



NEWS RELEASE
The Hon. Kristina Keneally MP
Member for Heffron
Minister for Planning
Minister for Redfern Waterloo

Thursday 25 June 2009

RIGOROUS AND STREAMLINED ASSESSMENT PROVIDES BALANCE FOR MINE AND ENVIRONMENT

Australia's Best Planning System supports 1,950 jobs, \$154 million in annual wages for NSW families, landmark environmental assessment and protection through approval for the Metropolitan Coal Project

NSW Planning Minister, Kristina Keneally, today announced approval for a \$50 million extension to the Metropolitan Coal Project near Helensburgh.

"The Metropolitan Coal approval is innovative for its environmental outcomes and streamlined approval process, and it supports 1,950 jobs and \$154 million in wages for NSW families," Ms Keneally said.

As the first project determined following the Southern Coalfield Inquiry, the Metropolitan approval delivers:

- A 'barrier' to protect the Waratah Rivulet and Eastern Tributary from subsidence impacts. The barrier means that 8.6 million tonnes of coal – nearly three years worth, with an estimated market value of \$1-2 billion – will not be mined.
- Confidence that the Woronora Reservoir will not be adversely impacted, following a thorough review by the Planning Assessment Commission (PAC)
- Leading edge environmental outcomes, including a first for the Southern Coalfield: underground waste disposal instead of above ground placement, thus avoiding run-off into waterways and conservation areas.
- A new streamlined approach to assessments and regulation of coal mines – reducing red tape, increasing transparency and improving responsiveness to subsidence management over the life of the project.

"The Metropolitan Coal Project approval demonstrates the principles of Australia's best planning system – where decisions are transparent, efficient, provide certainty and are made at the most appropriate level," Ms Keneally said.

"The result is a determination that protects our drinking water supply and the environment, streamlines assessment and regulation, and, significantly, captures \$154 million in annual wages and 1,950 jobs for New South Wales families as a whole.

"Across the state, the project will contribute \$687 million per annum in business turnover. In fact, the net benefit to New South Wales over the life of the project is up to \$1.3 billion."

Ms Keneally said none of this would be possible under the Opposition's planning policy.

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"The Leader of the Opposition promises to walk away from projects like these, major projects that deliver jobs and boost the economy," Ms Keneally said.

"They will abolish the major projects system and shift everything – the cost and the responsibility – onto local government.

"These projects require a whole-of-government approach and the Opposition won't provide that, promising instead a planning system that treats a coal mine proposal the same as a DA for a new house.

"This will deter investment in NSW, choke up councils' planning systems and devour their resources, leading to poorer outcomes for local communities and the state as a whole."

Ms Keneally said the Rees Government is bringing jobs and investment to NSW by building Australia's best planning system.

"Projects like Metropolitan Coal, Silverton Wind Farm and Tempe Ikea show the Rees Government's approach to planning is about delivering jobs and investment to NSW."

Member for Heathcote, Paul McLeay, said the State's major project assessment system ensured the job-creating proposal was assessed efficiently and balanced environmental protection with economic investment.

"The Part 3A system is designed to handle technically complicated proposals like this," Mr McLeay said.

"The rigorous and transparent Part 3A assessment process, including the PAC review and public hearings, has delivered the right balance.

"Of the 1,950 jobs supported by this approval, the Illawarra alone will see 700 direct and indirect jobs supported, including continued direct employment of 320 people at the mine."

"Approvals like these provide a significant boost to the NSW economy at a time when investment and jobs are under increasing pressure as a result of the global recession."

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Outcomes of the Metropolitan Coal assessment and determination

Protection of the Waratah Rivulet and Eastern Tributary

The original proposal sought to extract up to 3.2 million tonnes of coal per annum for a period of 23 year from a single, large, longwall mining area.

Following a review, including public hearings, conducted by the independent PAC, the proposal is amended to consist of two, separate, smaller mining areas. This reduces the overall extent of mining and leaves a significant area of un-mined land between the two areas.

This barrier will protect the Waratah Rivulet and Eastern Tributary from significant subsidence impacts that would have resulted under the original proposal.

The barrier sterilises 8.6 million tonnes of coal, representing nearly three years of mining activity and an estimated market value of \$1-2 billion.

Given work is already underway, there may be some subsidence impacts above Longwalls 20-23. Conditions have been imposed to require the rapid and effective remediation by the proponent of any sections of the Waratah Rivulet and Eastern Tributary that are affected, including those sections where mining has already occurred.

Protection of Sydney's Drinking Water Supply

Woronora Reservoir is part of Sydney Catchment Authority's water supply system for southern Sydney and the Illawarra. The PAC examined the proposal for its likely impacts on drinking water supply, and concluded that the likelihood of water by-passing the Woronora Reservoir as a result of subsidence is 'very low'.

