



New South Wales Government  
Independent Planning Commission

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# Chain Valley Colliery Consolidation Project

## SSD-17017460

### Statement of Reasons for Decision

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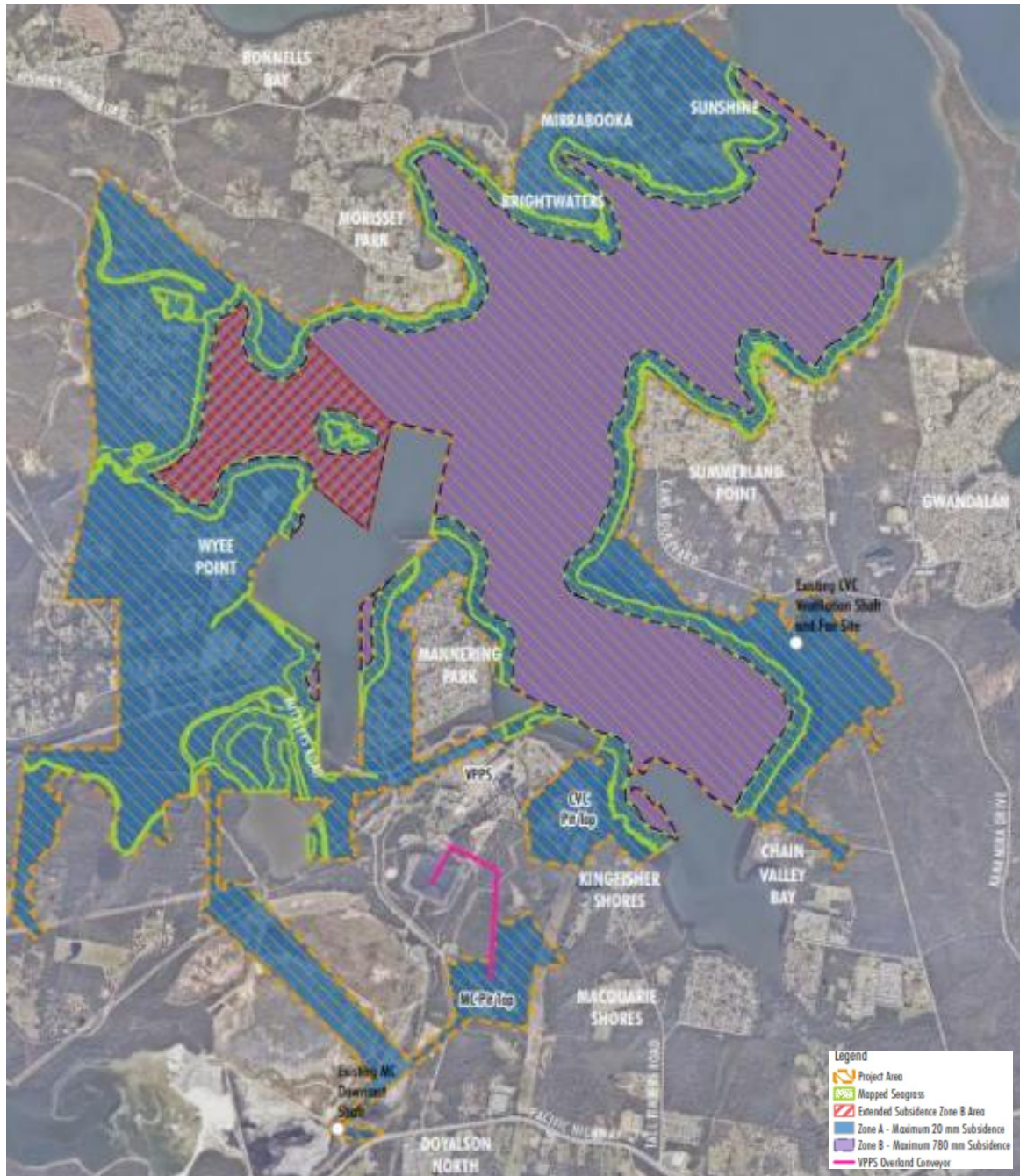
# 1. Introduction

1. On 16 December 2025, the Minister for Planning and Public Spaces (**Minister**) made a request under section 2.9(1)(d) of the *Environmental Planning and Assessment Act 1979* (**EP&A Act**) for the NSW Independent Planning Commission (**Commission**) to conduct a Public Hearing and determine the State significant development (**SSD**) application for the Chain Valley Colliery Consolidation Project (SSD-17017460) (**Application**) within 12-weeks of receiving the referral of the NSW Department of Planning, Housing and Infrastructure's (**Department**) Assessment Report (**AR**) in respect of the Application.
2. On 18 December 2025, the Department referred the Application to the Commission for determination. The Application was made by Delta Power & Energy (Chain Valley) Pty Ltd (**Applicant**).
3. The Application seeks approval for the Chain Valley Colliery Consolidation Project (the **Project**) located in the Lake Macquarie and Central Coast Local Government Areas (**LGAs**) under section 4.36 of the EP&A Act as it satisfies the criteria under section 5(1)(a) of Schedule 1 of *State Environmental Planning Policy (Planning Systems) 2021* (**SEPP Planning Systems**).
4. In accordance with section 4.5(a) of the EP&A Act and section 2.7(1) of the SEPP Planning Systems, the Commission is the consent authority because more than 50 public submissions were made by way of objection.
5. Andrew Mills, Chair of the Commission, determined that Professor Neal Menzies AM (Chair), Juliet Grant and Dr Bronwyn Evans AM would constitute the Commission for the purpose of exercising its functions with respect to the Application.

# 2. The Application

6. Chain Valley Colliery (**CVC**) and Mannering Colliery (**MC**) are established and operational underground coal mines located on the southern shore of Lake Macquarie, approximately 60 kilometres south of Newcastle. The 'site' for the purpose of the Application, is located within the CVC and MC operation areas (**Site**). Refer to **Figure 1**.
7. The existing CVC and MC collieries are operated as an integrated complex with shared workforce, infrastructure and coal handling systems that deliver coal via conveyor to the existing Vales Point Power Station (**VPPS**).
8. The Project seeks approval to consolidate existing approvals for CVC and MC under a single consent, extend the mine life by two years to 31 December 2029, allow coal extraction of up to 2.8 million tonnes per annum (**Mtpa**) of run-of-mine (**ROM**) coal for the combined operations, and allow secondary coal extraction within approved mining areas beneath Lake Macquarie. The Project does not propose expansion beyond current CVC and MC mining boundaries (AR, page 5).
9. The Commission notes that the Application seeks a two-year extension, and has considered it on that basis. The Commission is aware that this period was originally intended to align with the planned 2029 closure of VPPS, however, in March 2023 – after the Application was lodged – the VPPS closure date was deferred by four years to 2033.
10. The Project would include the voluntary surrender of existing consents for CVC (SSD-5465 (as modified) and MC (MP 06\_0311 (as modified)). Both operations are approved to carry out mining operations to 31 December 2027.
11. A complete description of the Site and Project can be found at sections 1.1 and 2.1 of the Department's AR.

