

Advice to decision maker on coal mining development

Proposed action: Galilee Coal Project (Northern Export Facility), Qld – New Development

Requesting agency	The Queensland Coordinator–General
Date of request	18 April 2013
Date request accepted	18 April 2013
Advice stage	Environment Impact Assessment (supplementary)
Summary of request from the regulator	The Queensland Coordinator–General is currently assessing the proposed project in accordance with the <i>State Development and Public Works Organisation Act 1971</i> (SDPWO Act). The project is also subject to a separate but parallel environment impact statement process under the SDPWO Act and the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act). The bilateral agreement does not apply on this occasion.
	The Coordinator–General advises the Committee of an opportunity to comment on the Supplementary Environmental Impact Statement (SEIS). Specifically, the Department seeks the advice of the Committee on:
	 Review the supplementary information on groundwater (particularly Appendices 36, 41, 42 and 43) and provide advice on whether all significant impacts have been identified and the adequacy of proposed mitigation, management measures and commitments. The State has a specific interest in potential impacts to the Great Artesian Basin, existing groundwater users, springs, groundwater dependent ecosystems and groundwater quality.
	2) Review the supplementary information on surface water (particularly Appendices 19, 22, 24, 25, 26, 36 and 42) and provide advice on whether all significant impacts have been identified and the adequacy of proposed mitigation, management measures and commitments. The State has a specific interest in the proposed mine water management system, creek diversion proposals, flooding, subsidence management, tailings management and ongoing management of water quality.

Advice

The Committee was requested to provide advice on the Galilee Coal Project (Northern Export Facility) to the Queensland Coordinator – General at the Supplementary Environmental Impact Statement (SEIS) stage. This advice draws upon aspects of information in the SEIS, together with the expert deliberations of the Committee. The relevant chapters of the SEIS are listed in the source documentation at the end of this advice.

This project is a new coal mine development in Central Queensland, proposing two open cut and four longwall underground mines. The proposal would produce 40 Million tonnes per annum (Mtpa) of coal and have a mine life of 30 years. The mine site is located approximately 450 km west of Rockhampton, and 35 km north-west of the Alpha township. A 453 km standard gauge rail line is also proposed from the mine to the Port of Abbot Point, immediately north of the town of Bowen.

The Committee, in line with its ¹Information Guidelines, has considered whether the proposed project assessment has used the following:

Relevant data and information: key conclusions

Information and data required for the adequate assessment of many aspects of the proposed project are lacking, in particular information relating to: groundwater and surface water monitoring; mining activity in relation to the Rewan Formation; the extent of faulting in the Rewan Formation; the location and operational timeframe for the proposed raw water borefield; size and regional significance of the *Melaleuca tamariscina* population; geochemical properties of overburden and coal reject materials; confirmed methods of excess water disposal and discharge scenarios for these; and design of creek diversions.

Appropriate methodologies which have been applied correctly: key conclusions

While a regional water balance for the Belyando/Suttor catchment was not provided to assist in considering cumulative impacts, the proponent considers that they have used a conservative groundwater model to assess potential impacts to water resources and receptors, including assessing cumulative drawdown. The groundwater model relies on the assumption that the Rewan Formation forms a barrier to groundwater interconnectivity to Great Artesian Basin (GAB) aquifers. This appears to be a misinterpretation of the recent Great Artesian Basin Water Resource Assessment (Assessment; 2013). Consequently, there are a number of uncertainties associated with the proponent's conceptualisation and groundwater model; in particular, the Rewan Formation; the potential for localised faulting to provide a path for connectivity and vertical groundwater flow; and the risk of lateral groundwater flow from the final void. The model has not incorporated the proponent's proposed raw water supply borefield or details about the location of this borefield or potential impacts to drawdown.

Information on the method of excess water disposal, receiving water quality, and discharge scenarios are needed for an adequate assessment to be undertaken. This should include baseline information to establish temporal variation. In addition, the proponent has not undertaken a thorough cumulative impact assessment on a number of assets including recharge springs in the Barcaldine Spring Complex, wetlands downstream of the proposal and vegetation affected by subsidence.

