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HD Community anger over BHP coalmine plan

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BHP Billiton has revealed plans to build what is tipped to be the world's biggest underground coalmine beneath the fertile Liverpool Plains near Gunnedah, hardening local opposition to the project. The **mining** giant has kick-started the environmental approval process for the contentious Caroona thermal coalmine 40km southeast of Gunnedah, submitting documents to federal and state governments showing it could produce 10 **million** tonnes of thermal **coal** a year, or more than 5 per cent of Australia's current exports.

But the mine and a neighbouring **site** planned by **China** Shenhua have sparked opposition from farmers in the region, including Rod Grant, who accused the **mining** giant of misleading the town.

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The Liverpool Plains has the highest agricultural productivity in NSW and Continued on Page 4 Continued from Page 1 accounts for about \$280 million of agricultural production a year. BHP says it will protect water reserves and agricultural land in the area. If the mine goes ahead, it would bring in \$US700 million (\$750m) of export revenue a year, even at current depressed thermal coal prices.

Yesterday, farmers said they were surprised at the scale of the mine and raised further concerns about the potential impact on the region's water. Mr Grant, a farmer with two properties near the proposed mine, said he was shocked at its extent and how far under the floodplains it went. He said he was not opposed to **mining** outright but was concerned about the impact of such a huge development.

BHP's head of NSW thermal coal assets, Peter Sharpe, said environmental studies showed the proposed mine would not affect the alluvial irrigation aquifers essential for agricultural production in the area. "We will only mine at Caroona if we can satisfy the strict environmental requirements for each stage of assessment and show real benefits of the project for the economy and community." BHP has said it could start construction at Caroona in 2018 if government and board approvals were received, which would mean production would start in 2021. At a rate of 10 million tonnes a year Caroona would be by far the nation's biggest underground coalmine and potentially the world's biggest. The world's biggest mine, in Russia, produces 9 million tonnes a year.

There is a chance Caroona, even if it overcomes local opposition, would not be built by BHP, with the miner understood to have approached potential buyers or partners. Getting government approvals would substantially boost the value of the mine in any asset <a href="mailto:sale">sale</a>.

Not all locals are opposed to the mine. Gunnedah Chamber of Commerce president Anne Luke, said: "There is recognition in the business community that coalmining may well bring economic prosperity." Farmer Tim Duddy, who is chairman of the Caroona **Coal** Action **Group** and whose **property** is 700m from the proposed mine, said the community was alarmed by admissionsprivate bores would be affected.

CO bkhlp: BHP Billiton Ltd | bltplc: BHP Billiton PLC

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