Figure 1 – Project overview (source: Department’s AR Figure 2)



### 3. Consultation

12. The Commission held meetings with the Applicant on 9 February 2026 and the Department on 11 February 2026, and transcripts from these meetings were made publicly available on the Commission’s website. The Commission offered to meet with Lake Macquarie City Council and Central Coast Council, but those Councils declined to meet with the Commission in this instance.
13. The Commission also carried out a site inspection and locality tour on 18 February 2026, with notes made publicly available on the Commission’s website.

14. The Commission held a Public Hearing in Caves Beach on 19 February 2026, where it heard from nine community members as well as the Applicant and the Department. The Commission also received 425 unique written submissions. Matters raised in submissions during the Public Hearing and in written submissions are detailed in Appendix A of this Statement of Reasons and have been considered, where relevant to the Commission's functions in relation to this Application, in the Commission's decision-making process.
15. Following the NSW Government's release of the *NSW Coal Industry 2026-50* policy statement (**Coal Policy Statement**) on 19 March 2026, the Commission sought further submissions on the policy's application to the Project by opening a second submission period from 20 to 29 March 2026. The Commission received a further 79 submissions during this period, which are also considered in Appendix A.

## 4. Material Considered by the Commission

16. In this determination, the Commission has given consideration to the:
  - matters raised in public submission received by the Commission as set out in [Appendix A – Community Consultation Report](#);
  - material and planning framework as set out in [Appendix B – Commission's Considerations](#); and
  - Department's whole-of-government assessment as set out in [Appendix C – Department's Assessment Report](#).
17. The Department's whole-of-government assessment of the Project was undertaken in consultation with 11 government agencies, including the Environment Protection Authority (**EPA**); Department of Climate Change, Energy, the Environment and Water (**DCCEEW**); Department of Primary Industries – Fisheries; Department of Regional NSW – Mining, Exploration and Geoscience; and Subsidence Advisory NSW. Several of these agencies provided comments on the Application, and none objected to the Application. Lake Macquarie City Council expressed its support for the Project, while Central Coast Council did not provide comments. The Commission has considered all of this advice in making its determination.

## 5. Reasons for the Decision

18. The Commission finds that the Project should be approved because it will secure coal supply to VPPS for an additional two years, thereby supporting reliable baseload electricity during NSW's transition to renewable energy sources. The Project's impacts can be minimised by using existing infrastructure, staying within the current mining footprint, and operating in an area where environmental impacts are well understood and can be effectively managed under contemporary conditions. After weighing the public interest, environmental impacts and Ecologically Sustainable Development (**ESD**) principles, the Commission concludes that a two-year extension is justified and is consistent with NSW's decarbonisation pathway.
19. The following paragraphs outline the Commission's consideration of the material before it and its findings in relation to the key issues it has identified – including greenhouse gas emissions, air quality, subsidence, and other relevant considerations – and matters raised in public submissions. The first issue addressed in this section concerns the transport of coal by truck. This matter is addressed first because it provides important context for the Commission's consideration of the remaining key issues.

## Coal transport

20. The Commission recognises that the central purpose of the Application is to ensure the continuity and reliability of the coal supply chain from CVC and MC to VPPS for a further two years. The Commission understands that, at present, all coal extracted from both CVC and MC is used exclusively to meet the fuel requirements of VPPS.
21. The Applicant's Environmental Impact Statement (**EIS**) (prepared by Umwelt, dated 27 September 2022) states:
- Due to proximity to VPPS and common ownership, all of the coal produced at CVC and MC is currently supplied to the VPPS... Delta Coal is seeking to ensure the continuity of coal supply for the VPPS which will reduce reliance on external parties and supply chains (EIS, pages 38-39).*
22. However, the existing consent for CVC (but not for MC) does permit transport of coal via road to customers other than VPPS, including (AR Table 1):
- a maximum of 660,000 tonnes per annum (**tpa**) of product coal from the CVC pit top via public roads to the Port of Newcastle for export; and
  - a maximum of 180,000 tpa of product coal from the CVC pit top via public roads to domestic customers other than VPPS.
23. The Applicant states that it seeks to retain the existing approval for road transport of coal from CVC for international export and domestic supply under the current Application and considers that this component of the Application is appropriate as it only applies to a relatively small volume of the overall coal production (EIS, page 40).
24. No facilities currently exist on the Site to enable coal to be loaded onto trucks for road transport. Therefore, exercising the existing consent to transport coal by truck would require the Applicant to construct suitable on-site infrastructure, and the proposed Application does not seek approval to construct such on-site infrastructure. The Applicant states that it has considered alternative transport options to avoid road transport of coal, such as constructing a coal conveyor from CVC or MC to rail loading facilities, however it states that this would have significant capital requirements which would not be feasible given the low volumes of coal currently approved for export and the relatively short approval period over which this could occur (EIS, page 40).
25. The Commission has considered the volume and nature of truck movements associated with transporting coal to customers other than VPPS and concludes that such movements would increase amenity impacts for communities along the transport route – including additional noise and dust impacts – and contribute to traffic congestion, elevate safety risks and result in higher Scope 1 emissions, including from diesel combustion from truck transport and fuel use associated with loading, queuing, idling and unloading. The Applicant's Traffic Assessment (prepared by GHD, dated August 2020) confirms that coal exports by truck are not expected because all coal produced at the Site will continue to be transported by conveyors to VPPS (page 19). The Traffic Assessment also notes that the exclusive supply of coal from the collieries to VPPS "has resulted in a significant reduction in the volumes of heavy vehicle activity associated with the operation of the collieries" (page 3).
26. Further, and central to the Commission's findings in regard to the Application, the Commission finds that extending the operational life of CVC and MC is warranted on the basis that it will provide ongoing coal supply to VPPS for a further two years, and the proximity of the Site to VPPS supports the Project's suitability for continued use. The Commission finds that the key public benefit of the Project is fuelling VPPS to generate electricity and provide baseload power, thereby supporting NSW's planned transition from coal-fired power generation to renewable energy.