The PAC found that the comparative depth of the mine (400-560 metres) and the relatively narrow longwalls (133-163 metres) means the subsidence impacts of the project on the Reservoir are low and manageable.

This conclusion is consistent with the findings of the Southern Coalfield Inquiry.

Nonetheless, the approval includes recommendations from the PAC that the proponent and the Sydney Catchment Authority develop a specific surface and groundwater monitoring and investigation program to analyse and report on any potential impacts.

Leading Edge Environmental Outcomes

The Metropolitan Coal approval includes innovative environmental measures that will protect upland swamps, nearby cliff lines, Aboriginal heritage features, flora and fauna, and surface infrastructure.

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A key, new feature in the Southern Coalfield as a result of this approval is that disposal of coal reject waste will be underground, rather than placing it above ground. This will protect waterways and conservation areas from run-off, which can detrimentally affect the environment.

Moreover, the mine plan must be designed in such a way as to be capable of modification to ensure any subsidence impacts and environmental consequences remain within necessary performance requirements.

Helensburgh residents will benefit from substantially reduced noise impacts, as a result of required significant upgrades to the mine's surface infrastructure.

In addition, the proponent will donate \$320,000 for research programs into subsidence effects on streams and stored waters, techniques for remediation of stream bed cracking, and comparing outcomes for rehabilitation and natural remediation. The proponent will also contribute a further \$100,000 to the Sydney Catchment Authority for improvement works in the Woronora Catchment.

A new approach to assessment and regulation of coal mining in NSW

The Metropolitan Coal Project represents a new streamlined and simpler process for the assessment and regulation of coal mining in NSW.

The present system requires planning approval, followed by application to the Department of Primary Industries for a separate Subsidence Management Plan approval.

This is a duplicative process, which adds unnecessary complexity for proponents and doesn't always facilitate adequate transparency for the community over the life of the project.

Consistent with the recommendations of the Southern Coalfield inquiry, the conditions imposed through the planning assessment process provides the primary approval for all mining operations on the site, and subsidence will then be managed under the conditions of approval through a range of management plans, just like other impacts of a proposal.

The benefits of this new regime include:

- Reducing duplication between mining and planning assessment requirements,
- Increasing transparency by including clear performance measures for the mining operations and requiring all plans, programs, monitoring results, annual reviews and independent audits to be made public on the company's website.
- Increasing flexibility of the subsidence management regime by allowing works that do not cause subsidence (ie first workings, such as the gate-roads and headings that define the long-walls) to

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be carried out provided they are in accordance with the approved mine plan, and allowing companies to submit their Extraction Plans on a progressive basis.

- Driving continuous improvement of subsidence management by requiring regular reviews and updates of Extraction Management Plans.

Background Information

Mine history

Coal has been mined at Metropolitan Colliery in the Southern Coalfield since the 1880s.

Metropolitan Colliery, like several other mining operations in New South Wales, currently operates without development consent, as it began operations prior to the commencement of the *Environmental Planning and Assessment Act 1979* (the Act).

However, in 2005, *State Environmental Planning Policy (Major Projects) 2005* established that all such coal mines required project approval under the Act within five years.

This approval is in response to Metropolitan Colliery's application for project approval for its existing and proposed operations as a result of this requirement.

The Planning Assessment Commission

In November 2008, the Minister referred the project to the PAC for review and advice.

Under its terms of reference, the PAC was required to:

- a) carry out a review of the potential subsidence related impacts of the project on the values of Sydney's drinking water catchment, and in particular its potential impact on the Waratah Rivulet and Woronora Reservoir, taking into consideration the recommendations of the Southern Coalfield Inquiry;
- b) advise on the significance and acceptability of these potential impacts, and to recommend appropriate measures to avoid, minimise, or offset these impacts; and
- c) identify and comment on any other significant issues raised in submissions or during public hearings.

The PAC held public hearings in March 2009, conducted several field investigations both on foot and by air, and had several discussions with the proponent and key stakeholders before reporting in June 2009.

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The PAC's report concentrates on two distinct issues:

- reviewing the merits of the Metropolitan Coal Project specifically; and
- assessing how the Southern Coalfield Inquiry's recommendations might be applied and making suggestions that could facilitate the application of these recommendations to future proposals.

IMPORTANT STATEMENT ABOUT POLITICAL DONATIONS

New donation disclosure laws which came into effect in 2008 impose obligations on applicants who make a relevant planning application to the Minister or the Department of Planning to disclose all reportable political donations (if any) made within the period commencing two years before the application is made and ending when the application is determined.

More information on this law is available at www.planning.nsw.gov.au/assessingdev/donations.asp

No reportable political donation disclosure has been made under the NSW Local Government and Planning Legislation Amendment (Political Donations) Act 2008 in regard to this proposal.

In November 2008, the Minister referred the assessment of the Metropolitan Coal Project to the Planning Assessment Commission for independent, expert review and advice due to the complexity and detailed technical nature of the issues relevant to the proposal.