FINAL ADDENDUM:

STATE SIGNIFICANT DEVELOPMENT ASSESSMENT
Warkworth Continuation Project (SSD-6464)

Environmental Assessment Report
Section 89E of the
Environmental Planning and Assessment Act 1979
November 2015
1. INTRODUCTION

1.1 Background

This report has been prepared to consider the recommendations made in the Planning Assessment Commission’s (the Commission’s) second review of the Warkworth Continuation Project (SSD-6464) (the project). The applicant for the project is Warkworth Mining Limited (Warkworth), a subsidiary of Rio Tinto Coal Australia (Rio Tinto).

The report should be read in conjunction with the Department of Planning and Environment’s (the Department’s) Environmental Assessment Report for the project dated November 2014, the Department’s Addendum Report dated May 2015, the additional documents identified in Table 1 below, and the corresponding documents for the related Mt Thorley Continuation Project (SSD-6465).

The application for the Warkworth Continuation Project (SSD-6464) will now be forwarded to the Commission for determination under Section 89E of the Environmental Planning and Assessment Act 1979 (EP&A Act), as delegate for the Minister for Planning.

1.2 Chronology of Events

A brief chronology of the key events relevant to this addendum report in the time since the Department’s referral of the assessment package to the Commission is presented in the following table.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>14 Nov 14</td>
<td>Department refers Environmental Assessment Report to the Commission for review</td>
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<tr>
<td>18-19 Dec 14</td>
<td>Commission holds public hearings in Singleton</td>
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<tr>
<td>4 Mar 15</td>
<td>Commission finalises its review and refers the review report to the Department</td>
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<tr>
<td>15 May 15</td>
<td>Department refers final assessment package (Addendum Report and recommended conditions) to the Commission for determination</td>
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<tr>
<td>26 Jun 15</td>
<td>Department provides additional information to the Commission regarding consideration of certain statutory matters</td>
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<tr>
<td>30 Jun - 1 Jul 15</td>
<td>Commission holds public meetings in Singleton</td>
</tr>
<tr>
<td>7 Jul 15</td>
<td>Minister for Planning releases Draft State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) Amendment (Significance of Resource) 2015 (Mining SEPP Amendment) for public consultation</td>
</tr>
<tr>
<td>7 Jul 15</td>
<td>Department provides additional information to the Commission regarding consideration of the Draft Mining SEPP Amendment</td>
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<tr>
<td>13 Aug 15</td>
<td>Minister for Planning directs the Commission to undertake second review to consider, amongst other things, the Draft Mining SEPP Amendment</td>
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<tr>
<td>7-8 Sep 15</td>
<td>Commission holds public hearings for second review in Singleton</td>
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<tr>
<td>2 Oct 15</td>
<td>Department provides additional information to the Commission regarding consideration of matters relating to Aboriginal cultural heritage, social impact assessment, Warkworth Sands Woodland and cumulative impacts.</td>
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<tr>
<td>21 Oct 15</td>
<td>Commission finalises its second review and refers the review report to the Department</td>
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2. CONSIDERATION OF PAC REVIEW

2.1 Review Findings and Recommendations

The Commission’s second review report for the project makes the following conclusion:

“The Commission is satisfied that the project’s benefits as currently understood outweigh its potential impacts, and that on balance the project is approvable. The project should proceed to determination, subject to the recommendations outlined in this report.”

In its report, the Commission has also made 6 recommendations asking the Department to:

1. Confirm the adequacy of consultation with Aboriginal stakeholders with the NSW Office of Environment and Heritage (OEH);

2. Strengthen the conditions associated with the regeneration of Warkworth Sands Woodland;

3. Ensure the conditions take into account the outcomes of any review of the NSW Government’s current policy on final voids;

4. Revise the conditions to require vegetation screens to be implemented in a timely manner and include measures to screen views of the final void;

5. Address non-compliances or exceedances of the relevant performance criteria for noise and air quality, provide for independent investigations of complaints, and ensure the local community is provided with regular updates about noise and dust levels; and

6. Confirm that the social impact assessment adequately addresses the Environmental Assessment Requirements for the project.