27. In accordance with section 4.16(4)(b) of the EP&A Act, the Commission grants consent to the Application except for the transportation of coal by truck to domestic customers other than VPPS and to the Port of Newcastle for international export. Coal transport should be restricted to the established conveyor system to VPPS, an outcome that, by using existing infrastructure, demonstrates an efficient means of recovering the coal resource (per section 2.22(1) of the Resources SEPP). Accordingly, the Commission has not adopted the Department's recommended conditions for coal transport by truck, other than allowing transport by private road to VPPS only if the conveyor cannot be used, and emergency transport of coal by truck via public roads to VPPS only, under any restrictions set by the Planning Secretary.

### Greenhouse gas emissions

28. Although the Project will contribute to the impacts of climate change (including on the locality of the Project), the Project's greenhouse gas (**GHG**) emissions will be time-limited and are balanced by the need to realise the benefits of the Project, principally in the provision of energy security during the State's planned transition to renewable energy. The negative impacts (including local impacts) of the Project arising from its GHG emissions, as managed by the imposed conditions of consent, are outweighed by the Project's broader benefits.
29. The Commission's key findings supporting this conclusion are that:
- projected GHG emissions have been appropriately quantified using the best available information;
  - the Project will cease by 31 December 2029, prior to the NSW Government's legislated 2030 emissions reduction targets, with the consequence that the Project will not be required to meet those targets (except for the possibility of minor volumes extracted prior to 31 December 2029 being consumed at VPPS after the commencement of the target);
  - the Project will ensure the continuity of coal supply to VPPS for a further two years, thereby supporting VPPS in providing baseload electricity during NSW's transition to renewable energy;
  - the Project's proximity to VPPS and the availability of existing conveyor infrastructure will result in lower transport emissions than any alternative coal supply options for VPPS's already approved operations; and
  - the imposed conditions will consolidate the existing multiple consents into a single, contemporary consent requiring improved monitoring methodologies to improve emissions accuracy and accountability.

#### *Conditions imposed on the Project*

30. The Commission has imposed conditions on the Project requiring ongoing emissions management consistent with State climate objectives, including the preparation and implementation of a Greenhouse Gas Mitigation Plan (GHGMP) that identifies all feasible and reasonable measures to minimise Scope 1 and 2 emissions in line with the IEAPM's recommendations.
31. As all of the Scope 3 emissions of the Project will be accounted for and regulated by the Commonwealth's Clean Energy Regulator as part of the Scope 1 emissions of the VPPS, the Commission has not imposed specific conditions regulating the Scope 3 emissions of the Project. The Scope 3 emissions arising from the Project, as amended by the conditions of consent, will all occur in NSW and therefore be regulated under – among other controls – the Safeguard Mechanism as it applies to VPPS and the VPPS Environment Protection Licence (EPL).

32. The Commission has not imposed conditions geared to the Project meeting the legislated net zero targets, as the Project will cease extraction of coal before those targets take effect. Although the Applicant has indicated in its 16 January 2025 correspondence to the Department that there may be a prospect of “minor volumes” of coal extracted by the Project being consumed at VPPS after the net zero targets take effect, if this occurs, the Safeguard Mechanism as it applies to the Scope 1 emissions of VPPS will account for any such emissions.

#### *Legal and policy framework*

33. In making its decision to grant consent to the Project subject to conditions (including those related to GHG emissions), the Commission is bound by the relevant legal framework, which, insofar as it applies to GHG emissions is established by section 4.15 of the EP&A Act, section 2.20 of the *State Environmental Planning Policy (Resources and Energy) 2021 (Resources and Energy SEPP)* and the *Climate Change (Net Zero Future) Act 2023 (Climate Change Act)*. In turn, this legal framework requires (and where it does not require, it permits) the Commission to consider a range of NSW and Commonwealth policies regarding GHG emissions – principally but not exclusively through the obligation imposed on consent authorities under section 2.20 of the Resources and Energy SEPP.
34. The policy framework is complex and its interpretation is contested in submissions received by the Commission, however this Application must still be considered in light of its specific predicted impacts, and those impacts considered along with the predicted benefits of granting consent to the Application. The policy framework does not provide for a pre-ordained outcome that the Commission must apply in all cases. Nothing in – for example – the advice or recommendations of the Net Zero Commission has been interpreted by the Commission to mean that every lawful application for coal extraction must be automatically refused, just as nothing in the NSW Government’s *NSW Coal Industry 2026-50 (March 2026) (Coal Policy Statement)* has been interpreted by the Commission to mean that every lawful application for coal extraction must be automatically approved.

#### *Assessment of the Project*

35. As part of its decision-making process, the Commission has considered the Applicant’s Greenhouse Gas and Energy Assessment (**GHGEA**) within the EIS and the Independent Expert Advisory Panel for Mining’s (**IEAPM**) Greenhouse Gas Assessment (dated January 2024), including its advice on the suitability of the emissions calculations and the adequacy of the proposed GHG avoidance, mitigation and minimisation measures. It has also taken into account the Applicant’s response to the IEAPM’s recommendations.
36. The Project, as approved by the Commission, is expected to generate approximately 12.8 million tonnes of CO<sub>2</sub>-equivalent (**CO<sub>2-e</sub>**) GHG emissions related to the proposed additional two years of extraction. Emissions are predicted from the sources set out in **Table 1**.

**Table 1** – Estimated GHG emissions from the Project (sources: Department’s AR Table 9, as updated by revised estimates from the Applicant, dated 11 September 2025)

Scope	Key GHG source	Estimated GHG emissions (t CO <sub>2-e</sub> )
Scope 1	On-site mining activities, including fugitive emissions from legacy mining activities and diesel use for machinery	1,468,600 (11.5%)
Scope 2	Upstream electricity (i.e. purchased electricity)	107,448 (0.8%)
Scope 3	Downstream emissions (i.e. combustion of coal)	11,241,000 (87.7%)
<b>Total</b>		<b>12,817,048</b>

