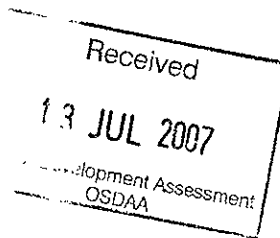




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July 4 2007

Wyong Strategic Inquiry Panel Secretariat
c/- Department of Planning
GPO Box 39
SYDNEY NSW 2001

Dear Sir/Madam

STRATEGIC INQUIRY INTO POTENTIAL COAL MINING IMPACTS IN THE WYONG LGA

Written submissions have been invited addressing the Terms of Reference for this Inquiry, which are understood to be as follows:

1. *Whether coal mining under the catchment for the Mardi Dam would compromise, in any significant way, the water supply of the Central Coast;*
2. *Environmental impacts of any underground coal mining, with a particular emphasis on:*
 - *surface and groundwater resources, especially on drinking water supply and flooding;*
 - *hazards and risks of subsidence impacts; and*
 - *the amenity of the community, including dust and noise impacts;*
3. *Social and economic significance of any underground coal mining to the local community, the region and the State; and,*
4. *Areas where mining should not be permitted, or if permitted the conditions under which it may proceed, having regards to the matters listed above and the NSW Government's strategic planning policies that apply to the area.*

The Central Coast water supply is provided by Gosford City Council and Wyong Shire Council. The Councils have jointly invested in the water supply headworks which include major water storages, treatment facilities and transfer systems. The Gosford Wyong Councils' Water Authority was established to undertake the long term planning for the joint headworks.

The Central Coast water supply scheme serves a population of 300,000 in Gosford City and Wyong Shire. The Central Coast is a growth centre for the Sydney regions with the population predicted to increase to 480,000 by the year 2050.

The Central Coast water supply is based on four surface water sources - Wyong River, Ourimbah Creek, Mangrove Creek and Mooney Mooney Creek. The Wyong River and Jilliby Jilliby Creek catchments (Yarramalong and Dooralong Valleys) provide approximately 50% of the catchment area and annual stream flows (refer attached plan).

Water is pumped from the Wyong River weir (located immediately to the east of the Sydney Newcastle Freeway) and Ourimbah Creek Weir to Mardi Dam. The Wyong River (including Jilliby Jilliby Creek) provides over 50% of the Central Coast water demands.

The water resources on the Central Coast are extremely limited and are fully committed to meeting the water demands of a rapidly growing area. It is essential that these limited resources are protected.

The Councils are in the advanced stage of planning a transfer pipeline from Mardi Dam to Mangrove Creek Dam. Mangrove Creek Dam is the major storage on the Central Coast but currently relies on runoff from its relatively small catchment. This pipeline will enable the transfer of water from Wyong River and Ourimbah Creek to Mangrove Creek Dam to provide critical drought security for the Central Coast. This will further increase the significance of the Wyong River source.

The Central Coast water supply will continue to be highly dependent on the stream flows and water quality in the Wyong River and its tributary Jilliby Jilliby Creek as the major source of supply. Any activity which puts at risk the quantity and quality of this water source will have significant consequences for the community.

In response to the proposed Wallarah 2 Coal Mine development the Gosford Wyong Councils' Water Authority on the 20th September 2006 resolved: "That the Joint Water Authority engage specialist consultants to provide independent expert review of the environmental studies prepared as part of the development application for the Wallarah 2 Coal Project".

In relation to this Strategic Inquiry the Gosford Wyong Councils' Water Authority has the following specific concerns under the terms of reference:

Water Quantity

- Mine subsidence could result in the diversion of surface or groundwater from the water supply catchment into the underground mine workings leading to a reduction in the amount of water available for the water supply system.
- Any reduction in the natural stream flows at Wyong River weir resulting from reduced groundwater inflows or natural surface water flows has the potential to significantly reduce the security of the Central Coast water supply.
- Any management strategy must address the long term consequences both during mine operation and after and after the mine is closed.

Water Quality

- Water diverted or captured from underground mine workings and discharged to the environment has the potential to impact on water quality.
- Mine subsidence within the water supply catchment has the potential to impact on the frequency and nature of flooding which could impact on water quality and change natural streamflows.
- Mine subsidence could change the course of streams and their profiles leading to impacts on water quantity and quality.
- Mine subsidence could impact on riparian environments and streambank stability. This has the potential to lead to reduced water quality in the catchments.
- Water quality could be affected by run off from any unsealed surface works (such as stock pile areas, access roads and mine vents) within the catchment.
- Any management strategy must address the long term water quality issues both during mine operation and after the mine is closed.

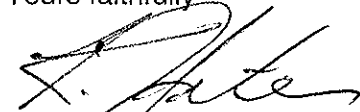
Impact of Mine Subsidence on existing and future Water Supply Infrastructure

- Mine subsidence from underground mining has the potential to impact on existing and proposed water supply infrastructure.
- Much of the existing water supply infrastructure was constructed many decades ago and did not include provision for mine subsidence. Consequently mine subsidence would likely cause substantial damage which could affect the ability of the Councils' to maintain water supplies to the Central Coast.
- Mine subsidence has the potential to impact on future water supply infrastructure including the proposed Mardi Dam to Mangrove Creek Dam pipeline and associated new pumping stations.
- Consideration must be given to the potential impacts from future expansion of existing or new coal mines on the water supply infrastructure.