Reasonable values and parameters in calculations: key conclusions

Issues relating to the groundwater model are discussed above. The groundwater model should be revised with updated available information about the GAB boundary. Given the likely conductivity of the Triassic sediments and potential connectivity of the Triassic sediment with other GAB formations, further examination and measurement of the vertical connectivity between formations appears warranted under best practice guidance.

Subsidence estimates have been developed using values based on empirical studies as from Newcastle Coalfields in New South Wales. The use of such studies needs to be demonstrated to be appropriate for the Galilee Basin. The Newcastle region is not necessarily representative of the geological conditions in other regions. Mitigation measures may also be required to minimise potential impacts (i.e. cracking), and evidence is needed to substantiate claims that surface stratigraphy is self-healing.

The proponent's water balance model has not incorporated the results of the proposal's updated groundwater and geochemistry studies and appears to have been based on an inadequate mine water containment system. The model's rainfall-runoff relationship is derived from a creek system outside the lease area and requires verification against the proposed mine's catchment area.

Based on monitoring results and the proposed interim water quality objectives, the proponent's proposed discharge trigger investigation levels are considered inappropriate for receiving waters, as there is insufficient sampling to determine reference conditions. Discharges should be sufficient to protect 95 % of species, consistent with the *Australian and New Zealand Environment Conservation Council (ANZEC 2000) guidelines*.

Question 1: Review the supplementary information on groundwater (particularly Appendices 36, 41, 42 and 43) and provide advice on whether all significant impacts have been identified and the adequacy of proposed mitigation, management measures and commitments. The State has a specific interest in potential impacts to the Great Artesian Basin, existing groundwater users, springs, groundwater dependent ecosystems and groundwater quality.

There is a need to update the predictive models, monitoring data and information on key issues such as faulting, void management, subsidence, Groundwater Dependent Ecosystems and tailings management. The Committee suggests that the SEIS should address the points outlined below.

- 1. Adequacy of groundwater conceptualisation:
 - a. although the Rewan Formation is generally considered to have low porosity and permeability, there is evidence to suggest that localised faulting may exist. The Committee has previously advised that it is plausible for local and regional scale faulting to present a significant potential for connectivity and vertical groundwater flow as part of their advice on the Kevin's Corner Coal Project (EPBC Act Reference no. 2009/5033). The extent of faulting in the Rewan Formation in the local setting should be determined in order to inform the connectivity assessment;
 - b. while the proponent repositioned the GAB boundary for the purposes of the SEIS, the groundwater report has not been revised to include the main findings of the Great Artesian Basin Water Resource Assessment. The Assessment did not report flux volumes but showed a leaky aquitard basement unit in close proximity to an overlying partial aquifer near the proposed development. Therefore there is the potential for connectivity in the area of the proposed development. The Committee recommends that a revision of the groundwater assessment should be undertaken as a matter of priority and in particular should include the relevant GAB formations, with the nature of the connectivity with GAB formations investigated via a monitoring network developed by the proponent; and
 - c. the Committee also notes that the terms of reference for the 2013 Assessment, for scientific purposes, limited the study area of the GAB to the Jurassic and Cretaceous Formations. Tertiary age sediments were only examined where a significant hydraulic connection is either known or anticipated to exist. Consequently, the Triassic sediments (Moolayember Formation, Clematis Sandstone, Dunda Beds and Rewan Formation) remain part of the GAB and should be included in the groundwater analysis. The Committee considers that these formations should also be included in the proponent's groundwater conceptualisation.
- 2. Adequacy of Numerical Model:
 - a. A major assumption within the predictive modelling was that the Rewan Formation represents a major barrier to interconnectivity with GAB aquifers, where core permeability values ranged from 4.5×10^{-5} to 4.3×10^{-3} m/day (horizontal) and from 7.5×10^{-6} to 7.6×10^{-4} m/day (vertical). However without including a sensitivity analysis of the role of faulting in the model, specifically within the Rewan Formation, the model is not considered fit-for-purpose, and may not accurately predict drawdown and interconnectivity. The conclusion that the model predicts the worst case scenario may not be correct. A thorough sensitivity analysis is required to improve confidence in predictions of drawdown and interconnectivity and potential impacts to water resources and receptors;
 - b. The model parameterisation should be revised to incorporate the latest information on the GAB stratigraphic units' properties (as per CSIRO, 2013). This revision should incorporate drawdown resulting from development of the raw water borefield; and
 - c. Although it is noted that the monitoring network will be increased by five new monitoring bores, the Committee notes that the models were calibrated using a limited number of continuously monitored bores which may not have reached equilibrium. Overall, it is considered that the proponent has provided insufficient monitoring data to determine the accuracy of the model in

terms of temporal variability and local heterogeneities.

