geological Surveys indicate the expected scale of the two coal resource to be extracted is 286 million tonnes (Hawkins) and 624 million tonnes (Rumker), the total run of mine resource could be 910 million tonnes, of similar quality of coal to Ulan. Glencore's report shows Ulan Coal contribution 2020 was 10.3 Million tonnes. The scale and rate of extraction necessary would be massive in order to make a satisfactory return on investment for the mining company before the industry closes. We think the "size of the prize" is being unrealistically stated.

Exploration Licences. Allowing the process of advertising, tendering and issuing of exploration licences precipitates all sorts of unwelcome issues;

- ❖ An attitude that a mine or mines is inevitable once exploration starts becomes manifest leading to;
- ❖ A stagnation of on-farm investment. Farm improvements held over as being unnecessary, pending an offer from a coal mine proponent.
- ❖ The beginning of a prolonged pause as all the processes and assessments etc start to unfold. If past developments can be used as a guide then it would not be unreasonable to expect 10 years period before start up of a new mine.
- ❖ Declining farmland values short and medium term, lost opportunities to exit farming, farm succession planning difficulties & future agricultural production jeopardised. Bylong has been on hold for 10 years only now are we seeing some return to farm property investment, mostly from non- local participants willing to speculate due to pressure from the wider shortage of real estate availability.
- ❖ Poor decision making outcomes because fear of future prospects.
- ❖ Social division may start as the process of Access Agreements unfolds. As landholders negotiate terms for compensation from drillers wanting access to private property a divide can develop between those who have been paid more or less, even the rumours of unequitable terms caused by confidentiality clauses.

Environmental. Agriculture relies on the health of the natural resources of farms and surrounding landscape to remain profitable. The MDB NSW sees considerable risk to both land and water if a new coal mine were to commence. Whilst Underground mining (which is what PRIA is investigating, but noting, open cut is not ruled out) is seen as less invasive than open cut there remains unreasonably high risk to the Farm and adjacent land. There are some localities within Hawkins and Rumker which should just be quarantined from exploration. Growee and Cox's Creek are 2 of these among others.

- ❖ Areas of BSAL have been identified along the Growee River within the indicated area for exploration. Destruction of BSAL cannot be justified. To date there is no evidence of degraded BSAL being successfully rehabilitated. As Growee River flows down the Bylong Valley downstream degradation of the valuable Bylong Valley would occur.
- ❖ There are other sites of BSAL and High quality soils around the Cudgegong River & Lawson Creek which may also suffer from run-off etc. from the Hawkins & Rumker.
- ❖ Water catchments for both the Rylstone Weir and downstream Lake Windamere are put at risk by large scale mining operations commencing. The Cox's Creek runs into the Cudgegong at the head waters of Rylstone Weir. The Creek is a significant contributor to the farms and towns alike. However flows from the creek vary greatly throughout the year and from season to season. Any impairment to either quality or quantity of flows could not be tolerated.
- ❖ The complex local geology within Hawkins & Rumker would make mining in some of the area very problematic. In places the sedimentary layers have suffered significant ancient volcanic activity. For example; Cox's Creek is a fault line between basalt capped ridges covering sedimentary layers including coal seams. Some Coal seams are burnt out from pipes and vents and lava flows. With the expected working depth of operations being from 100 to 500 metres below the surface it would be difficult to guarantee no adverse outcomes.
- ❖ Complex hydrology again for some reasons. Very difficult to find decent quality and quantity of underground water. Any risk to existing bores, wells, springs and streams could not be tolerated. The resource of good water is just too scarce to risk.
- ❖ The source of the Cudgegong would be compromised by any large scale mining activity in Ganguddy-Kelgoola.
- ❖ Subsidence Issues from underground mine activity again could affect underground and surface water, placing at risk the Windamere dam catchment. Potentially creating strains on the Cudgegong River through to Burrendong. Creating issues for downstream irrigators even to the Macquarie Valley Irrigators and Marshes.
- ❖ Water supply for mining operations and coal washing will have to come from somewhere. An analysis of 39 coal reports in NSW found the average use by coal mining was 653 litres per tonne of coal in 2018.
- ❖ Tailings waste-water pollution issues for the above catchments and local farms. Possible problems with earthen walled dams as the prevalence of dispersible clay soil types make the risk dam failure due to tunnelling high in some locations within the proposed exploration zone.
- ❖ Adequate Rehabilitation Issues, cost to surrounding farms when proper rehabilitation is not done or is deferred indefinitely. There is currently at least one conflict with our members

and a mine operator. The history of local coal mine sites being fully rehabilitated is not good. Perhaps they are works in progress but progress appears halted.

