

Fertile areas face open-cut threat

- Paul Cleary
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Stuart, Megan and Lachlan Andrews in the small town of Bylong in NSW face losing their farm to coal mining companies. Picture: Jeremy Piper *Source: The Australian*

WEDGED between the coalfields of Singleton and Mudgee in NSW is a gentle spread of productive farm land called the Bylong Valley.

It is the home of thoroughbred horse-breeders and Tarwyn Park, one of Australia's best-known example of sustainable agriculture.

Beneath the valley floor are rich and shallow coal deposits that can easily be extracted with open-cut mining, which is made all the more attractive because already there is a railway line running along the edge of the valley that links a coal mine to the Newcastle export hub.

Like so many other rich agricultural regions in NSW, Bylong is now covered by exploration leases issued by the former Labor government is a desperate bid to rake in revenue.

Figures from the NSW Department of Industry show that mining leases now cover 47 per cent of the state, compared with 21 per cent in neighbouring Queensland. The former Labor government issued 52 per cent of the state's 534 coal leases and 87 per cent of the 62 petroleum leases. The government had issued many more leases that have since lapsed.

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Cattle farmer Stuart Andrews despairs at the thought of having to leave his farm and lose the benefit of the backbreaking work he and his father Peter have put into Tarwyn Park. As he casts his arm across the valley, he says: "All of this a mine. If it is turned into coal it will be gone."

With Australia now focusing more on food security, Stuart says his farm is so productive that it could be farmed intensively to produce fruit and vegetables. Managed properly, it could be viable for 1000 years, instead of being sacrificed for short-term profit, he says.

Peter Andrews is a guru of sustainable agriculture who has turned the over-grazed and degraded country into lush, productive farm land without the benefit of irrigation or chemicals -- and by letting weeds grow.

He says that Australia has become "mining mad".

He fears that mining in the valley will affect river catchment because the local rivers, the Goulburn and Wollemi, run through the leases and flow into the Murray-Darling system.

The mining lease covering Tarwyn Park is controlled by Kepso, a Korean company, but the exploration work is being carried out by local operator Cockatoo Coal.

It is not certain that the Andrews's farm will be mined, but it looks very likely that the Andrews family would soon be looking across the valley at an open-cut coal mine based at the foot of the sandstone cliffs of Mt Penny.

The ambitious plans of miners are turning farmers like Stuart into political activists. He is a key member of the Bylong valley's protection alliance, and other similar groups are springing up all over the state.

Stuart worries about the impact of dust on his family, given the growing evidence of dust-related illnesses in coalmining areas. He says this may force him and others in the valley to leave their farms. "Who else is going to want to come here?" he asks.

Wayne Smith, director of environmental health in the department, tells Inquirer that the evidence so far indicates that rates of asthma appear to be slightly higher in the region, but other health indicators are in line with or lower than other rural areas.

The NSW government is installing a network of 14 dust monitors in the Hunter Valley following strong community action.

Some residents and experts fear the government is measuring the wrong particles, as only three of them will test for ultra-fine particles known as PM2.5 (or 2.5 microns).

Smith, whose father was a coalminer in the region, says overseas evidence suggests that ultra-fine particles are the ones that have more serious health consequences. He said the monitoring system did not extend to PM2.5 because Australia does not have guidelines on safe levels.

"There are developing guidelines for PM2.5. There is some evidence from overseas that the smaller the particle, the greater the potential for worse health

effects. That is not conclusive evidence, but there is enough there for people to say 'yeah this is probably an issue and you probably should be measuring smaller particles'," he said.

Saying goodbye to Bylong may be repeated across the state given the extent of mining exploration and development now under way.

Further north are the blacksoil Liverpool Plains which are believed to have greater many times the coal reserves of the Hunter region. As one local put it, if the Hunter's coal resources are the size of a 20c coin, then the Liverpool Plains are the size of a dinner plate.

Around the Liverpool Plains centre of Gunnedah, China's Shenhua Energy Company is believed to have spent about \$90 million buying land from more than 20 owners.

The NSW Coalition told locals during the election campaign that the mine would not proceed without further rigorous assessment against water resources and land-use policy.