- 3. <u>Drawdown</u>: Drawdown associated with the this project proposal is predicted to elongate in a general north south direction. Drawdown of 1 m is predicted to extend approximately 20 km north, 10 km south and 15 km east of the mining area. Maximum drawdowns of 5 m and 1 m are expected to occur at the adjacent Alpha and South Galilee Coal Projects respectively. Drawdown of less than 1 m is predicted beneath the Clematis Sandstone, near the recharge springs, at Alpha township and at Jericho township. Whilst drawdown associated with the this project is described in general terms, it is unclear to which model layer and timeframe this drawdown prediction applies. A table outlining the total predicted drawdown (including cumulative impacts) would help to determine potential impacts.
- 4. Cumulative impact assessment:
 - a. The numerical modelling predicts cumulative drawdown to be approximately 30 km wide and greater than 100 km in length. Given the uncertainties related to the numerical modelling, however, the Committee has reservations about the accuracy of these predictions. The Committee also notes that the long term impacts of multiple developments along approximately 300 km of the GAB intake beds may have a significant impact on recharge to the GAB.
 - b. The Committee notes that issues associated with cumulative impacts have been included as part of the Queensland Coordinator-General's conditions for the approval of the nearby Alpha Project. It is considered that these conditions may also be relevant to this proposal. Specifically, Condition 2: Regional groundwater monitoring and reporting program, which is also of relevance to this proposal.
- 5. <u>Recharge Springs</u>: Recharge springs have also been mapped 30 40 km west of the GAB boundary in the Barcaldine Spring Complex. The proponent concludes (based on satellite imagery) that these springs appear to be ephemeral and are not considered to be part of the EPBC listed community of native species dependent on natural discharge of groundwater from the GAB. However, the Committee suggests that:
 - a. the proponent confirms the EPBC status of these springs and the protected species which may utilise this habitat. A thorough spring survey should be undertaken to determine its potential EPBC and / or state listed status; and
 - b. the groundwater model should be revised to assess potential impacts to the springs from potential faulting and interconnectivity.
- 6. <u>Surface Groundwater Connectivity</u>: The proposal is predicted to impact surface groundwater connectivity, where losses are predicted in Beta Creek (approximately 1 ML/day), Tallarenha Creek (approximately 0.2 ML/day) and Saltbush Creek (approximately 0.1 ML/day). The Committee notes that the watercourses located on the project site are considered to be losing streams and that the depth to the water table at the project site is between 20 60 m. The regional water table has a minimum depth of 10 m along drainages, increasing to the order of 100 m beneath the Clematis Sandstone ridge. As a result the Committee considers that:
 - a. subsidence may have the potential to alter surface groundwater connectivity as cracking of between 2.5 – 20 mm adjacent to the chain pillars is predicted where the distance between the surface and the underground mining operations is less than 180 m; and
 - b. it is highly probable that this fracturing will have surface expression over a significant portion of the proposed mine resulting in increased surface water loss to the groundwater as well as increased recharge. The proponent states that the surface stratigraphy is self-healing to tensile surface fracturing and will readily infill; however this has not been validated.
- 7. <u>Void Management</u>: The proponent proposes to undertake final void modelling to establish the required parameters for long term stability and water quality in the final voids at some stage during the life of the mine, with a Final Void Plan to be developed prior to completion of mining in the first pit. The Committee notes that:
 - a. it has consistently advised that backfilling of voids is best environmental practice;
 - b. in its advice on the adjacent Kevin's Corner proposal (EPBC Act Reference no. 2009/5033), the Committee noted that toxicants (associated with overburden placed into out-of-pit emplacement areas for the first two years of mining) are predicted to remain on site, migrating towards the

Kevin's Corner and Alpha final voids. However, a detailed assessment is needed to determine potential impacts from the overburden that will be placed in-pit behind the active mining strip; and

- c. a detailed assessment should also be undertaken to reduce the uncertainty about the potential for lateral flow of water from the final voids and the resulting impacts on groundwater quality. Modelling of final void water quality is also required.
- 8. <u>Subsidence</u>: Cracking of between 2.5 20 mm adjacent to the chain pillars is predicted by the proponent, where the distance between the surface and the underground mining operations is less than 180 m. This modelling was developed using values based on empirical studies in the Southern Coalfield of New South Wales. However, this region is not necessarily representative of the geological conditions in other regions. A larger database of empirical data is required to provide a greater degree of certainty in results from different coal environments.

