

ASSESSMENT REPORT

NEWSTAN COLLIERY

Administrative Changes Modification (DA 73-11-98 Mod 7)

1. BACKGROUND

Centennial Coal Fassifern Pty Ltd, a subsidiary of Centennial Coal Company Limited (Centennial), owns and operates the Newstan Colliery (Newstan), an underground coal mine located approximately 25 kilometres (km) southwest of Newcastle, within the Lake Macquarie local government area (see Figure 1).

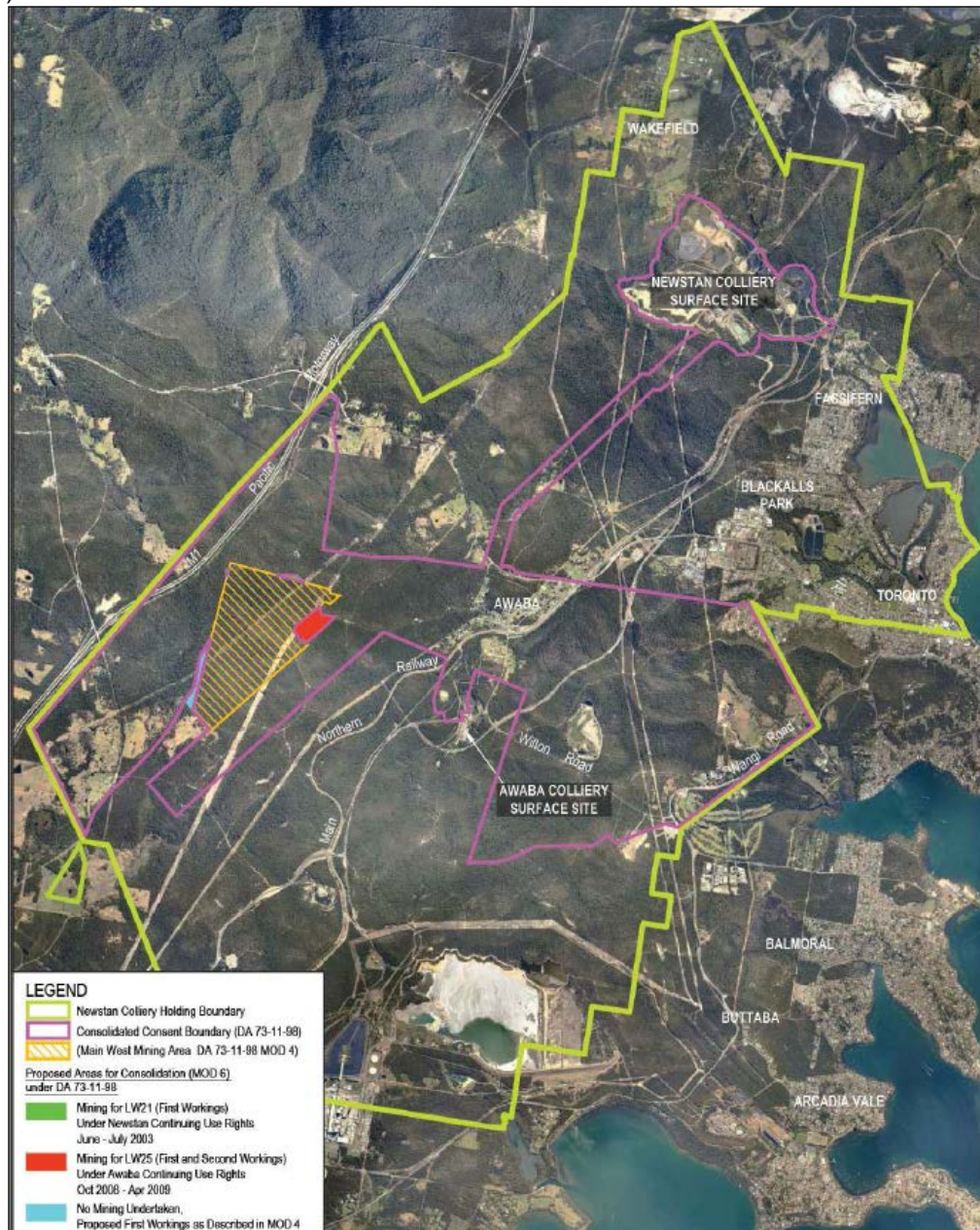


Figure 1: Location of the Newstan Colliery

Mining has taken place at Newstan in both the upper seams (Great Northern and Fassifern) and the lower seams (West Borehole, Borehole, Young Wallsend and Yard Seams) using a combination of bord and pillar, pillar extraction and longwall mining. Newstan produces thermal coal for export and domestic markets, along with smaller quantities of semi-soft coking coal for export.