- ❖ Pest animal including wild dogs, pigs, rabbits etc. pose an ongoing continued impost on farming neighbours. There is a real biosecurity risk to farms if these problems species are not managed adequately.
- ❖ Weed infestation is also a real Biosecurity risk to neighbouring farms. Weeds such as Serrated Tussock and now Sticky Nightshade threaten farm profitability locally.
- ❖ Hidden costs, reduced life of fencing and other infrastructure requiring premature replacement, particularly in the Bylong Valley, from air pollution since the rapid expansion of Coal mining in the Hunter Valley and Ulan has been noted by members.

Local Economy. MDB NSWf recognises the importance of having a truly diversified local economy. Mining including Coal mining has played a very significant role in the success of the local region for a long time. Many of the industrial business that depend on the mines for bread & butter are a very valuable asset and service for the farm sector, however this has not come without cost.

- ❖ It was noted that during the last period of rapid Coal mine expansion in the Mid-western LGA that there were some adverse side effects to many local businesses that were not directly involved in mining or mine related. There significant challenges placed on these businesses from competition with mines and mine related business for staff, skilled labour and trades people. Mines offered high wages to compensate for arduous work conditions. Local businesses lost mechanics & apprentices etc to the mines, long waiting lists grew for essential repairs and maintenance work to be done. Very much a 2-speed economy. There grew an expectation to pay “mine rates” to get work done. Few farm business’s could compete for the” best and brightest” at that time. It remains very difficult to find suitable employees even though agriculture is in much stronger condition now. The pressure of supply and demand could reoccur if another large expansion took place.
- ❖ Tourism especially farm tourism which provides a welcome second string income to a number of farms is woven into the fabric of this region’s agricultural economy, with niche produce areas and farm-stays which helps sustain a more equitable & diverse economy, unlike mining, which causes a two-speed economy. The adverse impact on tourism to the farm sector is a considerable factor particularly with a highly visible open cut mine.
- ❖ Cost shift to farmers and others having to provide time effort and money to oppose potential mining.
- ❖ Farmland that is used for mining is often rehabilitated with native species and not returned to agricultural production. If the mine site becomes a National Park the LGA loses rateable land as government agencies don’t pay LGA rates. This places a further burden on existing rate payers.

Community. MDB NSW is concerned about possible adverse affects to our local community especially in regards to;

- ❖ Health, both physical and mental. Local farmers have come through some of the largest challenges to face the industry for decades without reprieve. Just as the Asian Economic Miracle began to flow through to farmers with farm commodity prices rising we were plunged into three long years of drought, followed by fire then flood, then Covid 19 all with a back drop of trade war threats. The scale of these events especially drought felt by everyone, and the fires felt by many including those farms in the potential exploration zone was very significant. Dry and or burnt land is susceptible to heavy rainfall causing localised flooding and fence damage etc. The recovery from these hardships is compromised by the current Covid situation. The prospect of dealing with the threat posed by a potential coal mine has added to stress levels of many local farming families. Even this PRIA process has had an affect raising stress and anxiety in the community.
- ❖ It has been documented that life expectancy is reduced by up to 10 years when living near a coal mine.
- ❖ A displacement of generational farmers – the feeling of failure where the family farm is no longer going to be the legacy that gets passed on to the next generation – sense of loss for families and a historical community loss.
- ❖ Loss of amenity to the community as noise & dust pollution from a potential mine and mine infrastructure occur. Even a potential underground coal mine will require significant above ground support infrastructure. This would possibly include a small open cut operation to gain access to the underground works. Coal washing facility, load out facility, rail access or conveyor system to transport coal away and other ancillary buildings.
- ❖ Disruption to nearby farms from extending rail corridors acquiring farm land for rail loops etc. or a conveyor to Ulan, then rail option.
- ❖ Further ongoing disruption to farmers with ongoing access issues.
- ❖ Infrastructure required preparing the coal for transport and access to rail, rail loop or conveyers, land corridors acquired. Huge cost to upgrade rail infrastructure. Either south through Rylstone Kandos Lithgow etc or north via Mudgee Gulgong Ulan to Newcastle. Alternatively a conveyer would be constructed to run over the hills to rail at Ulan. More disruption to surrounding farms.
- ❖ Concerns that even this PRIA process we are now engaged in could be a way for government agencies to make work or justify their existence at the expense of a local community. We certainly hope not.

Conclusion. Coal mines can provide economic activity and opportunities however on balance a new short term coal mine just does not make sense. The social disruption, conflicting business costs, agricultural disruption, risk to downstream water users, risk to local water supplies both quantity and quality for farms and towns, risk to environment air and noise pollution, huge cost and disruption in providing transport infrastructure, risk to BSAL lands both contained within the Hawkins & Rumker area as well adjacent e.g. Bylong and Cudgegong Valleys is regarded as too much.

Local farmers recognise the benefit from having diverse local economy; Industrial businesses that rely on mining for majority of income also support farming business. However, mining operations should not occur where the risk to Agriculture is too great.

The MDB NSWF would welcome the opportunity to meet in person with PRIA group should the Covid lock downs end in time. We appreciate the opportunity to express our concerns in this submission.

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