Subsidence and associated mitigation measures are also likely to alter water quantity and quality and vegetation communities towards species which can tolerate more frequent inundation. Specifically:

- a. subsidence has the potential to alter surface-groundwater connectivity. As noted above (see 6. above), it is highly probable that fracturing will have surface expression over a significant portion of the proposed mine resulting in increased surface water loss to the groundwater;
- b. it is stated by the proponent that surface stratigraphy is self-healing to tensile surface fracturing and will readily infill; however no supporting evidence has been provided to support this claim; and
- c. there is insufficient evidence to substantiate the effectiveness of proposed mitigation measures at the site.
- 9. <u>Groundwater Dependent Ecosystems (GDEs)</u>: Changes to hydrology may also impact vegetation community composition at the site. For example, inundation regimes may adversely impact Matters of National Environment Significance (MNES) (e.g. Black Throated Finch) in the area. Due to the cumulative reduction in catchment area from this proposal and others (i.e. South Galilee, Alpha and Kevin's Corner proposals), the proponent's assessment concludes that areas inundated will be reduced. The Committee considers that further information is needed to determine potential impacts from the proposal, such as site species tolerances to inundation regimes and implications for MNES.
- 10. <u>Bimblebox Nature Reserve</u>: The project is predicted to have an adverse impact on the approximately 8,000 ha Bimblebox nature reserve. The Bimblebox nature reserve is listed under Schedule 5 of the Nature Conservation (Protected Areas) Regulations 1994 and is part of the National Reserve System. As part of this proposal, 4,017 ha (approximately 50 %) would be cleared for the open cut mines and associated infrastructure and 3,422 ha has the potential to be impacted by subsidence. The Committee's advice examines water related matters and therefore notes that *Melaleuca tamariscina* populations located within the Lambton Meadows and Glen Innes properties (making up the Bimblebox nature refuge) are considered GDEs and are likely to be adversely impacted by clearing, drawdown and subsidence. There was insufficient information to determine the significance of the population in relation to species viability.
- 11. <u>Tailings disposal and potential acid forming material</u>: As geochemical testing of coal reject material has not been undertaken and approximately 7 % of overburden samples have the potential to be acid forming and generate significant acidity over time, the Committee considers that:
 - a. completion of static geochemical testing and a detailed tailings management plan is needed;
 - b. water management and monitoring strategies should be designed to take into account the results of kinetic testing of coal seam and overburden materials, noting that vegetation in the area is likely to be opportunistically reliant on perched aquifers; and
 - c. modelling undertaken for adjacent proposals predicts seepage from their tailings management strategy. The tailings management strategy should consider issues associated with the final void. The Committee suggests that the proponent's environmental management plan should be updated to reflect existing geochemical knowledge and should be revised to incorporate the results of the static and kinetic tests referred to above.
- 12. Regional Groundwater Model: The proponent's environmental management plan also proposes

Environmental Authority Conditions for the development. In relation to groundwater, the Committee notes that issues associated with cumulative drawdown impacts have been included as part of the Queensland Coordinator-General's conditions for the other nearby projects, which are also of relevance to this proposal (see also 4. above). The Committee has suggested the development of a regional groundwater model for the Galilee Basin. The Committee considers that the proposal incorporates:

- a. additional groundwater quality monitoring locations which reflect the mine site infrastructure and materials handling arrangements;
- b. trigger levels for groundwater drawdown and pressure; and
- c. periodic monitoring of the full suite of potential metal contaminants.

The location of monitoring sites should not be finalised until issues relating to the GAB boundary / Rewan Formation noted above are resolved and the risks to groundwater quality associated with the exposure, handling and storage of Potential Acid Forming material are known.

