

26 November 2015

FACT SHEET – WARKWORTH AND MOUNT THORLEY CONTINUATION PROJECT DETERMINATION

The Planning Assessment Commission has approved two separate project applications from Coal and Allied for the Warkworth and Mt Thorley mines complex, subject to stringent conditions.

The Warkworth Continuation Project involves the westward expansion of the open cut mine to extract a further 230 million tonnes of coal over 21 years, with tailings and overburden to be transferred to the Mt Thorley mine.

The Mt Thorley Continuation Project involves the continued extraction of coal from Loders Pit and Abbey Green North Pit, at a rate of up to 10 million tonnes of run-of-mine coal per year. Proposed coal extraction at the Mt Thorley mine would cease in 2022, however a 21 year consent period has been approved to enable the ongoing provision of services to the Warkworth mine. Although assessed and issued as separate consents, the mines are managed as a single integrated operational complex.

The Commission found that the mine complex will produce around 10% of NSW's total volume of export coal; provide employment for 1,187 people on average; and make royalty payments of almost \$570 million to the state.

The Commission has carefully balanced the key areas of concern about the mine complex's continuation, including the socio-economic benefits, impacts on the village of Bulga, Aboriginal cultural heritage, final voids, air quality and noise. The Commission is satisfied that the mine complex's significant benefits outweigh its potential impacts.

The Commission notes that a number of important changes in government policy and legislation have been made in the past three years, and these are relevant to the assessment of these applications. The Commission is satisfied that the Project is consistent with current government policy, particularly in relation to biodiversity, noise, air quality and socio-economic impacts.

The Commission considers that the projects would deliver substantial benefits to the local government area and the Hunter region. The Warkworth-Mt Thorley mine complex is the biggest employer in Singleton and is a very important contributor to the local and regional economy.

The Commission also notes that Singleton Council has reached a preliminary agreement with the Applicant about a Voluntary Planning Agreement that will include approximately \$11 million in contributions, including \$5 to \$6 million to be spent on the construction of water and sewerage treatment facilities for the village of Bulga within the first five years.

The Commission notes that the conditions of consent have been progressively strengthened throughout the development assessment process in order to address the key environmental and social impacts of the Projects, having regard to relevant criteria and standards established in current government policy.

In relation to the final void at Warkworth, the Commission has ensured that the relevant conditions of consent have been strengthened to ensure that initial works for the establishment of vegetation

screening around the final void is to be initiated within six months of the commencement of the development. The approved project for Mt Thorley ensures the emplacement of overburden at Mt Thorley to enable the void to be backfilled.

In relation to biodiversity, the conditions of consent in relation to the Biodiversity Management Plan for the Warkworth Project have been strengthened to ensure that comprehensive independent reviews of the Warkworth Sands Woodland regeneration are undertaken every three years.

The Commission has addressed noise and air quality impacts by amending the conditions to include the publication of real time monitoring on the Applicant's web site to provide timely and detailed information to the public rather than retrospective summaries. Overall, the Commission is satisfied that there is a robust set of conditions that will ensure that compliance with noise and air quality limits is achieved, or appropriately managed and mitigated in accordance with government policy.

The Commission has also amended the conditions of consent to reinstate acquisition rights for properties that were given the right for acquisition upon request in the previous approval for the Warkworth Extension Project which was disapproved by the Courts. Although the Applicant had offered to reinstate acquisition rights for these properties, the Commission considered that the obligation should be enforced as a condition of consent to tie the requirement to the approval and provide consistent dispute resolution provisions.

The Commission notes that the Projects have been the subject of a comprehensive development assessment process over the past 18 months, including several departmental assessment reports and two reviews undertaken by the Commission. There has also been extensive public consultation, including two public hearings, one public meeting and multiple opportunities for written comments from the general public.