

Fact Sheet

PROPOSAL TO MINE THE LIVERPOOL PLAINS

Background

- In April 2006, the NSW Government issued BHP Billiton (via its shelf company Coal Mines Australia Ltd) a five-year coal exploration licence EL 6505. BHP paid the government \$100m for the licence with the promise of an additional significant contribution from BHP if approval to mine is granted.
- The exploration licence covers 344 square kms at Caroona in the Liverpool Plains region of NSW – recognised as one of Australia's most productive food bowls, contributing \$332m to annual GDP.
- In August 2008, the NSW Govt issued an exploration licence over neighbouring land at Watermark to the Chinese State-owned miner Shenhua. The company paid the NSW Govt \$300m for the right to explore for coal with a promise of a further \$375m if approval to mine is granted.
- The NSW Government and mining companies say they believe there is an untapped coal reserve in excess of 500 million tonnes within the licence area which would support a 30-50 year mine.
- In recent years, the NSW Govt has also granted Petroleum Exploration Licences covering 63,000 square kms across the Gunnedah Basin to Santos and Eastern Star to explore for coal seam gas.
- Farmers and community members called for an independent catchment-wide spatial groundwater study to be commissioned before any further exploration or large scale mining is considered. After initially rejecting the request, the NSW Government is now commissioning the study.
- The community is concerned the existing NSW legislation for approval and operation of mines is inadequate and will not protect the unique groundwater systems of the Liverpool Plains from the impacts of large-scale mining, nor take into account the effect on the Murray Darling Basin.

Liverpool Plains Environment

- The coal exploration area is on the Liverpool Plains at Caroona in the Namoi Valley catchment which is part of the Murray Darling Basin. The Namoi is “the only catchment where cropping is the major land use, and is by far the most fertile and productive” (National Dryland Salinity Program).
- The region's climate, soils, and unique groundwater make it one of the most fertile and drought-resistant agricultural areas in Australia – producing over one-third (35%) of NSW total summer crop output. Over a 5yr period, it yields 40% above the national average t/ha (ABARE 2004-2008).
- The Liverpool Plains produces over \$3.815 billion of produce annually including: \$375m of chicken, \$321m cotton, \$11m sunflowers, \$9m corn, \$12m barley, \$32m wheat, \$47m sorghum, \$3b of beef
- It is 75% deep black soil alluvial floodplain and 25% rising ridge country underlain by a complex series of high quality interlocking surficial (alluvium) groundwater aquifers.
- The Namoi surficial (alluvium) groundwater aquifers and surface water flows provide stock, domestic, irrigation and town water supplies for Caroona and neighbouring towns including Quirindi, Gunnedah, Spring Ridge, Curlewis, and the Walhallow Aboriginal Community.
- **There is currently no detailed hydrological, spatial mapping which accurately identifies the complex groundwater systems, their geology, and how they interconnect across the region.**
- The community is concerned about the possible destruction or contamination of aquifer systems, subsidence from longwall mining, and toxic mine by-products polluting air, land and waterways.

Caroona Coal Action Group

- CCAG was formed in 2006 by concerned landowners and community members to protect the Liverpool Plains floodplains - one of Australia's most productive areas for more than 170 years.
- **CCAG is not opposed to mining so long as it can be shown it would not pose unacceptable risks to surficial (alluvium) groundwater and recharge systems or the broader environment.**
- CCAG is concerned that the assessment and approval processes for mines outlined in the NSW Mining Act 1992 and the Environmental Planning & Assessment (EP&A) Act 1979 do not:
 - properly recognize the increasingly precious nature of groundwater resources
 - adequately protect that resource from the risks of large-scale mining
 - take into account the cumulative offsite impacts of mine developments in one region
- Part 3(a) of the EP&A Act provides the Minister with powers to approve major developments even if they do not comply with the Planning Department's own environmental assessments, or the recommendations of any other agencies.

The Position of BHP Billiton and Shenhua

- BHP says it recognizes the importance of the region's groundwater systems and has committed to not undertake any form of mining which could damage the deep alluvial aquifers.
- BHP has conceded there is no definitive hydrological data to show whether mining under the ridges may also threaten the region's groundwater systems. BHP's Stephen David said:

“Does the ridge country connect to the alluvial aquifer? We don't know. We are working on the premise they probably aren't.” He said (BHP) must determine this “connectivity” before mining.
(Newcastle Herald - 30 August 2008)
- In August 2009, BHP and the NSW Govt announced changes to EL6505 stating BHP would not establish a 'long-wall' or 'open-cut' mine on the floodplains, however, the language left open the possibility of future mining using an alternative method. BHP will not rule out mining of any sort.
- To ensure proper long-term protection of the floodplains, CCAG wants the NSW Govt to list mining as a prohibited land use on all relevant land titles on the floodplain.
- Both BHP and Shenhua have agreed to contribute to the water study. BHP says it will wait for the outcome of the study before seeking approval to establish a mine.
- Shenhua has openly stated it will not wait for the study and intends to seek to establish a large open-cut mine before the study has mapped the water resources of the area.

Access Arrangements to Private Land

- With the support of the Australian Farmers Fighting Fund, two Quirindi farmers took BHP Billiton to the NSW Supreme Court to challenge the granting of 'access arrangements' to the company by the Chief Mining Warden - allowing BHP to drill on their land without their permission.
- Lawyers for the families argued that the Mining Warden should have denied access because BHP had not complied with the Mining Act and had also failed to provide sufficient details of how it would protect the farmer's land and the broader environment during its exploration drilling.
- On 5 March 2010, in a landmark judgement, the NSW Supreme Court ruled in favor of the farmers and quashed the 'access arrangements' granted to BHP, finding they breached the NSW Mining Act. The judge identified various deficiencies in the way miners are currently granted access to property.
- In April 2010, the Mineral Resources Minister introduced retrospective legislation to amend the Mining Act - nullifying the court judgement and making it easier for miners to access private land.

Catchment-wide Water Study

- In 2008, after repeated demands from CCAG, then Minister Macdonald hosted a meeting of CCAG, BHP, the Minerals Council and other interested parties to negotiate the terms of a fully independent, catchment-wide spatial water study of the Upper Namoi Catchment.
- The working party concluded its meetings and delivered draft terms of reference to the Minister for his approval early in 2009. The study has received a \$1.5m commitment from the Federal Govt. The NSW Government has failed to match that funding. Mining companies have agreed to contribute.
- In June 2009, the NSW Government appointed former NSW Farmers Association president Mal Peters to chair the water study. Tenders have now been called for the establishment of the study which, once commenced, is expected to be completed within approximately 18 months.

Current Position

- To date, the community has prevented BHP Billiton and Shenhua gaining involuntary access to any private land.
- Federal Mineral Resources Minister Martin Ferguson visited Caroonna on 8 July and said the Plains were an ‘exceptionally important food bowl’ that must be protected from any impacts of mining. He repeated the Commonwealth pledge of \$1.5 million for the water study and said:

“..we have got to make sure that no mining approvals are given until the completion of this study.” (Federal Mineral Resources Minister Martin Ferguson, ABC Radio report 13 July 2010)

- The community also believes there should be a moratorium on all future exploration licences on or near the Liverpool Plains until the fully independent, catchment wide spatial water study has been completed and has identified the potential risks of any future mining or exploration.