

4 September 2003

**GENERAL PURPOSE STANDING COMMITTEE NO.5**

**QUESTIONS TAKEN ON NOTICE DURING HEARING**

**1. Mr Cohen asked the Minister for Mineral Resources, the Hon Kerry Hickey MP-**

In relation to a mining exploration licence covering the Pilliga group of State Forests – PEL238 – south of Narrabri, what efforts has the Department of Mineral Resources made to require the mining company to rehabilitate the damage? (Hansard pg10)

**ANSWER:**

The Department directed the Leaseholder to prepare a detailed Environmental Management Plan (EMP) for its coalbed methane exploration operations in PEL238

The Environmental Management Plan (EMP) has been received and reviewed by the Department in collaboration with State Forests. The EMP was to include details of rehabilitation of the drill sites. Works to reduce the footprint of the drill sites continues. State Forests has recommended that natural revegetation has a greater likelihood for success than planting tubestock.

**2. Mr Cohen asked the Minister for Mineral Resources, the Hon Kerry Hickey MP-**

- (a) (i) Did your department refuse to provide the public with copies of environmental studies conducted so far in PEL238?
- (ii) If so, did you agree with this?
- (b) (i) Will the environmental studies conducted become publicly available?
- (ii) If so, when? (Hansard pg15)

**ANSWER:**

- (a) (i) No. Copies of the Environmental Studies are available under the Freedom of Information Act.
- (ii) This action occurred prior to my appointment as Minister for Mineral Resources
- (b)
- (i) & (ii) All environmental studies conducted for this project over the past 5 years have been made available to the public through the display of the Reviews of Environmental Factors at Narrabri Shire Council. Other documentation could be made available to the public through a request in accordance with the *Freedom of Information Act 1989*.

**3. Mr Cohen asked the Minister for Mineral Resources, the Hon Kerry Hickey MP-**

- (a) Why is the Government supporting an open-cut coalmine policy that will destroy most of the Leard State Forest north of Gunnedah rather than in the new National Park?
- (b) Are you aware that the State Forest is home to nine threatened animal species?
- (c) What is your role in terms of oversight of the coal mining industry?
- (d) What is the Government doing to reduce its dependence on greenhouse generating energy sources such as coalmining?
- (e) Are you mindful of that in terms of your activities with the coal mining industry?

**ANSWER:**

- (a) The Government supports sustainable development of the State's natural resources. The area referred to has been assessed accordingly by the Resources Assessment and Conservation Council (RACAC).
- (b) The resource area was assessed by RACAC and should a coal mine development proceed, the Government's environmental assessment process of threatened species will be followed rigorously.
- (c) As Minister for Mineral Resources, I am responsible for ensuring that the people of New South Wales benefit from the responsible assessment, development and management of the mineral resources in this State.
- (d) & (e) This question relates to the portfolio of my colleague, the Hon Frank Sartor MP, Minister for Energy and Utilities.

**4. Mr Cohen asked the Minister for Mineral Resources, the Hon Kerry Hickey MP-** In relation to World Heritage rainforest parks. (Hansard, pg17)

- (a) How many of those areas are subject to mineral exploration leases?
- (b) Can you detail:
  - (i) Each area subject to a mineral exploration lease?
  - (ii) The type of lease each area is subject to?
  - (iii) Who holds each lease?
  - (iv) How long is each lease expected to last?

**ANSWER:**

- (a) One
- (b)(i) Parts of the Greater Blue Mountains World Heritage Area are subject to exploration leases.
- (ii) Parts of four adjacent coal exploration licences have boundaries which overlap with the Greater Blue Mountains World Heritage Area. The exploration licences existed prior to the establishment of the World Heritage Area. Exploration has not and will not occur within this area or any other World Heritage Area in New South Wales. The Department is amending its processes to ensure that the boundaries of exploration leases do not overlap with World Heritage Areas.
- (iii) The Department of Mineral Resources is the holder of the coal exploration licences.
- (iv) The four licences have varying expiry dates up to and including 30 August 2008. The licences may be renewed past their current term. The licences will not be renewed over any areas within the World Heritage Area.

**5. Mr Cohen asked the Minister for Mineral Resources, the Hon Kerry Hickey MP-** In relation to the arsenic recovery management. (Hansard pg17)

- (a) How many abandoned or derelict arsenic mines are there in New South Wales?
- (b) What measures are being undertaken to protect the public from exposure to and/or contact with arsenic crystals that remain at derelict arsenic mines, particularly in the New England region?

**ANSWER:**

- (a) Eight.
- (b) Improving public safety is the primary aim of the Derelict Mines Program.

In addressing safety hazards, conflicts may occur between land uses, perception of the nature of degree of the hazard and the values represented by the mine sites. Measures taken to reduce safety risks are similar to the standard practice of operating mine salts. In the New England region, the Department of Mineral Resources is reducing the risk to the public from arsenic by removing or encapsulating the risks. When this is not possible, risk to public health and safety is reduced by the placement of warning signs and man proof fences.