The Department’s consideration of the Commission’s recommendations is provided below, and revised recommended conditions of consent are provided in Attachments B and C.

2.2 Aboriginal Cultural Heritage

**Recommendation 1 –** That the Department seeks confirmation from OEH about the adequacy of the consultation process with all relevant Aboriginal stakeholders, particularly in relation to the information presented to the Commission by the Wonnarua native title applicants and Tocomwall Pty Ltd.

The Department can confirm that OEH remains satisfied about the adequacy of the consultation process with all relevant Aboriginal stakeholders for the Warkworth and Mt Thorley Continuation Projects, in accordance with the Aboriginal Cultural Heritage Consultation Requirements for Proponents (2010) guidelines (the 2010 Guidelines).

OEH has provided additional consideration of the adequacy of the consultation process with all relevant Aboriginal stakeholders in accordance with the Commission’s recommendation (see Attachment A).

OEH reconfirms that it is satisfied that all “Aboriginal stakeholders have been given the opportunity to participate in and to provide comments on the Warkworth and Mt Thorley Continuation Projects as per the Aboriginal Cultural Heritage Consultation Requirements for Proponents (OEH 2010)”. It also confirmed that it is “satisfied with the adequacy of the [Aboriginal Cultural Heritage Assessment Report] ACHAR in the EIS as per our original review and advice given 8 August 2014”.

OEH also comments on the role of the local Aboriginal community in the protection and restoration of cultural heritage (should the project be approved):
“When and if the Warkworth and Mt Thorley Continuation Project is approved, the proponent, in consultation with all Aboriginal stakeholders and OEH will prepare an Aboriginal Cultural Heritage Management Plan (ACHMP). The ACHMP will delineate the mechanisms by which the local Aboriginal community will be involved in the protection and restoration of cultural heritage.”

The Department also provided additional consideration of the adequacy of the consultation process with all relevant Aboriginal stakeholders, based on the information presented to the Commission by the Wonnarua native title applicants and Tocomwall Pty Ltd, in its additional information letter to the Commission dated 2 October 2015.

As outlined in the Department’s letter, Tocomwall’s submission to the Commission is written on behalf of the Plains Clan of the Wonnarua People (PCWP), and claims that Rio Tinto has not adequately consulted with the PCWP about the cultural values within the project area and not provided a copy of the completed Aboriginal Cultural Heritage Assessment Report to the PCWP.

The 2010 Guidelines require applicants to notify Aboriginal stakeholders about a project, and for interested Aboriginal parties to register an interest in being involved in subsequent Aboriginal cultural heritage assessment. The Department understands that 82 Aboriginal parties registered such an interest in relation to the assessment for the Warkworth and Mt Thorley Continuation Projects. These included the PCWP and 10 of the 12 Wonnarua Traditional Custodian native title applicants.

However, the PCWP subsequently declined invitations to participate in the Registered Aboriginal Party (RAP) consultation process. Nevertheless, Rio Tinto has continued to consult with the PCWP, and Rio Tinto has confirmed that the PCWP was provided with copies of the Aboriginal Cultural Heritage Assessment and a number of other documents in relation to the projects.

OEH’s original submission on the Warkworth Continuation Project also contains specific consideration of the issue, an excerpt of which is reproduced below:

“The [EIS] report does outline that Mr Scott Franks, did register an interest as a Registered Aboriginal Party (RAP) for the Warkworth Continuation Project 2014 on behalf of the Plains Clans of the Wonnarua People native title claimant group, however, the group refused to participate in the [Cultural Heritage Working Group] CHWG RAP consultation process. Mr Franks stated that he did not support the proposal and they did [not] allow other people to make comment or decisions on or for their country, as such they would not attend meetings with other Aboriginal people that were not a part of their registered native title group. OEH notes that the proponent has continued to maintain continuous consultation with Mr Franks despite not supporting the proposed continuation proposal. OEH considers that all reasonable attempts have been made to consult with Mr Franks regarding this proposal and that as long as consultation is maintained, the consultation process to date has been adequate and reasonable.”