Centennial was granted development consent (DA 73-11-98) for the Newstan Lease Extension Area on 14 May 1999 by the then Minister for Urban Affairs and Planning under Part 4 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). This approval enabled mining to continue within the existing mining areas as well as allowing expansion of the mine. The approved Newstan Colliery Lease Extension Area filled a major gap in approved coal extraction between the Newstan Colliery and the neighbouring Awaba Colliery lease areas.

This development consent has since been modified on six occasions, in:

- 2007, to allow for one additional longwall panel outside of the existing approved mining area and relocation of approved ventilation shafts, fans and associated service corridors;
- 2009, to facilitate road transport of coal from Mandalong Mine to Newstan for washing;
- 2010, to transport and wash 880,000 tonnes per annum of coal from Awaba Colliery, to accept coarse reject material from Mandalong Mine and to establish a 30,000 tonne emergency coal stockpile at the Newstan Colliery Services Site (NCSS);
- 2010, to allow first workings extraction of 3.2 million tonnes (Mt) of run-of-mine coal from the Newstan West Mining Area;
- 2012, to increase the amount of coal received by road from Mandalong Mine at the NCSS from 2 Mt to 4 Mt per annum and to allow transport of coal and coarse reject material from Awaba Colliery to Newstan; and
- 2013, to make minor adjustments to the development consent boundary to enable the extraction of an additional 60,000 tonnes of coal.

2. PROPOSED MODIFICATION

On 29 September 2015, Centennial Northern Coal Logistics Project (NCLP) was approved by the Planning Assessment Commission. The development consent boundary for the NCLP overlaps sections of the development consent area for DA 73-11-98 (see Figure 2). This overlap has resulted in several conditions of consent that are either duplicated or conflicting. Management of the NCSS is the matter most affected by duplicated or overlapping conditions (see Figure 2).

On 12 October 2015, Centennial lodged a modification application (DA 73-11-98 MOD 7) under section 75W of the EP&A Act. This modification application seeks to remove duplicated conditions and amend conflicting conditions, to ensure consistency with the consent for the NCLP. Centennial has reviewed the existing consent and proposed amendments for the Department's consideration. The proposed amendments remove references to the management of surface facilities at the Newstan surface site including noise monitoring, which is included in the NCLP.

This modification application was lodged shortly after determination of the NCLP and is a direct consequence of that determination. Centennial wishes to move quickly to remove duplicated conditions from DA 73-11-98 to enable the smooth and efficient operation and regulation of its affected activities, particularly at its NCSS.

3. STATUTORY CONTEXT

3.1 Section 75W

This application is a proposal to modify development consent DA 73-11-98. Under clause 8J(8)(c) of the *Environmental Planning and Assessment Regulation 2000*, DA 73-11-98 can be modified under section 75W of the Act (ie under the former Part 3A). The effect of section 75W for such consents is continued by transitional provisions found in clause 12 of Schedule 6A of the EP&A Act. The modified development consent would however remain a development consent under Part 4 of the EP&A Act.

3.2 Approval Authority

The Minister for Planning is the approval authority for the proposed modification. However, under the Minister's delegation of 16 February 2015, the Director Resource Assessments may determine the modification application, as no public objections were received, Lake Macquarie Council did not object to the proposal, and no political donations have been reported by Centennial.

