

ASSESSMENT REPORT

DONALDSON COAL MINE

Extended Mine Life Modification (DA 98/01173 & DA 118/698/22 MOD 2)

1. BACKGROUND

Donaldson Coal Pty Limited (Donaldson) owns and operates the Donaldson Coal Mine, an open cut coal mine located 10 kilometres (km) south of Maitland in the Maitland and Cessnock local government areas (see Figure 1).

The mine is surrounded by a combination of rural and industrial land uses and bushland (see Figures 2 and 3). The closest urban area is located 3 km north of the mine at Thornton. Two other coal mines are located near the Donaldson Coal Mine. These are the Bloomfield Colliery (an open-cut mine) which adjoins the mine's northwest boundary, and the Abel Coal Mine (an underground mine which is also owned by Donaldson) which is located immediately southwest of the Donaldson Coal Mine.

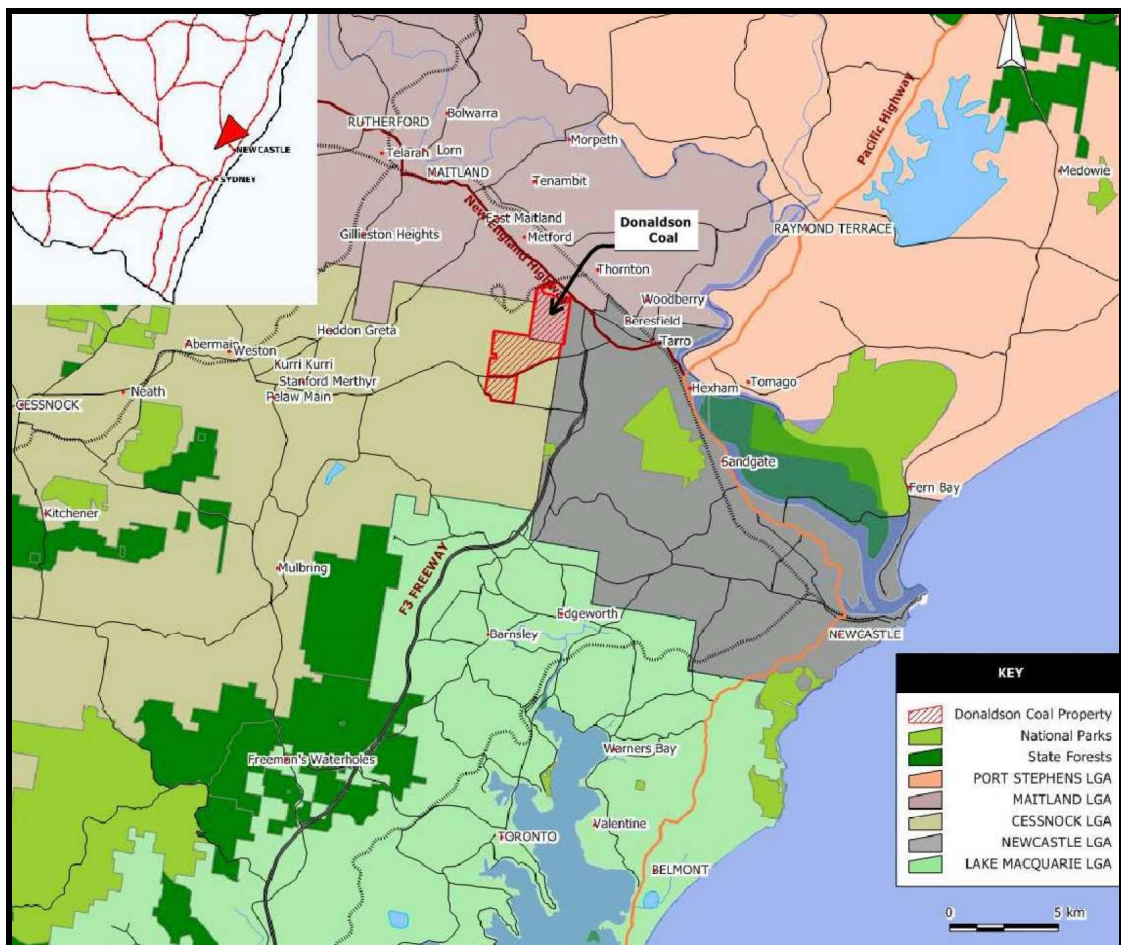


Figure 1: Location Plan

The mine was approved by the then Minister for Urban Affairs and Planning following a Commission of Inquiry in 1999, and mining commenced in 2001. Mining operations have mostly been completed and the site is being progressively rehabilitated. Donaldson's development consent (see Appendix A)

