



BN15/7260

Ms Rose-Anne Hawkeswood
Planning Officer
Resource Assessments
Department of Planning and Environment
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SYDNEY NSW 2001

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Dear Ms Hawkeswood

**Narrabri Coal Mine – Modification 5 (08_0144 MOD 5)
Review of Environmental Assessment**

I refer to your email of 24 September 2015 regarding the Narrabri Coal Operations Pty Ltd application to modify the development consent for the Narrabri Mine to reduce the number of longwall panels, increase the longwall panel widths, extend the underground mine footprint, increase the run-of-mine coal production, increase the average daily train movements and make associated ancillary infrastructure changes.

The Department of Industry, Skills and Regional Development, Division of Resources & Energy (DRE) has reviewed the *Narrabri Mine Modification 5 Environmental Assessment* (EA) and provides the following comments which are directed at specific areas of DRE's responsibility for this proposal.

MINING TITLE

As coal is a prescribed mineral under the *Mining Act 1992*, the proponent is required to hold appropriate mining titles from DRE in order to mine this mineral. DRE understands that the modification area is wholly within existing Mining Lease 1609 held by the Proponent.

Under the *Mining Act 1992*, mining and rehabilitation are regulated by conditions included in the mining lease, including requirements for the submission of a Mining Operations Plan (MOP) prior to the commencement of operations, and subsequent Annual Environmental Management Reports (AEMR). DRE requires that the proponent submit a revised MOP to include this modification if approved.

REHABILITATION AND SUBSIDENCE

The EA predicts an increase in subsidence impacts, most notably surface cracking and ponding. The EA states that this will be managed through existing management and monitoring systems. DRE believes that the increased subsidence impacts may affect final landform and as such, needs to be addressed in extraction, mine closure and rehabilitation strategies.

Therefore, DRE recommends that the proponent ensures that the following management plans, required by Project Approval 08_0144, are revised to adequately address the increase in subsidence impacts:

- Extraction Plan (including the relevant sub-plans), and
- Landscape Management Plan including the Rehabilitation Management Plan (Mining Operation Plan) and Mine Closure Plan.

DRE has also assessed the longwall geometry of the proposed modification in relation to the health and safety risks due to subsidence generally. It considers there are no feasibility issues affecting the proposed mine layout arising from health and safety risks due to subsidence and issues can be appropriately managed through the Extraction Plan process.

Significance of the Resource

DRE notes the Modification would not significantly change the resource or employment at the mine. Increasing the approved rate of extraction by an additional three million tonnes of run-of-mine coal (raw or unprocessed coal) per annum, may increase the annual royalty payments and gross domestic product for the State, but it will not have an impact on the value of the resource or return to the state over the life of the mine.

The proponent's Environmental Impact statement for Stage 2 of the project highlighted that royalties of up to \$35 million per year would be payable to the NSW Government and that considerable economic benefit would accrue for the Australian Government through the export value of the coal (approximately \$450 million per annum based on current coal prices) and the personal and company taxes paid.

The Narrabri Coal Mine contributes significantly to the fabric of the regional area through direct and indirect employment and is important to the economic future of region and the State.

Should you have any enquires regarding this matter please contact Peta Johannessen, Project Officer, Royalty and Advisory Services on (02) 4931 6613.

Yours sincerely



21/10/15

Kylie Hargreaves
Deputy Secretary
Resources & Energy