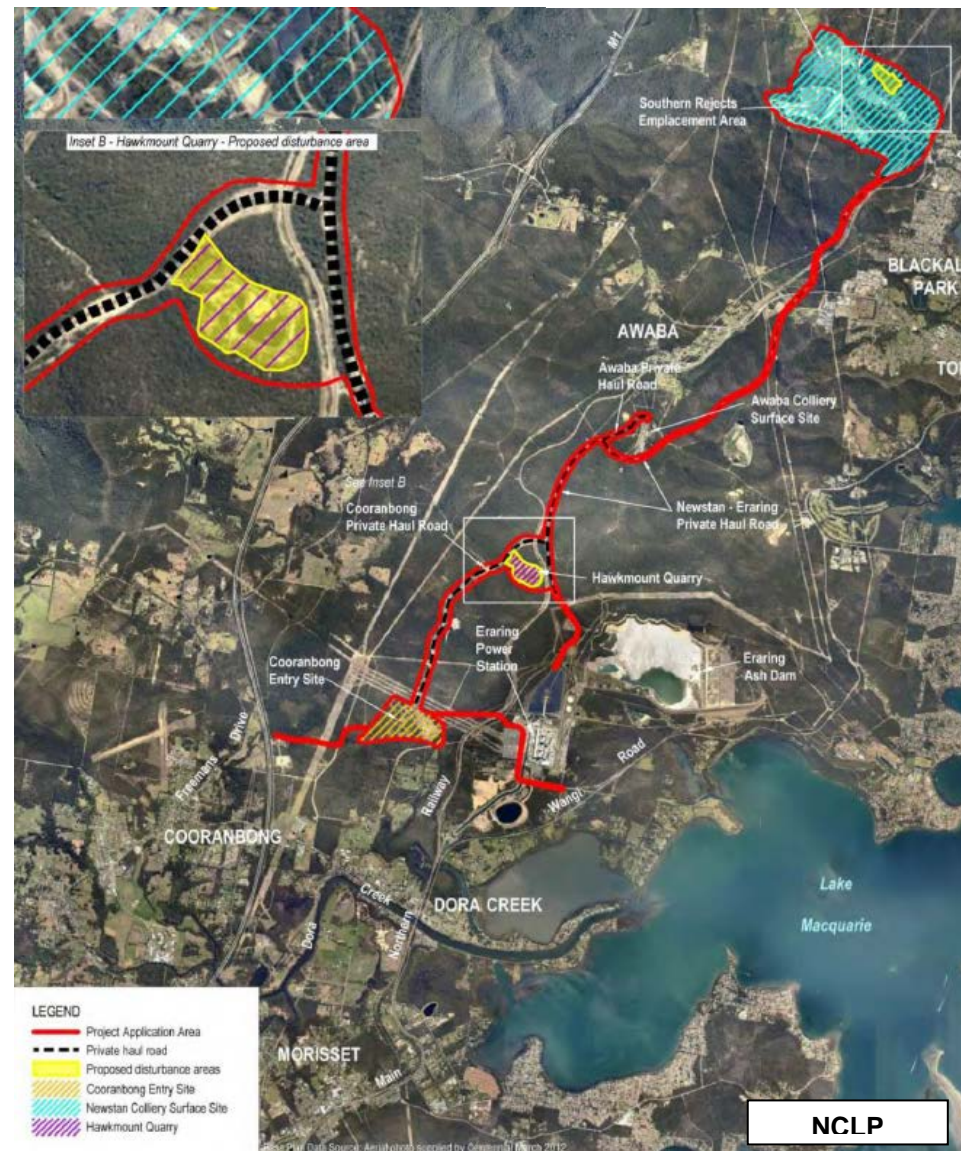
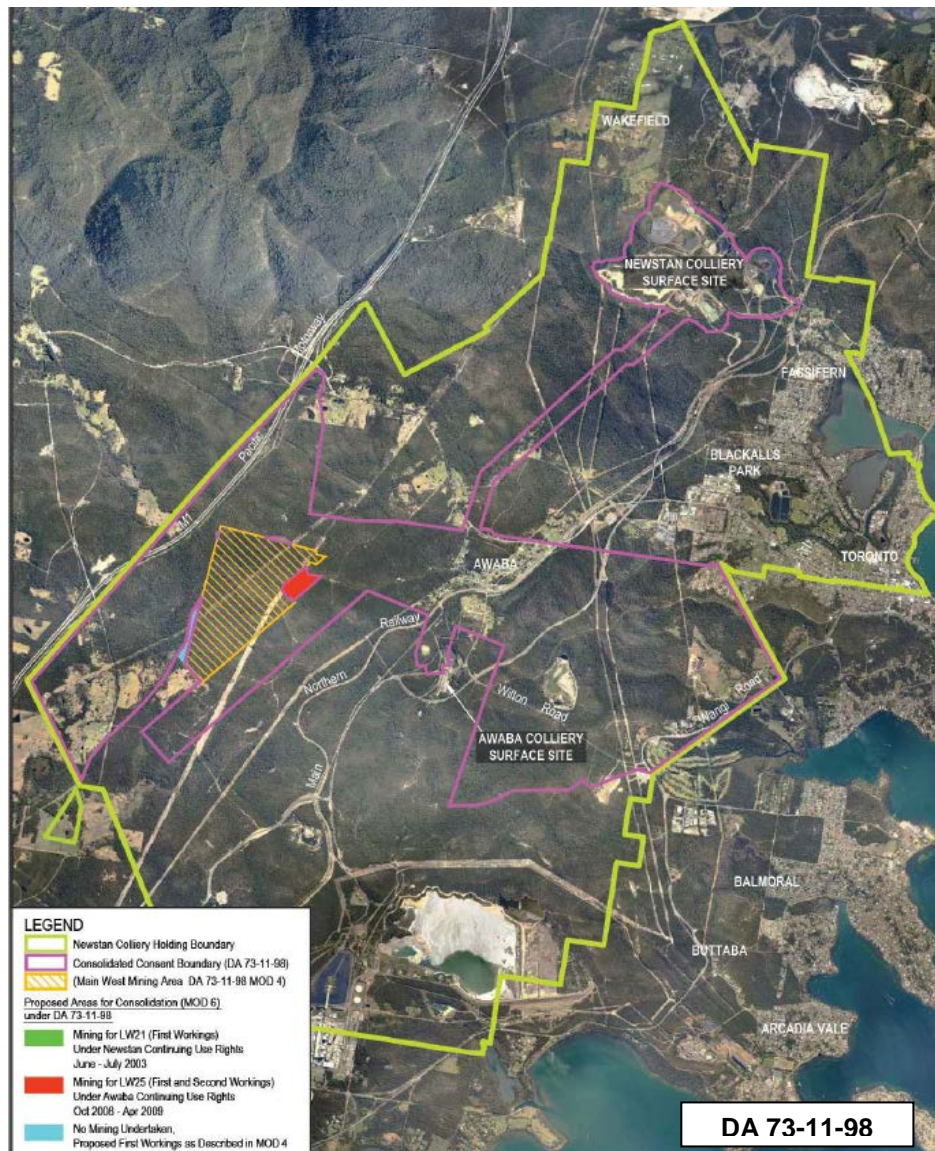