37. The Commission notes that the Scope 3 emissions in **Table 1** only include emissions associated with coal combusted at VPPS. If the Commission had determined to permit the transportation of coal by truck to domestic and international customers other than VPPS (the Application sought to transport up to 660,000 tonnes of coal per annum) the total Scope 3 emissions would increase to 11,416,000 t CO<sub>2-e</sub> (Applicant's response to Department's request for information, dated 11 September 2025).
38. Scope 3 emissions constitute the overwhelming majority of the Project's GHG footprint, with approximately 88% of total emissions associated with the end use of the product coal (i.e. combustion) (AR, para 264). Given the decision not to permit coal transport by truck to customers other than VPPS, all of the Project's Scope 3 emissions will occur through the combustion of coal for electricity generation at VPPS, and would accordingly also be categorised as the Scope 1 emissions of VPPS.
39. The Department states that:
- The additional emissions from the Project (i.e. Scope 1, 2 and 3) would contribute to global climate change. Climate projections for the Central Coast and Hunter regions (including the Project area) indicate rising temperatures and sea level, increased fire risk, and more frequent extreme weather events (AR, para 265).*
40. The Commission has considered the GHG avoidance, minimisation and mitigation measures proposed in the Application, noting that the Applicant is already required to implement best practice measures to minimise the release of Scope 1 and 2 emissions from the Site under the current consents (AR paras 200-201). To minimise Scope 1 emissions, the Applicant must:
- seal each completed mini-wall panel to limit methane emissions;
  - install ventilation controls in herringbone panels to reduce fugitive emissions;
  - maximise the use of conveyor systems to reduce diesel emissions from road transport or coal;
  - monitor gas levels, temperature, pressure and airflow in real time at ventilation shafts to measure methane and CO<sub>2</sub> accurately and explore reuse options;
  - accurately record fuel use and ROM coal production to calculate GHG emissions;
  - and
  - factor energy efficiency into all procurement decisions.
41. During the Public Hearing on 19 February 2026, the Commission questioned the Applicant about potential additional measures that it could implement to further reduce Scope 1 emissions from the Project, with particular emphasis on fugitive methane emissions (Public Hearing transcript, page 11). The Applicant responded:
- The primary mechanism and driver for us to continue to reduce our emissions is continuing to seal legacy areas of the mine, and that is something that the company is going to continue to do as mining progresses (Public Hearing transcript, page 39).*
42. As the work of sealing legacy mine areas will continue irrespective of whether the Project is approved or refused, emissions reductions would occur even if the Commission decided to refuse the Application, as they relate to the progressive sealing of historical workings rather than to the Project itself.
43. In its 27 March 2026 submission to the Commission, the Applicant stated that it has:
- ...committed to review further options to avoid, reduce, substitute, or offset the Scope 1 emissions related to the Project through preparation of a Greenhouse Gas Mitigation Plan (GGMP) within six months of commencing development under the new consent. The plan will address the recommendations of the Independent Expert Advisory Panel for Mining (IEAPM) Advice and meet the requirements of the key EPA Climate Change Policy guidelines, including the NSW Guide for Large Emitters, Climate Change Action Plan and Greenhouse Gas Mitigation Guide for NSW Coal Mines.*

*Options to be investigated in the preparation of the GGMP and over the life of the Project will include:*

- *sealing of historical workings;*
- *pre-mining seam drainage (either as in-seam or surface to seam) and capture/combustion of drained gas;*
- *opportunities to pipe ventilation air from the mine to the Vales Point Power Station (VPPS) boiler air intake, for utilisation in the combustion process (and therefore reduce methane emissions to the atmosphere); and*
- *options related to abatement of ventilation air methane (VAM), including the capture and use or flaring of fugitive emissions. (Pages 4-5)*

44. The Applicant states that the combined operation of practical abatement measures and the use of purchased Safeguard Mechanism Credits will ensure that the mandated emission intensity targets are achieved (Applicant's submission to the Commission, dated 27 March 2026, page 5).
45. In relation to Scope 2 emissions, the GHGEA found the Project to be "relatively energy efficient" because "the high-quality ROM coal only requires a simple processing stage and produces very low rates of waste material" (AR para 197). The Project will operate without washing, separation or dewatering, which lowers the energy required for the preparation plant and avoids the energy use normally associated with handling tailings and reject material when processing lower quality coal.
46. The Project's Scope 3 GHG emissions from burning coal to produce electricity at the VPPS will be accounted for by the power station operator (as these emissions constitute VPPS's Scope 1 emissions). Although the already approved operations of VPPS do not form part of the present Application, the Commission has considered the Project's Scope 3 emissions as a likely impact of the present Application.

#### *Climate Change Act*

47. Although the Climate Change Act is legislation, the Commission has also considered its application to the Project as a type of State policy, program or guideline concerning GHG emission (under section 2.20(2) of the Resources and Energy SEPP), a position supported by the Minister for Planning and Public Space's June 2024 correspondence to the Chair of the Commission.
48. The Climate Change Act, which binds the Crown (under section 6) and prevails to the extent of any inconsistency with another Act or law (under section 7) is relevant to the Commission's determination in three main respects. It provides for:
- guiding principles (under section 8);
  - legislated net GHG emission targets (under section 9) for which the Premier and Minister for Climate Change are responsible (under section 11); and
  - the provision of advice and recommendations to the Commission (under section 15(3)(b)).

49. Each of these three matters were considered by the Commission in reaching the present decision.

#### Guiding principles

50. The guiding principles at section 8 of the Climate Change Act inform, among other matters, how the Net Zero Commission exercises its functions. Of principal relevance is the first of the guiding principles at section 8(2) of the Climate Change Act, which provides that: "[T]here is a critical need to act to address climate change, which is a serious threat to the social, economic and environmental wellbeing of New South Wales."

51. This does not mean that GHG generating development cannot proceed in any circumstances. The NSW Government has, through the Coal Policy Statement, indicated that “[e]conomy-wide tools like the Australian Government’s Safeguard Mechanism and the EPA’s NSW Guide for Large Emitters will provide the primary basis for assessment of emissions for existing projects and extensions, with additional emissions reductions delivered through the EPA’s requirements on the coal sector to implement abatement technologies onsite”.
52. The Commission does not interpret that statement of policy to mean that the Safeguard Mechanism and EPA Guide for Large Emitters must, in every case, automatically be taken to fully address section 8(2) of the Climate Change Act. Nonetheless, for the reasons set out in this Statement of Reasons – principally related to the time limited nature of the Project, its cessation before the commencement of the legislated net zero target in 2030, the exclusive use of product coal by VPPS, and its use of existing infrastructure – approval of the Project does not contravene the principles set out in the Climate Change Act.
53. The Commission has considered the balance of the guiding principles and the Department’s consideration of them on the Commission’s behalf in Table D3 of the AR. For the reasons set out in this Statement of Reasons, the Commission agrees with how the Department has considered the guiding principles as they relate to the Application and the Commission adopts the Department’s consideration particularly in Table D3 of the AR.