Consequently, the Department’s Environmental Assessment Report for the project states that both the Department and OEH are satisfied that the Aboriginal heritage assessment and consultation for the project has been undertaken in accordance with applicable guidelines, including the 2010 Guidelines.

The Commission’s review report notes that the Commission has carefully considered this information and is generally satisfied that the level of consultation with all relevant Aboriginal stakeholders was adequate. Nevertheless, the Commission recommended that Department sought confirmation from OEH about the adequacy of the consultation process given the new information that the Commission received through the second review process. As outlined above, OEH has now provided this confirmation.
2.3 Warkworth Sands Woodland

Recommendation 2 – That the proposed conditions of consent relating to the Biodiversity Management Plan and Rehabilitation Management Plan should be strengthened to explicitly require that all regeneration activities are monitored and checked on an ongoing basis to ensure that they are on track to meet the relevant performance criteria, including an initial review undertaken after five years of operations.

The Department has further strengthened the Biodiversity Management Plan condition (condition 36 of schedule 3) and the independent environmental audit condition (condition 9 of schedule 5) to include more specific references to reviewing the performance of the Warkworth Sands Woodland regeneration.

The review report notes that the Commission is generally satisfied that the concerns regarding Warkworth Sands Woodland regeneration have been addressed, but it believes there is scope to strengthen the conditions in order to ensure that the regeneration is successful.

In this regard, the Commission acknowledges the substantial bond required for Warkworth Sands Woodland regeneration under the Department’s recommended conditions, but notes that there are no specific requirements to ensure that the regeneration activities are monitored or checked on an ongoing basis. The review report states that the Commission believes that the regeneration should be initially assessed against the performance criteria after 5 years.

The independent environmental audit condition has been strengthened by the Department to specify that the independent environmental audit must include a specialist independent assessment of the progress towards implementation of the biodiversity offset strategy, and in particular the regeneration of Warkworth Sands Woodland against the detailed performance and completion criteria under the biodiversity management plan. This would ensure that comprehensive independent reviews of the Warkworth Sands Woodland regeneration are undertaken every 3 years.

Any failure by Warkworth to meet the performance criteria would be managed in accordance with the provisions of the consent (including the adaptive management requirements under recommended condition 2 of schedule 5), and may be subject to enforcement action under the EP&A Act.

The Department notes that the regeneration of Warkworth Sands Woodland would be managed as part of the Biodiversity Management Plan under the recommended conditions (ie. condition 36 of schedule 3). The recommended conditions require this plan to, amongst other things:

- describe the short, medium, and long term measures that would be implemented to regenerate and conserve Warkworth Sands Woodland EEC in the biodiversity offset areas;
- include detailed performance and completion criteria for evaluating the performance of the biodiversity offset strategy, and triggering remedial action (if necessary);
- describe the measures that would be implemented over the next 3 years for managing biodiversity;
- include a seasonally-based program to monitor and report on the effectiveness of these measures, and progress against the detailed performance and completion criteria; and
- identify the potential risks to the successful implementation of the biodiversity offset strategy, and include a description of the contingency measures that would be implemented to mitigate against these risks.

The Rehabilitation Management Plan condition (condition 58 of schedule 3) contains similar requirements, although it is noted that Warkworth does not propose to undertake Warkworth Sands Woodland regeneration within mine rehabilitation areas.

A number of other recommended conditions would also apply to the proposed Warkworth Sands Woodland regeneration, including requirements for Warkworth to:

- undertake annual reviews of the environmental performance of the mine, including progress against performance measures/criteria (condition 4 of schedule 5);
- undertake 3 yearly independent environmental audits (condition 9 of schedule 5);
review and if necessary revise management plans following annual reviews and independent environmental audits (condition 5 of schedule 5); 
apply adaptive management measures to any identified exceedances of criteria or performance measures (condition 2 of schedule 5); and 
make monitoring results, annual reviews, independent environmental audits and various other documents publicly available on its website (condition 11 of schedule 5).