Question 2: Review the supplementary information on surface water (particularly Appendices 19, 22, 24, 25, 26, 36 and 42) and provide advice on whether all significant impacts have been identified and the adequacy of proposed mitigation, management measures and commitments. The State has a specific interest in the proposed mine water management system, creek diversion proposals, flooding, subsidence management, tailings management and ongoing management of water quality.

The Committee recommends that the SEIS should address the points outlined below.

- 13. <u>Site water balance</u>: The site water balance predicts that, with the inclusion of an external 2,500 ML/a of raw water source, the mine would be able to meet mine water demand in most years even under dry (10th percentile) conditions. It is also predicted that sediment dams not containing mine affected water would discharge approximately 20 to 25 percent of operating years. The Committee does not consider that the water balance for the proposed project is adequate and suggests that:
 - a. the model should be revised to consider: updated geochemistry results from the Waste Rock, Rejects and Tailings Report; groundwater modelling data; assurance that all mine affected water is contained on site up to the 1:1,000 year average recurrence interval event; accounting for, and modelling seasonal water demand and discharge scenarios, and; clearly identifying the volume of raw water required to maintain planned operations, as well as discharge volumes;
 - b. flow gauging should be undertaken on Lagoon Creek and these results should be used to verify or update the rainfall-runoff relationship in the model; and
 - c. following revision of the site water balance, a sensitivity analysis should be conducted.
- 14. <u>Adequacy of sampling</u>: Baseline water quality monitoring undertaken is inadequate to determine statistically significant temporal variation. Specifically:
 - a. a number of sites were only sampled once, and three of the sites sampled in 2012 were sampled twice;
 - given the ephemeral nature of receiving waterways, reporting of results according to flow conditions is needed to provide a comprehensive understanding of baseline conditions against which to set water quality objectives and discharge criteria; and
 - c. the aquatic ecology monitoring strategy did not specifically target all relevant species (e.g. MNES, such as migratory birds which may utilise waterways within the region) although it is acknowledged that a wider survey was conducted as part of the fauna sampling program.
- 15. <u>Discharges</u>: Discharges have the potential to impact hydrology and water quality within the region, as the proponent predicts that releases would occur in approximately 25 percent of years. However, there is uncertainty about the method of disposal of excess water from site. The proponent should:
 - a. provide a clear plan for discharge of water from the site, which states the method of discharge and discharge scenarios for each method; and

b. if irrigation is proposed, the location, volume and quality of irrigation water should be identified and an assessment of the impacts on water quality, particularly salinity, should be conducted prior to approval of the project.

Changes to hydrology and water quality may result in changes to ecosystems which can tolerate periodic inundation and/or degraded water quality. The proponent acknowledges the need to develop local water quality objectives for the proposed project. In the interim, the proponent proposes to adopt the interim water quality objectives used by the adjacent Alpha Coal mine. The Committee considers that the use of these interim water quality objectives is adequate for the most part, while site-specific objectives are being developed. In particular pH, total suspended solids (TSS) and Ammonia parameters should be revised as these do not appear to be based on 20th and 80th percentile data. The site-specific objectives should be developed with consideration of the comments made above in relation to the adequacy of the baseline sampling program.

Nominated trigger levels for investigation are not appropriate for receiving waterways. The Committee suggests that:

- median levels for water quality parameters for stressors should not exceed the relevant 80th percentile values of reference data for the appropriate discharge. The median release water quality for toxicants should be sufficient to protect 95 % of species, consistent with ANZECC 2000 guidelines;
- d. if water quality parameters are unable to be met water should be retained on site, such as in proposed dams or temporarily stored in open-cut pits, and treated to levels that allow discharge with no or minimal environmental risks; and
- e. baseline monitoring should also be undertaken daily after an event, for a minimum of the first seven days, to help determine water quality parameters of first flush events.
- 16. <u>Creek diversions</u>: Three creeks are proposed to be diverted as part of the proposal. However, the proponent states that the level of detail is not considered sufficient for diversion licensing purposes, but provides a functional design to demonstrate proof of concept. Further detailed design will be undertaken through the diversion licensing process and mine design. Specifically, three options for diversions were presented and the environmental management plan appears to have finalised the preferred option. Clarification of the proposed diversion is required.