#### Net greenhouse gas emission targets

54. The Project’s GHG emissions are relevant to the State’s legislated emissions-reduction targets and policy objective of reducing total emissions over time. Given that coal from the Project will be exclusively supplied to VPPS, the Project will not result in new coal-fired generation but will rather support the existing VPPS facility during the State’s energy transition period.
55. The Project’s Scope 1 and 2 emissions contribution to NSW’s total GHG emissions is limited by its operating life, which will end on 31 December 2029. Of relevance to the Commission’s consideration of the Application is that operations will cease prior to the NSW Government’s legislated 2030 target year for achieving a 50% reduction in state-wide emissions, meaning its operational emissions will fall within the pre-2030 period and therefore will not count against the legislated targets. There is a prospect that coal extracted by the Project prior to the end of 2029 will be combusted by VPPS in 2030 or later. To the extent this occurs, the Safeguard Mechanism will continue to apply to the Scope 1 emissions of VPPS.

#### Advice and recommendations of the Net Zero Commission

56. The Commission has also taken into account the advice of the Net Zero Commission in its 26 September 2025 letter to the Chair of the Commission. Specifically, the Commission has considered:
- the Net Zero Commission’s 2024 Annual Report;
  - the Scope 1 emissions of the Project compared to the State’s legislated targets;
  - the Application’s proposed measures to reduce its Scope 2 emissions;
  - the Project’s contribution to the cumulative impacts of the sector on the State’s legislated targets;
  - the Scope 3 emissions of the Project (being the Scope 1 emissions of VPPS) and their capacity to contribute to climate change and to have an impact locally;
  - the Project’s adaptation measures;
  - how the Project contributes to NSW’s adaptation objective; and

- the need for transition of the NSW electricity sector to meet the State's legislated targets, including the need for timely renewable energy capacity.
57. The Commission's findings on these matters as they relate to the Project are set out in this Statement of Reasons.
58. Regardless of whether it has the formal character of advice and recommendations under the Climate Change Act, the Commission has considered the Net Zero Commission's Coal Mining Emissions Spotlight Report (December 2025) (**Spotlight Report**), which emphasises the need for accelerated emissions reductions and examines how emissions from coal mining in NSW can be reduced (particularly fugitive methane). The Commission has taken the Spotlight Report's 'key findings' into account in its assessment of the Application, including how the Project's Scope 1 and 2 emissions may influence progress towards NSW's legislated emissions reduction targets. As stated above, although the Project will contribute to NSW's emissions profile, its short duration, reliance on existing infrastructure and role in supporting system reliability during NSW's transition to renewable energy sources are relevant considerations supporting the grant of consent to the Application.

#### *National and international impacts*

59. The Project's Scope 1 and 2 GHG emissions over the life of the Project are estimated to represent approximately 0.4% of Australia's annual emissions, or less than 0.0001% of the global emissions budget, and if Scope 3 emissions are included, approximately 0.0018% of the global emissions budget (Applicant response to Department RFI, dated 11 September 2025).
60. At both the national and global scale, the Project's GHG emissions may appear modest relative to Australia's total annual emissions profile. However, disregarding the Project's contribution on this basis would directly conflict with the guiding principle of the Climate Change Act outlined at paragraph 50. That principle requires that all sources of emissions, regardless of magnitude, be treated as relevant. In that context, even a 0.4% contribution to Australia's annual emissions is significant and cannot be characterised as immaterial. Accordingly, the Commission agrees with the Department that the Scope 1, 2 and 3 GHG emissions from the Project will contribute to climate change both globally and at the locality.
61. The Commission has taken into account Australia's *Long-Term Emissions Reduction Plan 2022*, which is the Commonwealth Government's plan to achieve net zero GHG emissions by 2050, in line with Australia's commitments under the United Nations Framework Convention on Climate Change Paris Agreement (2015) (**Paris Agreement**). The Plan is underpinned by Commonwealth emissions monitoring and accountability systems, including the National Greenhouse and Energy Reporting Scheme (**NGERS**) and the associated federal 'Safeguard Mechanism' established under the Commonwealth *National Greenhouse Gas and Energy Reporting Act 2007*. The Safeguard Mechanism applies to large industrial facilities, including coal mines, and requires progressive emissions reductions over time. The Project is a facility subject to these regulatory obligations.
62. GHG emissions associated with the combustion of coal supplied from the Site to VPPS are regulated under NGERS and the Safeguard Mechanism. Scope 3 emissions from the Project are Scope 1 emissions for VPPS.
63. Grid connected electricity generators are subject to sector specific baselines set and administered by the Commonwealth's Clean Energy Regulator. These baselines form part of a national framework designed to manage emissions from electricity generation in a manner consistent with Australia's energy and climate policy settings.

64. The projected emissions associated with the continued supply of coal to VPPS fall within the Clean Energy Regulator's modelling and regulatory assumptions for the electricity sector. The Commission is satisfied that these downstream emissions are captured, assessed and managed through this framework.

#### *NSW Government Coal Policy Statement*

65. The Commission has also considered the NSW Government's March 2026 Coal Policy Statement, which sets out the NSW Government's position on the future for coal mining in NSW. The Coal Policy Statement requires that applications to extend existing coal mines, such as the subject Application, demonstrate avoidance and reduction of onsite emissions, compliance with the Safeguard Mechanism and EPA requirements. Projects must also appropriately manage impacts on water, biodiversity, air quality, noise and Aboriginal heritage. The Coal Policy Statement emphasises that coal mine extensions play a role in supporting regional employment and energy security, and these considerations must be balanced against environmental and climate obligations. In applying the Coal Policy Statement, the Commission has considered the Applicant's commitments to reduce onsite emissions and the broader public interest to continue the coal supply to VPPS for a further two years to provide energy security during NSW's transition to renewable energy.
66. Given the NSW Government's release of the Coal Policy Statement during the Commission's consideration of the Application (19 March 2026), the Commission determined that it would be assisted by public submissions on the Coal Policy Statement's application to the proposed development. Accordingly, the Commission re-opened public submissions for a 10-day period, limited to the application of the Coal Policy Statement to the Project. The Commission's consideration of the submissions received is provided at Appendix A.