Together these recommended conditions provide a detailed framework for ensuring that the Warkworth Sands Woodland regeneration activities are monitored and checked on an ongoing basis, with detailed reviews occurring annually and every 3 years. The recommended amendments to the conditions would strengthen and clarify these requirements.

2.4 Final Void

Recommendation 3 – That the proposed condition of consent relating to the Rehabilitation Management Plan should be strengthened to take into account the outcomes of any review of the NSW Government’s current policy on final voids.

The Department has amended the Rehabilitation Management Plan condition (ie. condition 58 of schedule 3) to reflect the Commission’s recommendation. The amended condition requires Warkworth to prepare the plan in accordance with any extant NSW Government policy on final voids. Subsequent revisions to the plan as required under recommended condition 5 of schedule 5 would address any future updates to government policy on final voids following approval of the initial Rehabilitation Management Plan.

Recommendation 4 – That the conditions of consent relating to visual mitigation measures should expressly refer to final voids and be strengthened to ensure that vegetation screening or other mitigation measures are implemented in a timely manner.

The Department has amended the visual amenity conditions to reflect the Commission’s recommendation. In this regard, the Department has amended the visual impact operating conditions (ie. condition 52 of schedule 3) to expressly refer to the need to implement measures to mitigate long term visual impacts associated with final voids. The Department has also expanded the condition to require the vegetation screening to be implemented within 6 months in accordance with a tree screening plan prepared in consultation with Council.

2.5 Noise and Air Quality

Recommendation 5 – That the proposed conditions of consent relating to the Noise Management Plan and Air Quality Management Plan should be strengthened to explicitly address non-compliances or exceedances of the relevant performance criteria. This may include requirements to independently investigate complaints and to respond effectively, and to undertake regular briefings with the community and provide updates on recent air quality and noise levels.

In response to the Commission's recommendation the Department has amended the noise and air quality management plan conditions (conditions 7 and 20 of schedule 3) to require Warkworth to undertake regular briefings with the community on noise and air quality issues.

These amendments would strengthen the existing recommended conditions which provide a robust framework for addressing any non-compliances or exceedances of the relevant performance criteria. In this regard, the recommended conditions include a number of requirements on Warkworth to address non-compliances or exceedances of the relevant performance criteria, undertake independent reviews, respond to complaints and to keep the community informed about noise and air quality emissions.
These include requirements on Warkworth to:

- comply with noise and air quality criteria (conditions 4, 5 and 17 of schedule 3);
- undertake independent reviews if landowners believe that the mine is exceeding the applicable noise and air quality criteria (condition 4 of schedule 4);
- develop procedures for, amongst other things (condition 1 of schedule 5):
  - keeping the local community informed about the operation and environmental performance of the mine;
  - receiving, handling, responding to and recording complaints; and
  - resolving disputes;
- ensure that the various management plans (including noise and air quality management plans) include, amongst other things (condition 3 of schedule 5):
  - a description of the measures to be implemented to ensure compliance;
  - a contingency plan to manage any impacts and their consequences;
  - a program to improve environmental performance over time; and
  - protocols for managing and reporting incidents, complaints, non-compliances and exceedances;
- undertake adaptive management measures for any identified exceedance of the noise or air quality criteria (condition 2 of schedule 5); and
- make monitoring results publicly available on its website (condition 11 of schedule 5).

Any failure by Warkworth to meet the noise and air quality criteria would be managed in accordance with the provisions of the consent (including the adaptive management requirements under recommended condition 2 of schedule 5), and may be subject to compliance and/or enforcement action under the EP&A Act.

The recommended conditions also require the Noise Management Plan (condition 7 of schedule 3) to include provisions for keeping the local community informed about the noise management system and monitoring results, including holding a public information session within 6 months of the date of consent. As outlined above the Department has amended this condition, and the air quality management plan condition (conditions 20 of schedule 3), to require Warkworth to undertake regular briefings with the community on noise and air quality issues.