The proposal is predicted to impact water quality by changes to stream power, velocity and shear stress. These parameters exceed the former Queensland Department of Environment and Resource Management's (DERM's) hydraulic design thresholds, however, the diversion and flooding report predicts that exceedances are associated with the straight section of the diversion within the infrastructure corridor. The Committee considers that:

- a. where stream power is increasing, this has the potential to increase erosion in some areas (especially in areas affected by subsidence), which may reduce channel capacity and increase floodplain inundation and frequency; and
- b. this could also affect community composition towards species which can tolerate periodic inundation.

In addition, monitoring is proposed to be undertaken throughout the life of the project. Specifically baseline monitoring will be conducted for a minimum of 12 months prior to construction to assess the performance requirements for operations and relinquishment monitoring. Baseline monitoring will include the establishment of control reaches for the diversions to determine if changes in the diversion are a result of isolated processes or an event affecting the whole stream system. The proposed monitoring approach should ensure that there is sufficient monitoring data to determine spatial and temporal variability, for example a minimum of 24 months (minimum monthly data) of monitoring as discussed above.

<u>Flooding</u>: Subsidence and creek diversions have the potential to impact hydrological regimes. Changes to hydrology may impact vegetation community composition at the site, specifically from altered inundation regimes. However, an assessment of potential impacts to vegetation communities does not appear to be provided. The flooding assessment from the adjacent Kevin's Corner proposal concludes that areas inundated for more than 96 hours will be reduced due to the Alpha and Kevin's Corner proposals, as the catchment area is reduced. The Committee considers that further information is required to determine

potential impacts from the proposal, such as site species tolerances to inundation regimes.

<u>Bioregional Assessments</u>: The Committee notes that the Galilee Basin has been identified as a priority sub-region for completion of the Lake Eyre Bioregional Assessment. Given that the proposal is located within this region, the Committee considers that data and relevant information from this project should be made accessible for these Bioregional Assessments.

Date of advice	24 May 2013
Source documentation available to the Committee in the formulation of this advice	Engeny Water Management, 2012. Galilee Coal Project SEIS Technical Report: Enviornmental Values Identification for Galilee Coal Mine. Prepared for Waratah Coal Pty Ltd.
	Engeny Water Management, 2012a. Galilee Coal Projects SEIS Technical Report: Mine Site Water Management System. Prepared for Waratah Coal Pty Ltd.
	Engeny Water Management, 2012b. Galilee Coal Projects SEIS Technical Report: Surface Water Impact Assessment of Longwall Mining Subsidence. Prepared for Waratah Coal Pty Ltd.
	Engeny Water Management, 2012c. Galilee Coal Projects SEIS Technical Report: Mine Site Creek Diversion and Flooding. Prepared for Waratah Coal Pty Ltd.
	GHD, 2012. Galilee Coal (China First) Project SEIS: Aquatic Ecology and Water Quality Monitoring Study. Prepared for Waratah Coal Pty Ltd.
	GHD, 2012. Galilee Coal (China First) Project SEIS: Subterranean Fauna Survey. Prepared for Waratah Coal Pty Ltd.
	GHD, 2012. Galilee Coal (China First) Project SEIS: Water Quality Monitoring Program. Prepared for Waratah Coal Pty Ltd.
	Heritage Computing Pty Ltd, 2013. Galilee Coal Project Groundwater Assessment. Prepared for Waratah Coal Pty Ltd.
	Waratah Coal Pty Ltd, 2012a. Draft Environmental Management Plan (EM Plan) Mine: China First Coal Project – Galilee Basin.
	Waratah Coal Pty Ltd, 2013a. Updated Cumulative Impact Assessment: China First Coal Project – Galilee Basin.
	Waratah Coal Pty Ltd, 2013b. Longwall Mining Subsidence Report: China First Coal Project – Galilee Basin.
References cited within the Committee's advice	¹ Information Guidelines for Proposals Relating to the Development of Coal Seam Gas and Large Coal Mines where there is a Significant Impact on Water Resources available at: <u>http://www.environment.gov.au/coal-seam-gas-mining/project-advice/pubs/iesc- information-guidelines.pdf</u>
	CSIRO, 2013. Great Artesian Basin Water Resource Assessment available at: http://www.csiro.au/Organisation-Structure/Flagships/Water-for-a-Heathly-Country- Flagship/Sustainable-Yeilds-Projects/Great-Artesian-Basin-Assessment.aspx