#### *Local impacts*

67. The Commission has considered the impact of the Project's GHG emissions at a local level, including the vulnerability of the Central Coast and Hunter regions to climate change impacts.
68. The submissions received highlight the community's concern about climate impacts. Climate change was identified as a high social impact in the Applicant's Social Impact Assessment (**SIA**), prepared as part of the EIS (prepared by Umwelt, dated September 2022).
69. The Department's AR (paras 238-240) provides an overview of relevant climate change forecasts and states that for the period 2040-2059, regional projections indicate rising temperatures (average increases between 1.1°C and 1.9°C), more hot days, reduced rainfall, sea level rise (up to 23cm) and increased severe fire weather. The Hunter region is predicted to be particularly exposed due to its bushfire-prone landscapes, coastal areas and pressure on water resources.
70. Although the Project's GHG emissions represent a small fraction of global emissions, they would nonetheless contribute to the climate risks identified by the Department and in submissions.

## Air quality

71. The Commission has considered submissions received that raise concerns about the Project's potential impacts on air quality, particularly in relation to health risks to the surrounding community from dust and predicted concentrations of particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>). Some submissions also expressed concern about cumulative impacts involving the VPPS. The Commission notes that the air quality impacts associated with the already approved combustion of coal at VPPS will occur irrespective of whether VPPS is supplied with coal from the Project or from another source. Imposing conditions on the operation of VPPS is beyond the scope of the Commission.
72. The Applicant's EIS included an Air Quality Impact Assessment (**AQIA**) (prepared by EMM, dated September 2022) which assessed the operational incremental and cumulative air quality impacts (including those from the combustion of coal at VPPS) associated with the Project in accordance with the EPA's *Approved Methods for the Modelling and Assessment of Air Pollutants in New South Wales* (2017) and the *Voluntary Land Acquisition and Mitigation Policy (VLAMP)*. The Department required the Applicant to provide an additional impact assessment for combustion emissions (NO<sub>x</sub>, SO<sub>2</sub>, CO and VOCs) associated with the Project, which was subsequently prepared by EMM and provided to the Department on 23 October 2023.
73. In its AR, the Department noted:
- EMM confirmed that the cumulative impact assessment included in the AQIA specifically incorporated existing background air quality which included existing air quality emissions associated with the VPPS and its ash dams. The Department confirms that this is a common and appropriate approach in AQIAs where ambient monitoring data exists in the vicinity of a project source and surrounding sources in an area (e.g. the VPPS).*
74. The AQIA found that air emissions from the Project would remain broadly consistent with existing operations, aside from extending emission-generating activities for two additional years. Modelling of particulate, combustion and odour emissions showed that predicted cumulative concentrations of TSP, PM<sub>10</sub>, PM<sub>2.5</sub>, dust deposition and gaseous pollutants would remain below all applicable EPA criteria at the most affected locations. Odour levels from ventilation shafts were also predicted to comply with the approved five odour units (5-OU) criterion, with only one location modelled at the threshold and no historical odour complaints recorded. Overall, the Project is not expected to increase exceedances of any relevant air quality criteria.
75. The Department, EPA and Lake Macquarie City Council are of the view that air quality impacts were adequately addressed in the EIS and additional impact assessment.
76. The Applicant confirmed that existing air quality controls (as set out in the Air Quality and Greenhouse Gas Management Plan approved by the Department in March 2022 for the current operations) were incorporated into the Project's air quality modelling and would continue to operate across the Site, including:
- use of conveyors to minimise dust and diesel emissions, including fully enclosed transfer points;
  - sealing of completed panels to limit methane release;
  - enclosed and watered coal-handling infrastructure to suppress dust; and
  - regular watering of stockpiles to reduce dust lift-off.

77. The Department is satisfied that air quality impacts are predicted to remain below all relevant standards, and cumulative impacts with VPPS are not expected to exceed applicable thresholds. The Department's recommended conditions, which incorporate advice from Lake Macquarie City Council and the EPA, require all feasible and reasonable measures be implemented to minimise potential air quality impacts. These include applying best-practice dust mitigation measures and continuing monitoring and reporting to demonstrate ongoing compliance. The Commission agrees with the Department's assessment of air quality impacts and has therefore imposed the recommended conditions of consent.

## Subsidence

78. The Commission considered submissions raising concerns about the potential subsidence impacts of the Project, including the risk that subsidence may exceed predicted levels. It also examined concerns about subsidence-related impacts on Lake Macquarie and its surrounding foreshore areas, particularly potential effects on water quality, biodiversity, seagrass and benthic communities. Further concerns were raised about possible impacts on private properties.
79. The Applicant, in its EIS, provided commitments that mining methods would be designed to ensure that subsidence associated with the Project would comply with the existing approved limits and performance measures specified in the existing consents (AR para 59). The Department considered that more detailed subsidence information and predictions were required to demonstrate that the relevant limits and performance measures can be achieved. The Applicant subsequently submitted a Subsidence Assessment (**SA**) (prepared by Umwelt, dated 10 November 2023) and supporting Geotechnical Assessment (**GA**) (prepared by Brynes Geotechnical, dated October 2023).
80. The Commission acknowledges the region's complex geology and historical mine workings – underground extraction has occurred since the 1960s across the Wallarah, Great Northern and Fassifern seams. The Project seeks to extend secondary extraction in the deep Fassifern Seam beneath Lake Macquarie, with a depth of cover of approximately 150-230 metres, and below complex geology characterised by interbedded claystones, sandstones and low-permeability conglomerate overburden. This variable and often weak geological environment has historically contributed to significant subsidence events in the 1980s, prompting extensive research and the development of specialised mine-design methodologies. Given the region's complex geology, the Department sought an independent review by the Independent Expert Advisory Panel for Mining (**IEAPM**), which requested further information from the Applicant before confirming that the conceptual mine layouts were suitable for assessment and recommending conditions for monitoring, performance criteria and extraction planning. With the IEAPM's advice, the Department considered that there was sufficient information to evaluate the Project's likely subsidence effects and necessary mitigation measures (AR para 62).
81. The approved approach in place to manage subsidence associated with existing operations at CVC and MC involves limiting vertical subsidence in defined subsidence management zones, including:
- Zone A – this covers the most sensitive areas on land and lake foreshore areas, including seagrass beds, and imposes a 20mm vertical subsidence limit to ensure only highly stable first-working mining methods are used; and
  - Zone B – this zone, which is the main area for coal extraction, is located entirely beneath Lake Macquarie and permits subsidence up to 780mm.
82. The Application proposes to maintain these subsidence management zones and limits.