allows it to extract up to 2.5 million tonnes of coal a year and to truck this coal via an internal haul road to the neighbouring Bloomfield Colliery for processing and delivery to domestic and export markets. The consent is due to lapse in January 2012.

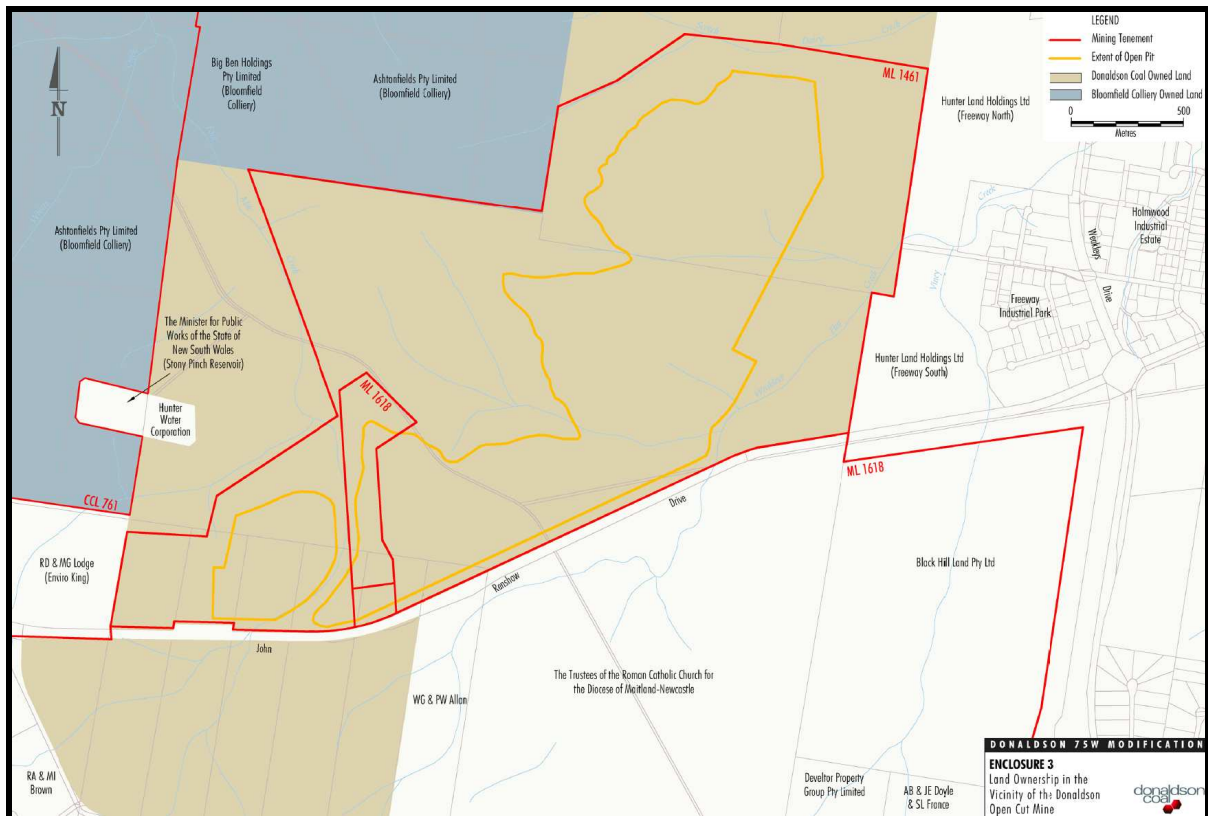


Figure 2: Donaldson Coal Mine and adjoining landholdings



Figure 3: Proposed reduced mining area

2. PROPOSED MODIFICATION

Donaldson is seeking to modify its development consent for the Donaldson Coal Mine under section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The proposed modification involves extending the life of the mine until the end of December 2013, and reducing the extent of the approved mining by 3 hectares (ha).

