



Centennial Coal
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10 December 2018

Mr. Chris Dwyer
Principal Development Planner
Lake Macquarie City Council
Box 1906
Hunter Region Mail Centre NSW 2310

Dear Chris,

RE: Newstan Colliery (DA 73-11-98) Modification 8

Thank you to yourself, Robbie and Martin regarding our meeting last Friday 7 December 2018 to discuss Centennial Coal's Newstan MOD 8 Project. As discussed during the meeting, the Newstan MOD 8 Project is seeking approval to extend the life of the existing Newstan Colliery development consent DA 73-11-98 for 12 months to 6 July 2021, in addition to undertaking first workings mining within the defined modification boundary. If approved, the first workings and extension of time will assist Newstan Colliery in further defining geological structures to inform the future mine design to be proposed as part of the Newstan Extension Project. The Newstan Extension Project will be a State Significant Development application to be assessed on its own merit separate from this modification. Due to the existing development consent expiring on 6 July 2020 the extension of time will allow for this work to be carried out whilst the assessment process for the Newstan Extension Project progresses. Overall, the meeting largely focused on key issues raised in Council's submission on the MOD 8 Project dated 24 October 2018.

First Workings

As discussed last Friday, the proposed first workings within the Newstan MOD 8 boundary have been designed to be non-subsiding and long term stable in addition to avoiding any interactions with the historical Awaba workings situated in the Great Northern seam. The subsidence assessment, supported by a Height of Fracturing report and associated peer review, provides a high level of confidence that impacts to the surface as a result of this modification will be negligible.

Clarification was provided at the meeting that the area of potential drawdown in groundwater is in the fractured and porous rock groundwater systems. As this groundwater system is located at significant depth MOD 8 will have no impact on alluvial groundwater systems. Consequently, no ecological impacts as a result of groundwater drawdown will occur.

Centennial acknowledges Council's concerns in relation to monitoring and management of potential impacts on the Lake Macquarie City Council Biodiversity Conservation Area. Further detail on these matters is provided below.

Monitoring

Due to the negligible surface impacts associated with the first workings design, no surface based monitoring was proposed in the Environmental Assessment. Given this high confidence of negligible surface impacts is based on the implementation of the correct first workings mine design, it is proposed that monitoring through survey of the mine design be implemented. This involves surveying the underground workings to confirm that the mine is being developed in accordance with the proposed pillar design and associated Factor of

Safety assessed as part of the MOD 8 application. Should surveys of the underground pillars identify that the mine has been developed in any area not consistent with the approved mine design, an investigation into the potential of greater than negligible environmental consequences will be undertaken which will comprise a visual inspection to identify any surface impacts. Consultation with the relevant stakeholders will be undertaken throughout this investigation process.

Due to the negligible impacts of the proposed modification, and with the monitoring system proposed to be implemented as detailed above, traditional subsidence monitoring, biodiversity monitoring, surface water monitoring or groundwater monitoring are not considered necessary or suitable for MOD 8.

Centennial has recently commenced collection of relevant baseline ecological information across the larger Newstan mining lease area in accordance with the Biodiversity Assessment Method (BAM). The collection of this baseline ecological data will be used to inform any future assessments regarding the Newstan Extension Project. This information will be used in conjunction with high resolution Lidar data to establish pre-mining conditions and changes to the pre-mining landscape as a result of future mining as part of the Newstan Extension Project. Baseline assessments for heritage sites and of creek lines were completed previously and will be reviewed for gaps in accordance with contemporary guidelines and requirements.

Biodiversity Conservation Area

As discussed during our meeting on Friday 7 December 2018, Centennial understands that Lake Macquarie City Council has legal obligations regarding the protection and management of their Biodiversity Conservation Area. It is proposed that should any greater subsidence impacts than predicted be identified through survey of the underground pillars and subsequent visual inspections then the impact be quantified by use of the BAM, and that those impacts are offset in accordance with the NSW Biodiversity Offsets Policy for Major Projects.

Summary of Key Submission Matters

Council raised the specific matters below in their submission on the proposed Newstan MOD 8 Project dated 24 October 2018. These matters were discussed in detail during our meeting of Friday 7 December 2018 following Council's review of the Response to Submissions letter report. Based on our discussions and the information presented above the following comments are made on Council's proposed consent conditions:

Centennial Coal is to undertake a program of surface and groundwater monitoring within the Kilaben Creek catchment to determine baseline conditions and post mining changes to the satisfaction of Lake Macquarie City Council. Monitoring data is to be made available to the Council.

Underground survey monitoring of the pillar design will be implemented to ensure the workings are being developed in accordance with the relevant Factor of Safety proposed and assessed as part of this modification application. Should surveys of the underground pillars identify that the mine has been developed in any area not consistent with the approved mine design, an investigation into the potential of greater than negligible environmental consequences will be undertaken which will comprise a visual inspection to identify any surface impacts on Kilaben Creek. Due to the negligible impacts associated with first workings, traditional subsidence monitoring, biodiversity monitoring, surface water monitoring or groundwater monitoring are not considered necessary for MOD 8. Baseline surface water and groundwater data programs required to support the future application

regarding Newstan Extension Project are being implemented and will continue to be discussed with Council. Information sharing will form part of these ongoing discussions as the programs develop.

Centennial Coal is to undertake a program of biodiversity monitoring, on that part of Lot 463 DP 1138964 as is affected by the proposal, to the satisfaction of Lake Macquarie City Council, consistent with monitoring required in the Awaba Biodiversity Conservation Area – Plan of Management 2015.

Centennial has recently commenced collection of relevant baseline ecological information across the larger Newstan mining lease area in accordance with the BAM consistent with the *Biodiversity Conservation Act 2016 (NSW)*. The intent to enter into a formal land access and information sharing arrangement was discussed during our meeting of 7 December 2018. A request for a copy of Council's Land Access Agreement was requested for review by Centennial.

The project applicant is to enter into a legal agreement with Lake Macquarie City Council to indemnify the Council against any loss or damage to its land, or biodiversity, or any management cost that may arise from disturbance to the land. The agreement is to provide for financial security to adequately cover potential losses or damage.

As discussed during our meeting on Friday 7 December 2018, Centennial understands that Lake Macquarie City Council has legal obligations regarding the protection and management of their Biodiversity Conservation Area. It is proposed that should any greater subsidence impacts than predicted be identified through survey of the underground pillars and subsequent visual inspections then the impact be quantified by use of the BAM, and that those impacts are offset in accordance with the NSW Biodiversity Offsets Policy for Major Projects. Any future issues associated with the Newstan Extension Project will be discussed with Council as that project develops.

In the event that any surface disturbance to Lot 463 DP 1138964 results from the development, the project applicant agrees to find and make all necessary arrangements to secure additional biodiversity offsets to compensate for that surface disturbance, to the satisfaction of the Lake Macquarie City Council, the NSW Minister for Planning, and the Commonwealth Department of Environment and Energy.

No surface development is proposed as part of MOD 8.

Should you need to discuss this matter please do not hesitate to contact me on (02) 4935 8901 or by email iain.hornshaw@centennialcoal.com.au.

Yours sincerely



Iain Hornshaw
Approvals Coordinator

cc: Martin Fallding – Lake Macquarie City Council
Robbie Economos – Lake Macquarie City Council
Colin Phillips – Department of Planning and Environment
James Wearne – Centennial Coal