### *Zone A*

83. For Zone A, the GA confirmed that the proposed herringbone first-workings layout is expected to generate only negligible subsidence – well below levels that could impact surface infrastructure.
84. The IEAPM advised that a strict 20mm subsidence limit is impractical given natural ground-movement variability, and instead recommended a contemporary, consequence-based compliance framework. In response, the Department recommended conditions requiring negligible-impact performance criteria, strengthened design requirements to ensure long-term stability with no time-dependent deformation, and comprehensive monitoring and annual reporting of first workings to manage risks associated with weak clystone strata (AR section 6.2.4). The Applicant has agreed to these measures.
85. The Commission agrees with the IEAPM's advice. The Commission has therefore imposed the Department's recommended conditions and finds that with the adaptive monitoring and design regime in place, the proposed Zone A workings are unlikely to result in more than negligible subsidence or any adverse surface impacts.

### *Zone B*

86. For Zone B, the proposed secondary extraction layout relies on the 'bridging effect' of the massive overlying conglomerate strata, with modelling predicting a maximum subsidence of 475mm – which is well within the 780mm limit (AR para 84). Sensitivity testing showed the design remains compliant even under conservative assumptions about conglomerate thickness and strength (AR para 85).
87. Although the IEAPM noted the high reliance on variable conglomerate properties, it recommended site-specific investigations before finalising panel and barrier widths, and the Applicant has committed to obtaining additional strength data and incorporating these requirements through the Extraction Plan process (AR para 89). The IEAPM also advised limiting extraction to two panels in any location, a measure the Applicant has agreed to adopt. The Applicant's SA confirmed that predicted lakebed deepening would not materially affect benthic communities, wave behaviour or built features, consistent with historical performance in existing Zone B workings.
88. Overall, the Department assessed that with additional geological investigations and Extraction Plan controls in place, the Zone B layout can be designed to meet subsidence limits and maintain acceptable environmental and infrastructure outcomes.
89. The Commission agrees with the Department's assessment because, based on the material before it, the Commission finds that Zone B can be mined while still meeting subsidence limits and protecting environmental and infrastructure values, provided the recommended controls are applied. It has therefore imposed conditions of consent for Zone B as recommended by the Department.

## **Other issues**

### *Water resources*

90. The Commission has considered the potential impacts of the Project on water resources, including the surface water discharges of the mine into Lake Macquarie via Swindles Creek. The Commission has considered the Department's assessment at AR Table 10, and also notes that neither the EPA nor DCCEEW Water raised any concerns in relation to water resources.

91. The Commission has considered the Applicant's Surface Water Impact Assessment (**SWIA**) and Groundwater Impact Assessment (**GWIA**) prepared by GHD as part of the EIS (both dated October 2022). The Commission understands the main elements of the Project that could impact on water resources are additional groundwater inflows within the Fassifern Seam and surface water discharge volumes to Lake Macquarie via Swindles Creek.
92. At AR Table 10, the Department notes that GHD confirmed:
- the proposed peak groundwater inflow is below the current combined groundwater Water Access Licence (WAL) allocations held by the Applicant (4,893 ML/year);
  - the existing surface water management system has sufficient capacity to dewater and store the increase in groundwater inflow volumes associated with the Project;
  - water quality from discharges is predicted to be similar to those of the existing operations and within existing Environment Protection Licence (EPL) criteria; and
  - no drawdown of alluvial groundwater, the water table, impacts on baseflow to ephemeral creeks or groundwater dependent ecosystems (GDEs) are predicted as a result of the Project.
93. A peer review of the GWIA was undertaken (by Dr Noel Merrick of Hydro Algorithmics, dated 13 July 2022), which concluded that "the proposed changes in this Project are minor in form and would not lead to any significant incremental impacts from what has already been approved" (page 3).
94. The Commission is satisfied that the Project is unlikely to result in additional adverse impacts to water resources. It has therefore imposed the Department's recommended conditions of consent that require the Applicant to prepare a Water Management Plan that includes a site water balance, salt balance, erosion and sediment control plan, surface water management plan and groundwater management plan.

#### *Operational noise*

95. The Commission has considered submissions received from local residents concerned about the operational noise impacts of the Project. The Commission also notes the Department's comments in its AR that noise has historically been an issue for nearby sensitive receivers, particularly residents at Kingfisher Shores and Macquarie Shores Home Village, and that while noise complaints have declined following mitigation programs, noise remains a concern for the community (AR, page iv).
96. As part of its EIS, the Applicant prepared a Noise Impact Assessment (**NIA**) with reference to the *Interim Construction Noise Guideline* (DECC, 2009), *Noise Policy for Industry* (EPA, 2017) and *Voluntary Land Acquisition and Mitigation Policy* (VLAMP) (NSW Government, 2018). The modelling found:
- predicted noise levels are generally within compliance at most receivers;
  - some exceedances (up to 7 dB) may occur at limited locations during worst-case meteorological conditions; and
  - existing and proposed mitigation measures would further reduce impacts.
97. As mentioned above, the Department has required the Applicant implement noise reduction programs to the current operations. Noise attenuation measures include (but are not limited to) the enclosure of coal handling equipment at CVC; enclosure of surface conveyor coal transfer points at MC, including into the product coal bin; electric powered haulage systems for mine entry and egress at MC; conducting primary coal crushing and sizing underground; and restricting vehicle haulage, including limiting haulage on public roads to specific times of day and only permitting use of compliant vehicles. These mitigation measures will continue to be implemented as part of the combined Project operations.

98. The Commission therefore agrees with the Department's assessment of noise impacts and has imposed conditions that require consolidated and updated operational noise limits across the combined consent and a continuation of attended monitoring and reporting to ensure compliance with noise limits.
99. Further, as set out above, the Commission has not granted consent to the portion of the Application that seeks consent for the transportation of coal by truck, which will further reduce potential noise impacts caused by truck movements.