Sixth-generation farmer Tim Duddy, who ran as an independent in the seat of Upper Hunter and got 19 per cent of the vote, says the efforts of his Caroon Coal Action Group have forced the Coalition to "give some rather strong undertakings".

Duddy has a BHP lease covering the property owned by his family since the 1830s, and could look across the valley to the Shenhua development.

Duddy believes the NSW government's audit of mining leases issued by the former government could find grounds to rescind exploration licences issued in the Liverpool Plains, even though this would involve disappointing some powerful vested interests.

But the people of the Liverpool Plains may soon have more to worry about than coal mines.

Petroleum exploration leases, that could facilitate coal-seam gas (CSG) production, cover 29 per cent of NSW, stretching from Wollongong, south of Sydney, all the way north to the Queensland border.

These leases join CSG developments in Queensland that have spurred \$70 billion in investment.

The plans include drilling 40,000 production wells on farm land. Farmers in the state are up in arms about the chemicals used for "fracking" the coal seams under their land to release gas.

Duddy adds, however, that the locals are not opposed to the development because it is Chinese, although he says some were alarmed this week to see a Chinese flag flying outside Shenhua's head office in Gunnedah.

In Bylong, Australian-owned Cascade Coal's plans are at an advanced stage. The coal identified by Cascade appears to be extremely valuable. After Cascade paid \$1m to the NSW government for the exploration rights, it is now under a \$500m takeover bid by the stock exchange-listed White Energy, which hopes to complete the scrip offer next month.

One of the key shareholders in the company is the founder of RAMS home loans, John Kinghorn, who owns 12.5 per cent of the company.

Cascade executive James McGuigan, whose father John is a major shareholder of the company, fronted residents at the meeting in Bylong's community hall after White Energy had revealed plans for another three open-cut pits. The residents say they had been told of only one pit.

Residents told McGuigan and his environmental adviser that they had been misled. McGuigan declined to speak to Inquirer after he emerged from the meeting, but latter in a comment made via email he said that in addition to the first open-cut mine the company had identified four smaller areas that could be developed into "satellite mine areas".

Three of these would be open-cut and the fourth underground. He said under the exploration licence, the company was required to fully explore the area to determine its resource potential.

Residents say the coal under Mt Penny would require a lot of water to process it for export. They speculate that Cascade has been buying properties that have water rights for irrigation.

Local farmer Fiona Nevell says her property has lost its pure spring water as a result mining in the valley next to Bylong. "I think those people mucked up my water. It has all become sludge," she says.

Nevell says the spring had produced pure water since 1853, but in the past 18 months it had turned a brown colour with a high iron oxide content.

Asked if she had considered asking for compensation, Nevell says: "I'm a farmer -- we don't get compo."

McGuigan denies that the company had breached trust with residents and would continue to fully comply with its community consultation obligations.

Cascade claims the NSW government has said it has cleared all the hurdles to move to the "planning assessment and approval process". The property of interest was bought by Labor powerbroker Eddie Obeid's family through a company called Locaway in 2007 for \$3.65m. The company can now expect to reap a sum many times that figure should open-cut mining go ahead. There is no evidence that Cascade Coal and Obeid have any relationship.

Locaway is a \$2 company that has two shares, one held by Obeid's son Paul, the other by Obeid Corporation, which is also a two-share, \$2 company. The shares in Obeid Corporation are held by Paul and Obeid's wife Judith.

Obeid declined to answer any questions on the future of Cherrydale Park .

Two years after the Obeids secured the property, Cascade Coal obtained an exploration licence to look for coal around the sandstone cliffs of Mt Penny.

Inquirer tried to meet Obeid at his property recently but were told by two of his staff that "there are no Obeids here". On the property's impressive tree-lined driveway hangs a limp and tattered Australian flag amid gum trees -- a sad though appropriate symbol of the legacy of NSW Labor. It does not appear the Obeid's family has long-term plans for the property. While he recently purchased an \$8.5m waterfront property in Sydney, the house on the property is a humble shack. It looks as though it is waiting to be knocked down as soon as the coal mine is approved.