### 2.6 Social Impact Assessment

**Recommendation 6 – That the Department should review the letter from Dr Michael Askew to the Commission dated 8 October 2015 and ensure that it is satisfied that the social impact assessment adequately addresses the Secretary’s Environmental Assessment Requirements.**

The Department has reviewed the additional letter received by the Commission from Dr Michael Askew and Dr Louise Askew dated 8 October 2015. This letter followed an earlier submission from the Askews to the Commission dated 8 September 2015. The additional letter responds to Rio Tinto’s responses to the issues raised by the Askews in their 8 September 2015 letter.

In summary, the Askew’s most recent letter disputes Rio Tinto’s claims that:

- the social impact assessment has been produced by an adequately experienced team;
- the Askew’s role in preparing the original social impact assessment was limited;
- the social impact assessment is consistent with leading practice; and
- the social impact was undertaken in accordance with Secretary’s environmental assessment requirements and the issues identified in the LEC judgment.

As outlined in the Department’s additional information letter to the Commission dated 2 October 2015, the Secretary’s Environmental Assessment Requirements for the project require the Applicant to:

> “undertake an assessment of the likely social impacts of the development (including perceived impacts), paying particular attention to any impacts on Bulga village.”
The EIS for the project includes a detailed social impact assessment and economic impact assessment undertaken by suitably qualified consultants. Warkworth’s Response to Submissions includes further detailed information, including direct and detailed consideration of the matters raised by the Askews (which are similar to the issues raised previously by the Bulga Milbrodale Progress Association).

The Department acknowledges that for social assessments and cost benefit analyses experts can differ on what constitutes ‘best practice’ and the values that should be placed on various costs and benefits.

The social impact assessment includes detailed stakeholder and near neighbour consultation (including surveys and open community forums), community, workforce and supplier profiling, consideration of community perceptions and perceived impacts, and assessment of the range of potential social impacts and opportunities including impacts on community services, property values, health and well-being, loss of community and sense of place.

The assessment focused on engagement with near neighbours in the Bulga area, with around 20% of Bulga residents participating in the consultation process. This supported the consideration of perceived impacts on the Bulga Village presented in the EIS and Response to Submissions.

The Department acknowledges that the project would give rise to a number of social and economic costs, as well as giving rise to a number of social and economic benefits. Like most major mining projects, the benefits would accrue to both the local community (e.g. jobs, economic opportunities) and the wider community (e.g. affordable energy, royalties), while many of the costs (particularly amenity impacts such as noise, dust and visual, as well as other perceived social effects) would accrue more to the local community surrounding the mine site.

The Department has considered these amenity and other impacts in accordance with applicable NSW policy and guidelines, and recommended conditions requiring Rio Tinto to minimise, manage or at least compensate for the residual impacts.

The Department’s assessment found that no residences within Bulga village are predicted to experience noise and/or dust impacts above the applicable criteria accepted by the Environment Protection Authority for a rural area. Apart from 2 properties in the surrounding rural area (including one on the northern outskirts of Bulga), the noise and dust impacts are predicted to remain below non-discretionary standards in the Mining SEPP and the acquisition criteria in the Voluntary Land Acquisition and Mitigation Policy.

The Department’s assessment also found that the project would result in significant visual impacts on elevated areas within Bulga village and surrounds. The Department has recommended a range of visual mitigation measures to reduce these impacts, including screening around the mine and at significantly impacted residences. However, even with these mitigation measures, the Department considers that the visual impacts for some residents in Bulga would remain high.

The project would also result in other perceived impacts for the local community (e.g. a changing sense of place), which some residents may find significant or even unacceptable. However, the Department recognises that not proceeding with the project would also result in a range of adverse social impacts as a result of:

- workers and their families moving away from the area;
- workers and their families facing unemployment and financial difficulties;
- reduced local spending and decreased local business;
- reduced viability of services such as local schools; and
- reduced community activities and participation.

