

ASSESSMENT REPORT

NARRABRI COAL MINE Subsidence Management Modification (08_0144 MOD 1)

1 BACKGROUND

The Narrabri Coal Mine is located approximately 28 kilometres (km) southeast of Narrabri and 28 km northwest of Boggabri (see Figure 1). The mine is owned by Narrabri Coal Operations Pty Ltd (NCO), a joint venture in which Narrabri Coal Pty Ltd is the major shareholder (70% share). Narrabri Coal Pty Ltd is a wholly owned subsidiary of Whitehaven Coal Limited.

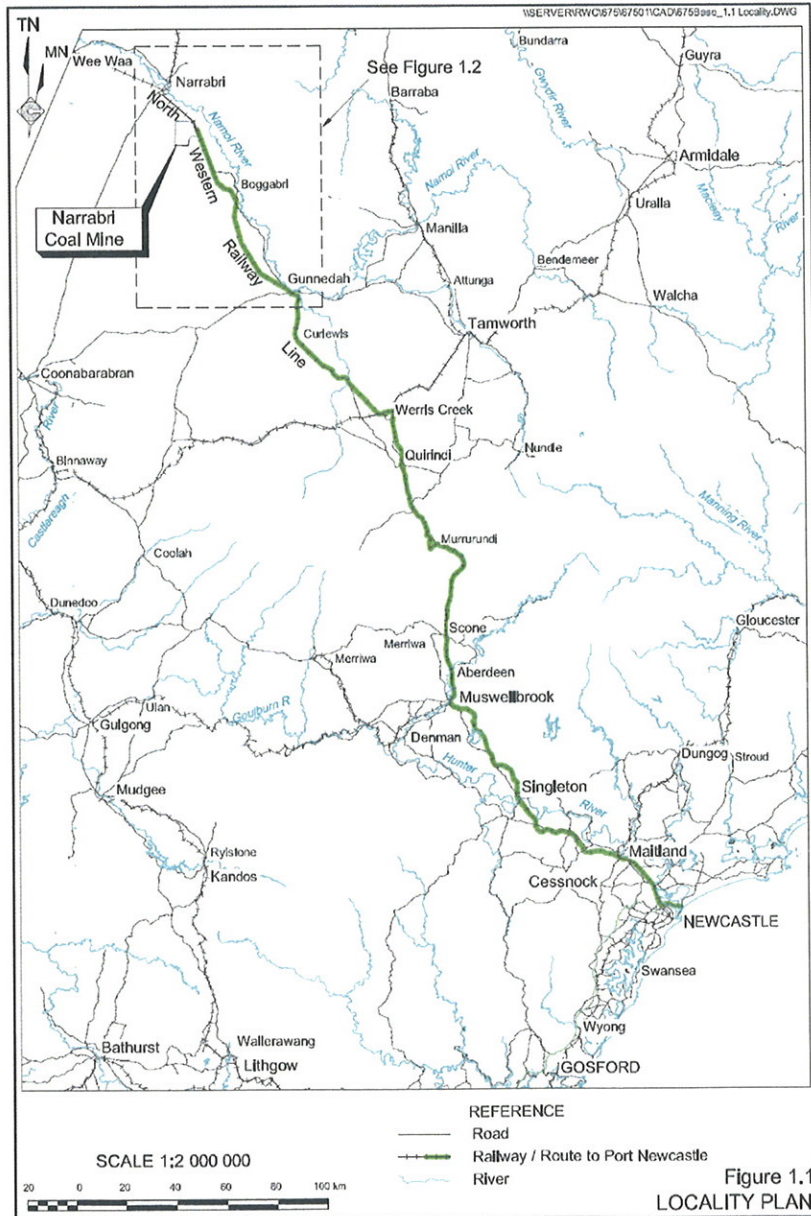


Figure 1: Regional location of the Narrabri Coal Mine

The mine operates under two project approvals These are the:

- Narrabri Coal Project – Stage 1 (05_0102), granted by the Minister in November 2007, which allows for the construction and operation of an underground coal mine (first workings only) and the extraction, processing and transportation by rail of up to 2.5 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal; and
- Narrabri Coal Project – Stage 2 (08_0144), granted under delegation from the Minister, in July 2010, which allows for an increase in the mine's production limit to 8 Mtpa and the use of longwall mining methods.

This second project approval is now the dominant approval at the mine, with the earlier approval due to be surrendered by July 2011. Coal production commenced at the mine in June 2010.