Figure 2: DA 73-11-98 development boundary vs NCLP development boundary

4. CONSULTATION

The Department is not obliged to undertake any consultation relating to the proposed modification. Due to the purely administrative nature of this modification application, the Department has not consulted with any government agencies, nor exhibited the application. The Department believes that the proposed modification does not deal with any material issues that were not assessed prior to the determination of the NCLP. Accordingly, public exhibition or other consultation would not fulfil a meaningful function for matters determined as recently as 29 September 2015.

However, documents relating to the modification were made available on the Department's website immediately following their receipt. No public or agency submissions have been received.

5. ASSESSMENT

The Department has assessed the merits of the proposed modification in accordance with the relevant objects and requirements of the EP&A Act.

Centennial is seeking to remove the operation of the Newstan consent for those facilities that are now covered by the NCLP and to remove duplicated and contradictory requirements. This would enable more efficient management and regulation of the site.

The proposed amendments include:

- removal and replacement of outdated terminology, such as 'Director-General', 'Annual Environmental Management Report', and 'Minister for Planning and Infrastructure';
- removal of references to surface facilities at Newstan including the northern and southern emplacement areas, new coal stockpile areas and rail loading facilities;
- removal of conditions, relating to Newstan surface facilities, that are now a part of the NCLP consent; and
- consolidation of short and long-term air quality criteria tables.

The Department supports Centennial's proposal to remove conditions from the Newstan consent that either duplicate or conflict with conditions of the recently issued NCLP consent. As all surface facilities, most water management and the transport of coal are now covered under the NCLP consent, there is no need for these matters to be regulated under the Newstan consent.

The proposed changes would not decrease:

- environmental standards;
- environmental management; or
- environmental regulatory oversight.

for any of the areas of operations to which DA 73-11-98 applies.

However, they would:

- remove conflicts and duplication between conditions in the two consents;
- enable Centennial to be more readily compliant with the proposed harmonised conditions; and
- enable the Department to hold Centennial accountable against reasonable and contemporary conditions of consent.

The proposed conditions largely reflect Centennial's request. However, the Department included the following amendments:

- updated titles for Government agencies;
- addition of definitions for 'reasonable' and 'feasible';
- removal of Appendix 2 containing locations of noise monitoring locations no longer required; and
- minor adjustments of text to ensure internal consistency.

6. NOTICE OF MODIFICATION

A Notice of Modification (see **Appendix A**) and a version of the Newstan consent as proposed to be amended (a 'consolidated consent' (see **Appendix B**)) have been prepared. Centennial has agreed to the proposed modified conditions of consent.

7. CONCLUSION

Centennial is seeking modification of DA 73-11-98 by removing duplicated conditions or amending conflicting conditions, to ensure consistency with the NCLP.

The Department has considered the potential administrative impacts of the proposed modification and is satisfied that the proposed modified conditions would produce a sensible and logical improvement to the efficient operation and regulation of both the Newstan and NCLP consents.

The Department is satisfied that the proposed modification is generally in the public interest, and should be approved.

8. RECOMMENDATION

It is RECOMMENDED that the Director Resource Assessments, as delegate of the Minister for Planning:

- **considers** the findings and recommendations of this report;
- **determines** that the modification request falls within the scope of section 75W of the EP&A Act;
- **approves** the modification application DA 73-11-98 MOD 7, under section 75W of the EP&A Act; and
- **signs** the attached Notice of Modification (**Appendix A**).


Colin Phillips
Team Leader, Resource Assessments


Howard Reed
Director, Resource Assessments

APPENDIX A: NOTICE OF MODIFICATION

**APPENDIX B: DEVELOPMENT CONSENT DA 73-11-98
(AS PROPOSED TO BE MODIFIED)**