The EIS for the project also includes a detailed cost benefit analysis that attempts to weigh up all of the project’s costs and benefits based on its full range of environmental, social and economic impacts and benefits. This includes consideration of costs associated with externalities such as impacts associated with noise and vibration, air quality, visual amenity, biodiversity, heritage, traffic, water resources and greenhouse gas emissions.
This analysis indicates that the Warkworth and Mt Thorley projects would result in a considerable net benefit to NSW of approximately $1.5 billion. As outlined in the Department’s Addendum Report dated May 2015, the Department’s independent economics expert Deloitte Access Economics (DAE) has reviewed and broadly accepts the cost benefit modelling. Rio Tinto has also agreed to enter into a voluntary planning agreement with Singleton Council that would provide $11 million in contributions toward local community infrastructure and services, including up to $6 million in Bulga 1.

The Department agrees with the conclusion of the Commission in its first review report which stated:

“the Commission must balance the social impacts against the economic benefits associated with the proposal. In this regard, the Commission shares the Department’s view that the impacts expected as a result of the Project are acceptable when compared to the standards and performance measures commonly applied to mining projects in NSW.”

The Department also agrees with the Commission’s conclusions in its second review report that the Mt Thorley Warkworth mine complex “is a very important contributor to the local and regional economy”, and that “the project’s benefits as currently understood outweigh its potential impacts, and that on balance the project is approvable”

In summary, the Department confirms that it is satisfied that the social impact assessment for the project adequately addresses the Secretary’s Environmental Assessment Requirements, including consideration of perceived and actual impacts on Bulga Village. The Department also remains satisfied that Warkworth’s environmental, social and economic assessments, together with the independent economic peer review undertaken by DAE on behalf of the Department, provide an adequate level of detail to enable the decision maker to consider the social and economic impacts and to determine the project.

3. RECOMMENDED CONDITIONS

The Department has made a number of amendments to the recommended conditions of approval for the project in response to the Commission’s second review as discussed above (see Attachments B and C).

4. SECTION 79C

Section 79C(1) of the Environmental Planning and Assessment Act 1979 (EP&A Act) outlines the matters that a consent authority must take into consideration when determining development applications. These matters can be summarised as:

- the provisions of environmental planning instruments (including draft instruments), development control plans, planning agreements, the EP&A Regulations and any coastal zone management plan;
- the impacts of the development;
- the suitability of the site;
- any submissions; and
- the public interest.

Section 5 of the EP&A Act also outlines a range of objects that must be considered when making decisions under the Act, and Sections 5A to 5D further outline provisions to be considered with regard to threatened species (including species, populations and ecological communities) and their habitats.

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1 Rio Tinto’s offer comprises a total contribution of $11 million over 21 years for the Warkworth and Mt Thorley Continuation Projects.
The Department has considered all of these matters in its assessment of the development. In summary, the Department believes that:

- the development can be undertaken in a manner that is consistent with the aims, objectives and provisions of the applicable environmental planning instruments, other applicable planning documents and the EP&A Regulations. The Department has reconsidered the proposal in the context of the Mining SEPP Amendment that has now been made. In this regard, the Department is of the view that the project is consistent with the aims of the Mining SEPP as amended, the resource on the subject site is significant, and that the extraction of the resource would result in a number of substantial social and economic benefits for the region and the State as a whole;
- the development can be undertaken in a manner that is generally consistent with the objects of the Act;
- the impacts of the development can be adequately minimised, managed, or at least compensated for, to an acceptable standard;
- the site is suitable for the development, as it contains a State significant coal resource in a long established coalfield, is immediately adjacent to existing mining operations, and is a permissible development on the land. The Department has carefully considered the potential impacts of the project on the site and surrounds in its assessment of the development, and is satisfied that the impacts of the development on the environment and the local community can be adequately minimised, managed, or at least compensated for, to an acceptable standard; and
- whilst there is strong opposition to the development from local landowners and special interest groups, the development is in the wider public interest, particularly as it would:
  - assist in meeting society’s continued demand for coal for basic energy and steel making purposes;
  - generate significant economic benefits including approximately $567 million in royalties for the NSW Government; and
  - facilitate continued employment for up to 1,300 people across the Mt Thorley Warkworth mine complex.