Condition 5(2) of the mine's consent states that "*to minimise delays to development on adjoining lands, consent for mining shall lapse 11 years from commencement of mining*". As mining commenced at the Donaldson Coal Mine in January 2001, the condition therefore prohibits mining taking place after January 2012. The proposed modification would assist Donaldson in completing its pit development, which has occurred at a slower than expected rate. The proposed reduction of the western extent of the open-cut pit (see Figure 3) is proposed to improve regional biodiversity and protect potential habitat for threatened species.

The proposed modification seeks to extend the life of the mine and reduce the mining area. It does not seek to alter any of the mine's approved operational activities. The proposed modification is explained in more detail in the information Donaldson supplied in support of its modification application (see Appendix B).

3. STATUTORY CONTEXT

3.1 Clause 8J(8)

Under Clause 8J(8) of the *EP&A Regulation 2000*, the Part 4 development consent for the Donaldson Coal Mine is taken to be a project approval under Part 3A of the EP&A Act for the purpose of modification. This means the proposed modification must be assessed and determined under Section 75W, rather than Section 96 of the EP&A Act.

3.2 Section 75W

The Department has examined the proposed modification, and considers that it can be properly characterised as a modification of the approved mine (as opposed to a new project in its own right). Consequently, the Department is satisfied that the proposed modification may be assessed and determined under Section 75W of the EP&A Act.

3.3 Approval Authority

The Minister for Urban Affairs and Planning was the consent authority for the original development application, and the Minister for Planning and Infrastructure is therefore the consent authority for this modification application. However, under the former Minister's delegation of 25 January 2010, the Deputy Director-General, Development Assessment and Systems Performance may determine the application. The Minister's delegation dated 28 May 2011 confirmed that this delegation would continue to operate in circumstances where the local council has not objected to the proposal, less than 25 public submissions in the nature of objections had been received, and where there had been no reportable political donations, which is the present case. Consequently, the Deputy Director-General can determine the application.

4. CONSULTATION

4.1 Exhibition and Agency Consultation

Under Section 75W of the EP&A Act, the Department is not obliged to undertake consultation for a modification application. Nevertheless, the Department notified relevant State government authorities and Maitland, Cessnock and Newcastle City Councils by letter.

4.2 Submissions

The Department received five submissions from public agencies. These submissions are attached at Appendix C. Maitland and Cessnock City Councils did not make submissions on the application.

The **Office of Environment and Heritage** (OEH – within the Department of Premier and Cabinet) raised no objection to the proposed modification, requesting that Donaldson add the area which would now not be mined to its approved Bushland Conservation Area (BCA).

The **NSW Office of Water** (within the Department of Primary Industries), the **Division of Resources and Energy** (within the Department of Trade and Investment, Regional Infrastructure and Services), the **Roads and Traffic Authority** and **Newcastle City Council** all did not object to the proposed modification.

5. ASSESSMENT

The Department assessed the potential impacts of the proposed modification. During its assessment, the Department considered Donaldson's modification application, supporting information and approved Bushland Conservation Area Management Plan. It also considered submissions from affected government agencies, relevant environmental planning instruments, policies and guidelines, and the requirements of the EP&A Act, including the objects of the Act. A summary of the Department's assessment follows.

5.1 Development of Adjoining Land

The Department considers that the proposed modification has and will continue to have minimal impact on the development of adjoining land, noting that:

- the Holmwood Industrial Estate and the Freeway Industrial Park, both 2 km east of the mine, and the Enviro-King site 1 km west of the approved extent of the open-cut mining area (see Figure 2), have been developed whilst the mine has been operating;
- the Freeway North and Freeway South industrial estates have been approved, but are yet to be developed;
- plans for the proposed development of the "Black Hill" site southeast of the mine have been lodged with Cessnock City Council; and
- land owned by the Catholic Diocese of Maitland-Newcastle, south of John Renshaw Drive, is also expected to be developed for industrial uses in the future (see Figure 2). However this is expected to occur after the proposed mine life extension period.

The Department considers that the mine has operated with minimal impact on the development of adjoining land given the industrial nature of adjoining development and lack of land use conflict between uses. The Department also considers that the proposed short extension to the life of the mine would have minimal impacts on the development of the Freeway North and Freeway South industrial estates, as mining has already been completed in the vicinity of these sites. This is reflected in the approvals for both these estates. Finally, given that Donaldson proposes to reduce the total amount of coal that would be extracted, no additional impacts would occur for future industrial development in the vicinity of the mine.

The Department is therefore satisfied that the proposed modification would have minimal impact on future development in the vicinity of the mine, particularly in terms of timing. The Department has accordingly recommended that condition 5(2) is updated to reflect the proposed extended mine life.

5.2 Other Impacts

The Department's consideration of other potential impacts of the proposed modification are summarised in Table 1, below.

Table 1: Assessment of Other Impacts

Issue	Consideration	Recommendation
<i>Biodiversity</i>	The Department considers that the proposed 3 ha reduction in the approved mining extent would result in the conservation of additional land which contains habitat for threatened species. OEH requested that the land that would now not be mined is added to Donaldson's approved Bushland Conservation Area (BCA). The Department agrees with OEH, recognising the benefits the additional land would provide in terms of regional biodiversity.	That the BCA is revised to include the portion of the approved mining area which would now not be mined.
<i>Noise & Blasting</i>	Noise emissions would remain within approved criteria. Blasting would continue to be managed under Donaldson's Blast Management Plan;	No change to existing conditions.

<i>Air Quality</i>	Air quality impacts would remain within approved criteria. Scope 3 greenhouse gas emissions would be reduced, due to the proposed reduction in the total amount of coal that would be extracted.	No change to existing conditions.
<i>Water Management</i>	No additional impact on surface water or groundwater resources. Donaldson's existing Site Water Management Plan would continue to be applied to the proposed modification.	No change to existing conditions.
<i>Heritage</i>	No additional disturbance is proposed. Donaldson's Aboriginal Heritage Management Plan would continue to apply to the proposed modification. The Department is satisfied that the proposed modification would not have a significant impact on heritage values	No change to existing conditions.
<i>Socio-Economic and Community</i>	Continued employment for 34 workers. Donaldson would continue to provide royalty and tax income to the State.	No change to existing conditions.

6. RECOMMENDED CONDITIONS

The Department has recommended modified conditions for operations at the Donaldson Coal Mine. The Department has also taken the opportunity to make minor administrative changes to update the mine's consent. Donaldson has reviewed and accepted these conditions.

7. CONCLUSION

Donaldson has applied to modify its development consent to extend the life of the Donaldson Coal Mine by two years and to reduce the extent of its mining area. In undertaking its assessment, the Department considered Donaldson's modification application and supporting information, and the submissions made by public authorities. The Department is satisfied that the impacts from the proposed modification would be minimal in terms of the impacts to the timing of adjoining industrial developments and considers that the proposed pit reduction would result in beneficial biodiversity outcomes. Consequently, the Department is satisfied that the proposed modification is generally in the public interest, and should be approved, subject to conditions.

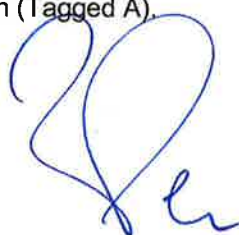
8. RECOMMENDATION

It is recommended that the Deputy Director-General, Development Assessment and Systems Performance, exercise the powers and functions delegated to him in the Instruments of Delegation dated 25 January 2010 and 28 May 2011, and:

- **consider** the findings and recommendations of this report;
- **determine** that the proposed modification is within the scope of section 75W of the EP&A Act;
- **approve** the modification application, subject to conditions, under section 75W of the *Environmental Planning and Assessment Act 1979*; and
- **sign** the attached Notice of Modification (Tagged A).



25.6.11
Executive Director, MPA



24/6/11
Deputy Director-General, DASP

Howard Reed
Manager, Mining

**APPENDIX A: DA 98/01173 & DA 118/698/22 DEVELOPMENT
CONSENT (AS MODIFIED)**

APPENDIX B: INFORMATION IN SUPPORT OF THE MODIFICATION APPLICATION

APPENDIX C: SUBMISSIONS