2 PROPOSED MODIFICATION AND PROJECT NEED

NCO has submitted a modification application under section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act). NCO proposes to modify its Stage 2 project approval (08_0144) by strengthening the requirements of underground coal Extraction Plans, to allow the Department of Industry and Investment NSW (I&I NSW) to remove certain requirements within the Narrabri mining lease for a Subsidence Management Plan (SMP). These requirements are proposed to instead be incorporated in the Extraction Plans.

3 STATUTORY CONTEXT

Part 3A

The project approval was granted under delegation from the Minister under Part 3A of the EP&A Act. Consequently, section 75W of the EP&A Act is the appropriate statutory provision under which this modification application can be determined.

Approval Authority

The Minister is the approval authority for the modification application. However, the Deputy Director-General, Development Assessment and System Performance (DASP) may determine the application under the Minister's delegation of 25 January 2010.

Modification

The proposed modification represents a minor change to the administration of the originally approved operations. The Department is satisfied that it can be treated as a modification of the project approval under section 75W of the EP&A Act.

4 CONSULTATION

The Department is not required to notify or exhibit applications under section 75W of the EP&A Act. Given the administrative nature of the proposed modification and that it would have no environmental impact, the Department did not exhibit the proposed modification. However, I&I NSW were consulted and provided with the draft notice of modification for review.

5 ASSESSMENT

The proposed modification is largely administrative in nature. It proposes to update the existing subsidence management conditions within the project approval so that the subsidence performance measures and Extraction Plans are expanded in scope so as to fully satisfy the subsidence management requirements of NCO's mining lease. NCO would then seek to amend the mining lease so that the lease's requirement to produce a SMP is removed.

The following data and predictions and sub-plans would be required to be included in Extraction Plans as a result of the modified conditions:

- current predictions of subsidence effects, impacts and environmental consequences;

- coal resource recovery plan;
- subsidence monitoring program;
- built features management plan;
- public safety management plan;
- water management plan;
- biodiversity management plan;
- heritage management plan; and
- land management plan.

The Department has also taken the opportunity to update the other subsidence management conditions within the approval to reflect the most recent management requirements, as well as establishing comprehensive performance measures relating to built features that may be affected by subsidence.

The modified conditions would not lead to any increase in environmental impacts resulting from the approved underground mining operations. In fact, there is a possibility that the new performance measure would lead to a reduction in impacts. At the very least, the new conditions (including the performance measures) would lead to development of more detailed management plans, improved reporting and closer management of impacts. All other aspects of the mine's operations and the associated impacts would remain unchanged.

The proposed revised conditions support contemporary policies and procedures for subsidence management. Additionally, the revised conditions would reduce regulatory duplication by reducing the number of key management plans required to be produced for the two Government departments with key responsibility for overseeing subsidence management (ie the Department of Planning and I&I NSW). The revised Extraction Plans are very similar to other recently approved underground coal mining projects (such as Ulan, Integra and Ashton), while still providing a focus on the individual values associated with Narrabri Coal Mine. The implementation of a consistent approach to subsidence management across the coal mining industry in NSW allows the Department and I&I NSW to provide a thorough and robust approach to the management and monitoring of subsidence impacts.

6 RECOMMENDED CONDITIONS

The Department recommends that the conditions for Narrabri Coal Mine are modified to require NCO to manage its underground mining operations under a full suite of contemporary subsidence management conditions, as set out in conditions relating to subsidence performance measures and Extraction Plans. These conditions have been reviewed and supported by I&I NSW and NCO.

7 CONCLUSION

The Department has assessed the modification application in accordance with the relevant requirements of the EP&A Act, including the objectives of the Act and the principles of ecologically sustainable development.

Based on this assessment, the Department considers that the proposed modification is consistent with the approved project. The assessment has found that the proposed changes to the approval would not generate any adverse environmental impacts, reduce regulatory duplication and lead to longwall mining operations taking place under the current best practice regulatory regime. Consequently, the Department is satisfied that the proposed modification is in the public interest and should be approved, subject to conditions.

8 RECOMMENDATION

It is **RECOMMENDED** that the Deputy Director-General, DASP, as delegate of the Minister:

- **consider** the findings and recommendations of this report;

- **determine** that the proposed modification falls within the scope of section 75W of the EP&A Act;
- **approve** the application under section 75W, subject to conditions; and
- **sign** the notice of modification Tagged A.

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