5. CONCLUSION

The Department has considered the Commission’s second review report and other relevant information in accordance with the requirements of the EP&A Act, and strengthened its recommended conditions in accordance with the Commission’s review.

Based on its consideration, the Department reaffirms the conclusions of the Department’s Environmental Assessment Report for the project dated November 2014 and its Addendum Report dated May 2015. That is, the Department is satisfied that Warkworth has designed the project in a manner that achieves a reasonable balance between maximising the recovery of a coal resource of State significance and minimising the potential impacts on surrounding land users and the environment as far as practicable.

The Department’s assessment concludes that no residences within Bulga village would experience noise and/or dust impacts above the applicable acquisition criteria (although 2 properties in the surrounding rural area would be affected, including one on the northern outskirts of Bulga). The Department has recommended conditions that would require Warkworth to address these impacts in accordance with the NSW Government’s Voluntary Land Acquisition and Mitigation Policy.

With regard to impacts on biodiversity, the Department acknowledges that the project would disturb approximately 611 ha of native woodland including 72 ha of Warkworth Sands Woodland EEC and threatened fauna habitat. Warkworth has proposed a comprehensive biodiversity offset strategy that comprises almost 2,900 ha of land-based offsets, rehabilitation of 1,600 ha of woodland on the mine

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2 See Section 3.3 and Appendix D of the Environmental Assessment Report and the Department’s additional information letters to the Commission dated 26 June 2015 and 7 July 2015.

3 See Section 3.8 of the Environmental Assessment Report and the Department’s additional information letters to the Commission dated 26 June 2015 and 7 July 2015.
site, and various supplementary measures to manage, enhance and restore areas of Warkworth Sands Woodland.

In this regard, the project involves the long-term projection of approximately 235 hectares of Warkworth Sands Woodland in the biodiversity offset areas, including the protection of 75.5 hectares of existing Warkworth Sands Woodland and regeneration of 159 hectares of the community. Both OEH and the Department are satisfied that these and other offsetting measures are reasonable and feasible, and that they would adequately compensate the biodiversity impacts of the project.

The Department is satisfied that other impacts associated with the project, including impacts on heritage values, water resources, transport and socio-economics, are acceptable and can be appropriately managed subject to conditions.

Importantly, the extraction of a coal resource of this size and quality would result in a range of very significant economic benefits to the Singleton LGA, the Hunter region and to the State of NSW, which must be given sufficient weight in assessing the development's overall merits. These benefits include direct capital investment of $715 million, approximately $567 million in royalties for the NSW Government, local contributions of at least $11 million (including up to $6 million in Bulga), and continued employment for up to 1,300 people at the Mt Thorley Warkworth complex.

The Department has carefully assessed the project in accordance with the requirements of the EP&A Act. On balance, the Department believes that the project’s benefits outweigh its residual costs, and that it is in the public interest and should be approved, subject to stringent conditions.

6. RECOMMENDATION

It is recommended that the Planning Assessment Commission:

- **considers** the findings and recommendations of:
  - the Department’s environmental assessment report (November 2014);
  - the Commission’s first review report (March 2015);
  - the Department’s first addendum report (May 2015) and additional information letters (26 June 2015, 7 July 2015 and 2 October 2015);
  - the Commission’s second review report (October 2015); and
  - the Department’s second addendum report (this report);
- **approves** the development application for the Warkworth Continuation Project, subject to conditions; and
- **signs** the attached amended recommended conditions of approval (see Attachment C).

Mike Young
Director
Resource Assessments

Marcus Ray
Deputy Secretary
Planning Services
ATTACHMENTS:

A  OEH Advice – 28 October 2015
B  Recommended Conditions of Consent (tracked changes)
C  Recommended Conditions of Consent
ATTACHMENT A:
ATTACHMENT B: