Part H – Project Justification

This part summarises the justification for the Project from an environmental, biophysical, social and economic perspective. An assessment of the Project ability to meet the principals of Ecologically Sustainable Development (ESD) is also made. IN addition the consequences of the Project not proceeding are also summarised.

31.0 Justification for Approval

31.1 Biophysical, Economic and Social Considerations

Pursuant to Schedule 2, Clause 7(f) of the EP&A Regulation, the Project is justified in terms of biophysical, economic and social considerations as described below.

31.1.1 Biophysical

An assessment of the potential biophysical impacts of the Project has been undertaken as provided in **Part F** of the EIS. Assessment of potential biodiversity impact has demonstrated that the Mine site is void of significant threatened biodiversity and the Project is unlikely to result in impacts to any listed species populations or communities. Assessment of potential surface and groundwater impacts identified that potential impacts would be minor and easily managed in accordance with current industry practices. Rehabilitation would be undertaken to return soils to a pre-mining state or to return them to a quality suitable for the proposed post mining land use in accordance with an approved Rehabilitation Management Plan. These plans would be prepared in consultation with relevant government and community stakeholders. Regardless rehabilitation measures recommended in the EIS would be implemented to maintain or improve the quality of soils across the Site following the completion of mining activities.

31.1.2 Economic

A detailed assessment was undertaken of the potential impact, both positive and negative that the Project may have on a local, regional, State and national scale. This assessment concluded that the economic benefits far outweigh any potential negative economic benefits. The Project would support the ongoing employment of approximately 375 full time positions (within the Hunter Region), contribute to a wide range of community funding, and contribute approximately $394 million (equivalent to 2013-14) to the Gross State Product.

31.1.3 Social

The existing Mine has a well-established relationship with the community of Singleton and surrounding areas. As the Mine has been operating since the 1990s, its ongoing operation into the future does not represent a significant new disruption to the community of Singleton or the wider Hunter Region. The Social Impact Assessment has shown that the Project would have negligible impact on social aspects such as employment opportunities, housing, the provision of social services or impacts to social infrastructure. In fact, the Mine would support the community through the provision of funding to the local community, environmental and education groups. With the operation of the proposed Mine Operations Plan and the progressive movement of mining away from the urban areas of Singleton, potential impacts on noise, air quality or other community aspects would be gradually reduced over time, whilst maintaining positive social benefits. For these reasons, the Project is justified from a social perspective.

31.2 Ecologically Sustainable Development

31.2.1 Precautionary Principal

The Precautionary Principle, in summary, holds that where there are threats of serious or irreversible environmental damage, the lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.

A precautionary and conservative approach to development of the Mine Operations Plan has been employed to avoid or minimise potential impacts to the environment and community, including the following:

- Identifying sensitive environmental and manmade (New England Highway) features of the Project area and avoiding impacts to these features where possible and otherwise implementing measures to minimise unavoidable impacts; and
- Implementing predictive noise and air quality models to identify potential impacts ahead of time allowing operations to be modified and impacts avoided where possible.

A detailed understanding of the issues and potential impacts associated with the Project has been obtained through consultation and assessment to a level commensurate with the scale of the Project, industry standards, the level of environmental risk and the legislative framework under which the Project is permitted. Specialist assessments, including the use of engineering and scientific modelling, have been undertaken to aid the design of the Mine and for impacts relating to, air quality (including GHG), noise and vibration, ecology, groundwater, surface water, biodiversity, Aboriginal heritage, European heritage, traffic, and visual to be understood. Assessment has also been undertaken for other issues, including social, economic, waste, hazards and land capability, rehabilitation and land use considerations. To this end, there has been careful and thorough evaluation undertaken in order to recognise the potential for and then avoid where possible, serious or irreversible damage to the environment. This is evidenced through the assessment of potential residual risk undertaken in **Section 27.0** which concluded a primarily low potential for residual risk following the implementation of Project management measures.

31.2.2 Intergenerational Equity

Intergenerational Equity is centred on the concept that the present generation should ensure that the health, diversity and productivity of the environment are maintained or enhanced for the benefit of future generations. There is a moral obligation to ensure that today's economic progress, which will benefit both current and future generations, is not offset by environmental deterioration.

The primary objective of the Project is to allow continued operation of mining and maintain the continuity of coal production from existing and proposed mining areas, optimising resource recovery for the life of mining in an environmentally and socially responsible manner. The engagement of suitably qualified and experienced consultants has ensured that the planning, design and environmental assessment phases of the Project have been transparent. The contents of this EIS (including appendices) has enabled the potential implications of the Project to be understood, and The Bloomfield Group has committed to management strategies, mitigation measures and monitoring activities to ensure potential impacts are appropriately minimised.