Further Information

Should further information or clarifications be required, please note that our contact officer is Garry Casement, Manager Headworks, Gosford Wyong Council's Water Authority, 16 Hely Street, Wyong, NSW, 2259. Mr Casement can be contact by phone 43505377 or by email Garry.Casement@wyong.nsw.gov.au .

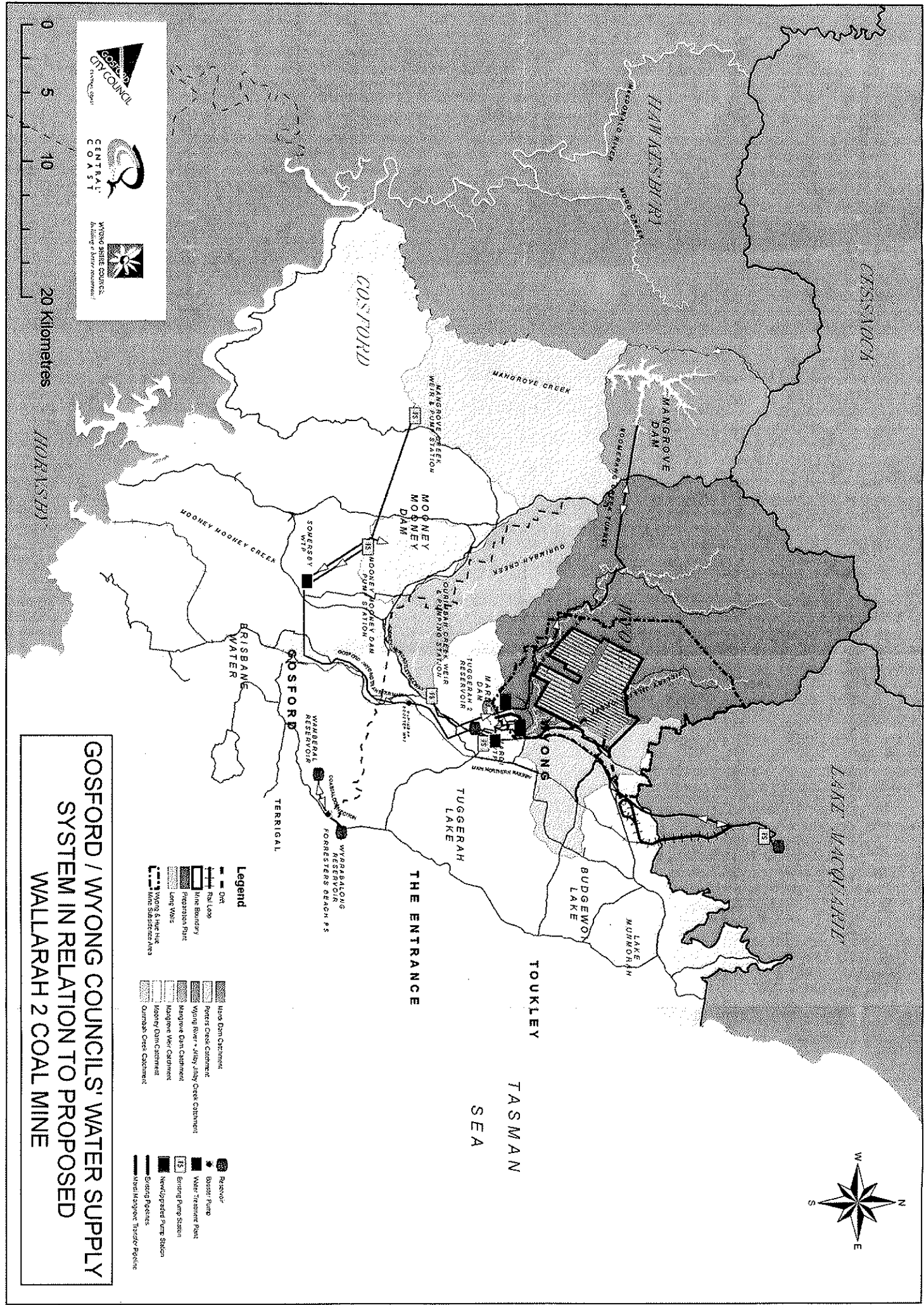
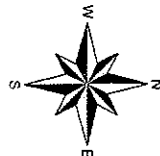
Yours faithfully



Kerry Yates

Secretary

Gosford Wyong Councils' Water Authority



0 5 10
20 Kilometres

GOSFORD / WYONG COUNCILS' WATER SUPPLY SYSTEM IN RELATION TO PROPOSED WALLARAH 2 COAL MINE

- Legend**
- Dam
 - Rail Loop
 - Mine Boundary
 - Impoundment Point
 - Long Weir
 - Weir & Hurr Lick
 - Mine Substrate Area
 - Lake Dam Catchment
 - Peters Creek Catchment
 - Wyong River + Jilly Jilly Creek Catchment
 - Mangrove Dam Catchment
 - Mangrove Weir Catchment
 - Kooray Dam Catchment
 - Quimba Creek Catchment
 - Reservoir
 - Baster Pump
 - Water Treatment Plant
 - Siting Pump Station
 - New/Expanded Pump Station
 - Siting Pump Station
 - Water Management Transfer Pipeline