**6. Mr Cohen asked the Minister for Mineral Resources, the Hon Kerry Hickey MP-**

- (a) What is the department doing to facilitate and prioritise exploration and mining for coal-seam methane and coal on cleared land, rather than vegetated land, in the Brigalow Belt Bioregion?
- (b) What percentage of high-potential coal and coal-seam methane has been identified on cleared land?
- (c)(i) Is all current exploration for coal and coal-seam methane occurring on vegetated land in the Brigalow Belt southern Bioregion?
- (ii) If not, what exploration is occurring on cleared land, and what percentage of total exploration in the region does this represent? (Hansard pg19)

**ANSWER:**

- (a) Exploration for coal and coal seam methane is undertaken on both cleared and vegetated land in all areas of the State. These activities can only be conducted within Government approved and regulated titles. The location and intensity of these activities is determined initially by natural geological factors rather than surface landforms and vegetation. Regardless, all proposed exploration work that may disturb surface vegetation, must be reviewed and approved by the Department of Mineral Resources prior to commencement. The Department requires any company intending to undertake exploration activities with a potentially significant surface impact, must prepare a report which details:
  - The nature and potential impact of the proposed work,
  - A review of the existing environment with a particular emphasis on areas of environmental sensitivity; and
  - A program of activities to prevent and minimise damage to the environment.

Exploration on cleared or disturbed land will require a lesser degree of environmental impact assessment compared to vegetated land with higher conservation values. This provides companies with an operational and financial incentive to concentrate on cleared lands where possible. This is not possible in some instances where forested lands and mineral resources co-exist.

If, as a result of these activities, commercial deposits of coal or coal seam methane are discovered, the approval to mine these resources is subject to the Development Consent process, as required under Part 4 of the Environmental Planning and Assessment Act. Development Consent must be granted before a mining lease can be issued.

- (b) In September 2002, the Department of Mineral Resources completed an assessment of the mineral and petroleum resources and potential of the Brigalow Belt South Bioregion (the Bioregion). This project was undertaken for the Resource and Conservation Assessment Council (RACAC) as part of the regional assessments of western New South Wales.

This assessment reviewed the resource in relation to specific land categories such as national parks and state forests. The following analysis provides a useful guide. The area with high coal seam methane potential within the Bioregion represents approximately 1.8% of the total amount of land. Of this, 1.4% is located outside state forests. The area with high coal potential within the Bioregion represents approximately 12% of the total amount of land. Of this, 11% is located outside state forests. A significant proportion of these coal resources can only be recovered by underground methods.

- (c)(i) No.
- (ii) Exploration for coal seam methane constitutes approximately half of the total investigations for coal seam methane in the Brigalow Belt.

**7. Mr Cohen asked the Minister for Mineral Resources, the Hon Kerry Hickey MP-**

- (a) Is there limestone mining and coal powered development for industrial limestone at Galong near Yass
- (b) In relation to noxious gases from the kiln processing the limestone, particularly the impact of the mining operation on local occupiers or residents, what interest does your department take in relation to that type of operation?

**ANSWER:**

- (a) Yes. I am informed that an Environmental Impact Statement has been lodged in support of a development application for the proposal. I am also advised that the project has been determined to be of State Significance and therefore my colleague the Minister for Infrastructure, Planning and Natural Resources is the determining authority.
- (b) The Department of Mineral Resources has a statutory obligation to ensure the safe operation of mines and related facilities on Mining Leases. Through its contribution to the planning and approvals process, it ensures that appropriate measures are in place to minimise the environmental impact of mining operations. It also requires adequate securities to be held to ensure the site is progressively rehabilitated to an acceptable standard.

The Environmental Protection Authority has responsibility for air quality standards at processing sites.

**8. Mr Cohen asked the Minister for Mineral Resources, the Hon Kerry Hickey MP-**

- (a) Can you tell the Committee the sum paid to the Government by Barrick Gold as an environmental bond for the Lake Cowal gold project?
- (b) Is this amount sufficient to rehabilitate the site quality and potential environmental damage resulting from the mine or its operations?
- (c) How much in-kind support, direct or indirect subsidy has the Government provided to the Lake Cowal gold project? (Hansard pg17)

**ANSWER:**

- (a) \$12 million is required as an environmental bond for the Cowal gold project. \$250,000 was lodged prior to the grant of the mining lease on 13 June 2003. The remaining \$11,750,000 is required to be lodged prior to the commencement of any construction activities.
- (b) The environmental bond of \$12 million will be reviewed on lodgement of the mining operations plan required under the conditions of the mining lease. This bond will be regularly reviewed during the term of the mining lease. These reviews will occur under the process of assessing the annual environmental management report which is required to be lodged by the company under the conditions of the mining lease.
- (c) The Government has provided no “direct or indirect subsidy” or special “in-kind support” to the Cowal gold project.