31.2.3 Biological Diversity and Ecological Integrity

The principle of Conservation of Biological Diversity and Ecological Integrity should be a fundamental consideration for development proposals. The potential environmental impacts of the Project, including upon ecological communities and habitat values, and measures to ameliorate these potential impacts are described within this EIS.

The Project has initially aimed to avoid and minimise potential impacts on ecological values during mine planning. A detailed ecological assessment undertaken for the Project in combination with the body of ecological knowledge obtained during the operation of the Mine over the previous 25 years was used to provide a high level of certainty regarding the ecological constraints of the Project area. The ecological assessment concluded that the Project is unlikely to have a significant impact on any listed species, population or ecological community. Further to provide for the ongoing sustainability of regional ecology, impacts to native vegetation would be compensated for through the acquisition of offset areas as well as through the rehabilitation of native vegetation at appropriate locations within the Project areas.

31.2.4 Improved Valuation and Pricing of Environmental Resources

The principle of Improved Valuation and Pricing of Environmental Resources is based on environmental factors being included in the valuation of assets and services. The cost associated with using or impacting upon an environmental resource is seen as a cost incurred to utilise that resource.

As the Project seeks approval for the continuation of an existing mining operation with established mining infrastructure, no significant draw on resources is required to enable to Project to proceed. Therefore there would be negligible impacts to the price and value of resources as a result of the Project proceeding.

In order to mitigate the potential impacts of the Project, including in relation to environmental resources such as agricultural land, The Bloomfield Group acknowledges and accepts the financial costs associated with all the measures required to avoid, minimise, mitigate and manage potential environmental and social impacts for the Project. For example, the cost of rehabilitation activities undertaken to minimise impacts to land resources following the completion of mining.

31.2.5 Climate Change and Greenhouse Effect

The EIS has undertaken a review of the Project in the context of the GHG that will be generated directly by Project activities and through the GHG generation from the use of coal in metallurgical and thermal applications. The Mine would be operated in accordance with an Energy Efficiency Management Plan that would drive a reduction in energy use in operations over time. With efficiency measures in place, the Mine would be operated in a manner that reduces GHG production to the extent possible.

Assessment of the potential GHG generation has been undertaken in relation to both direct and indirect emission sources from the Project. The coal resource and therefore overall mining activities are relatively small in size compared to other similar operations. The GHG assessment found that the contribution of GHG to both Australian and global emissions as a percentage of total emissions would be minor. Therefore the Project would have a minor impact on climate change and the greenhouse effect.

31.2.6 Conclusions on Project Sustainability

This EIS has provided a thorough assessment of the Project's potential environmental impacts and recommended measures to manage impacts to acceptable levels. Subject to the implementation of such measures, the assessment of the Project in accordance with the principals of ESD has concluded that the Project:

- Would be undertaken in a manner which affords due consideration to the biophysical, economic and social environment within which the Project would operate, at local, regional and national scales;
- Has appropriately considered and implemented the precautionary principal during planning to minimise and avoid where possible impacts on the environment and community;
- Has demonstrated that the Project is highly unlikely to result in inequalities between generations as a result of undue environmental impact, short term economic gain or a lack of appropriate management measures to prevent or minimise environmental impacts;
- Would not be undertaken in a manner that would result in impacts to biodiversity or ecology that would be significant or lead to a loss of integrity to flora or fauna such that significant impacts may occur;
- Would not be undertaken in a manner that degrades the pricing or valuation of resources by present day pricing, for example through the extensive use of certain resources or the impacts to access resources, or knowingly increases the costs of resources in the future; and
- Does not represent a significant contributor to global GHG emissions such that it could significantly impact the processes of climate change or the greenhouse effect.

Based on these findings the Project is considered to represent ESD that would not result in inequalities between present and future generations.

31.3 Consequences of Not Proceeding

If the Project were not to proceed the Mine would be required to cease resources extraction activities during 2019. Upon closure:

- The existing staff of 130 would be laid off;
- The Bloomfield Colliery staff at East Maitland would not have the opportunity to maintain their ongoing employment with The Bloomfield Group beyond the life of the Bloomfield Colliery, expected to close prior to 2020;
- Existing contractors and support businesses who represent an indirect workforce of approximately 375 full time positions would have their employment jeopardised due to lack of business;
- Taxes and royalties would cease being paid to the NSW Government; and

- Community (social, educational, environment, sporting etc) support programs currently in place and expected to continue for the life of the Project would no longer be funded.

31.4 Conclusion

This EIS has demonstrated that impacts from the Project can be suitably managed through the implementation of a range of management plans and with operations controlled to minimise impacts on the environment and community. Significantly, the Mine would build on its existing management system to minimise impacts for the duration of the Project. As the existing management system has demonstrated success to date, there is confidence that the proposed resource can be extracted in a manner which maximises benefits to the local and wider area as well as the State, while minimising potential impacts.