### *Biodiversity*

100. The Commission has considered submissions that raised concern about potential biodiversity and aquatic ecology impacts, including the risk of harm to aquatic life from mine water discharges into Swindles Creek and Lake Macquarie. It has also considered comments regarding recent fish-death incidents in Lake Macquarie.
101. The Applicant prepared a Biodiversity Assessment (**BA**) as part of its EIS (prepared by EEM dated 14 September 2022), which focused on the potential impacts of the Project to seagrass and benthic communities. The report concluded that the proposed continued operations under the current operations are expected to continue to show evidence of no impact to seagrass and benthic communities in the Zone A and Zone B subsidence areas (BA, page 16).
102. The BA confirmed that the Project would not create any new surface disturbance, that discharge volumes and quality would remain consistent with existing approvals, and that no material impacts to aquatic biodiversity are expected. The only potential indirect risk relates to subsidence in Zone B, but proposed secondary extraction does not occur beneath seagrass beds and long-term monitoring shows no significant effects on benthic communities at the relevant lake depths (AR Table 10).
103. DPI Fisheries raised no objections and requested continuation of existing seagrass and benthic monitoring programs, which the Department has incorporated into its recommended conditions.
104. With regard to submissions that raise concern about recent fish-kill events in Lake Macquarie, the Department stated (AR Table 10):
- The Department acknowledges that there have been two mass fish death events in Lake Macquarie, in both August and September 2022. Both events have been thoroughly investigated by the EPA, with the investigation associated with the second event continuing. The EPA did not identify the operations at the CVC or MC as the likely source (or contributing factor) to the August incident. EMM confirmed that monitoring data associated with discharges from the operations has not identified any anomalies that may have contributed to either fish kill incident. THE EPA did not raise any concerns in relation to these events in its submission on the Project.*
105. The Applicant submitted a request to waive the requirement to prepare a Biodiversity Development Assessment Report (**BDAR**) to the Department on 6 June 2025. The Environment Agency Head and the Director of Energy and Resource Assessments as delegate of the Planning Secretary determined that the Project is not likely to have any significant impact on biodiversity values, and therefore granted a BDAR waiver on 2 July 2025.
106. Overall, the Commission finds that, subject to imposed conditions requiring that existing management plans and performance measures be retained, the Project is not expected to result in additional biodiversity or aquatic ecology impacts.

### *Heritage*

107. The EIS included an Aboriginal Cultural Heritage Impact Assessment (**ACHA**) (prepared by Umwelt, dated May 2022) and a Historic Heritage Assessment (**HHA**) (prepared by Umwelt, dated September 2022). The ACHA was prepared in consultation with ten Registered Aboriginal Parties (RAPs) (AR, Table 10).
108. Heritage NSW raised no issues in relation to the ACHA or Aboriginal cultural heritage aspects of the Project, however Heritage NSW (as a delegate of the Heritage Council of NSW) did make comments in regard to the assessment of the 'Lake Macquarie Resting Place' (Aboriginal place), but stated that provided no impacts are proposed to this Aboriginal Place, the 'Morisset Hospital Precinct' or 'Lake Macquarie State Conservation Area', then it supported the recommendations of the assessment reports (AR, Table 10). The Commission notes that in its Response to Submissions (RtS) Report, the Applicant confirmed that the Lake Macquarie Resting Place is located in the Lake Macquarie State Conservation Area and would not be impacted by the Project.
109. The Applicant's HHA concluded that the Project would not result in any physical impacts (either direct or indirect) nor any visual impacts to heritage items (both listed and unlisted) located partially within or in the vicinity of the Project area (AR, Table 10).
110. The Commission is satisfied that the Project is unlikely to result in adverse impact to either Aboriginal cultural heritage or European heritage, and has therefore imposed the Department's recommended conditions of consent that require the Applicant to carry out the development in accordance with clear Aboriginal Cultural Heritage and Historic Heritage operating conditions.

### *Rehabilitation*

111. The decommissioning and rehabilitation measures outlined in the existing Rehabilitation Management Plan (RMP, October 2022) are proposed to continue to apply to the current Application. The Commission notes that the primary rehabilitation objective is to return the Site to a final land use that is compatible with its surrounding environment. Under the proposed approach, the MC pit top and most of the CVC pit top would be restored to native bushland, while the high-voltage transmission line easement would be rehabilitated to a native grassland community (AR, Table 10). The Commission understands that the underground areas of the mine will be sealed and allowed to flood.
112. During the Public Hearing on 19 February 2026, the Department noted that the Department of Regional NSW – Resources Regulator (**Resources Regulator**) had introduced reforms to improve compliance and reporting requirements for mine rehabilitation across NSW (July 2021). The Department stated that its recommended conditions for the Project incorporated these reforms and therefore represent contemporary rehabilitation conditions of consent (Public Hearing transcript, page 12).
113. The Commission agrees with the Department's assessment of the decommissioning and rehabilitation measures proposed at the end of the Project's life and has therefore imposed conditions, as recommended by the Department, which require the Applicant to comply with rehabilitation objectives – including ensuring that all areas of the Site affected by the Project are safe, stable and non-polluting. Subject to the imposed conditions, the Applicant must also prepare and implement a Rehabilitation Strategy in consultation with the Resources Regulator, Lake Macquarie City Council and Central Coast Council.

## The Commission's Findings

114. The Commission finds the Project will:
- ensure the continuity of coal supply to the adjacent VPPS for a further two years, thereby supporting VPPS to provide baseload electricity during NSW's transition to renewable energy;
  - contemporise monitoring and compliance requirements via updated and consolidated consent conditions;
  - utilise existing infrastructure, thereby avoiding the need for new land disturbance or additional construction impacts;
  - operate within an established mining area, and remain within existing mining boundaries, where environmental impacts are well understood and can be effectively managed;
  - be appropriately rehabilitated to ensure the Site is safe, stable and non-polluting;
  - provide ongoing economic benefits for the short-term, including continued employment for the existing workforce; ongoing support for local businesses and services; and royalties and taxes to the NSW Government, supporting State services and infrastructure; and
  - contribute to climate change, including in the locality, the impacts of which cannot be further mitigated by additional conditions of consent without refusing the Application and foregoing its benefits.
115. The Commission has weighed the public interest, the likely impacts of the Project, relevant ESD principles, and the matters set out in [Appendix B – Commission's Considerations](#), and concludes that granting a two-year conditional approval for the Project is justified. The Commission considers the extension is warranted to support VPPS's contribution to baseload electricity during NSW's transition to renewable energy, and that two years represents a timeframe that can reasonably be supported within the State's decarbonisation policy settings. This limited extension does not unnecessarily prolong the mine's impacts and aligns with NSW's direction to reduce reliance on coal-fired generation.
116. The Commission finds that the Application meets all necessary legal requirements, is consistent with NSW Government policies and supports the public interest in providing energy security during the State's transition to renewable energy. The Commission has therefore determined to approve the Application subject to the conditions of consent in [Appendix D – Instrument of Consent](#).
117. The reasons for the Decision are given in the Statement of Reasons for Decision dated 9 April 2026.

Professor Neal Menzies (Chair)  
Member of the Commission

Juliet Grant  
Member of the Commission

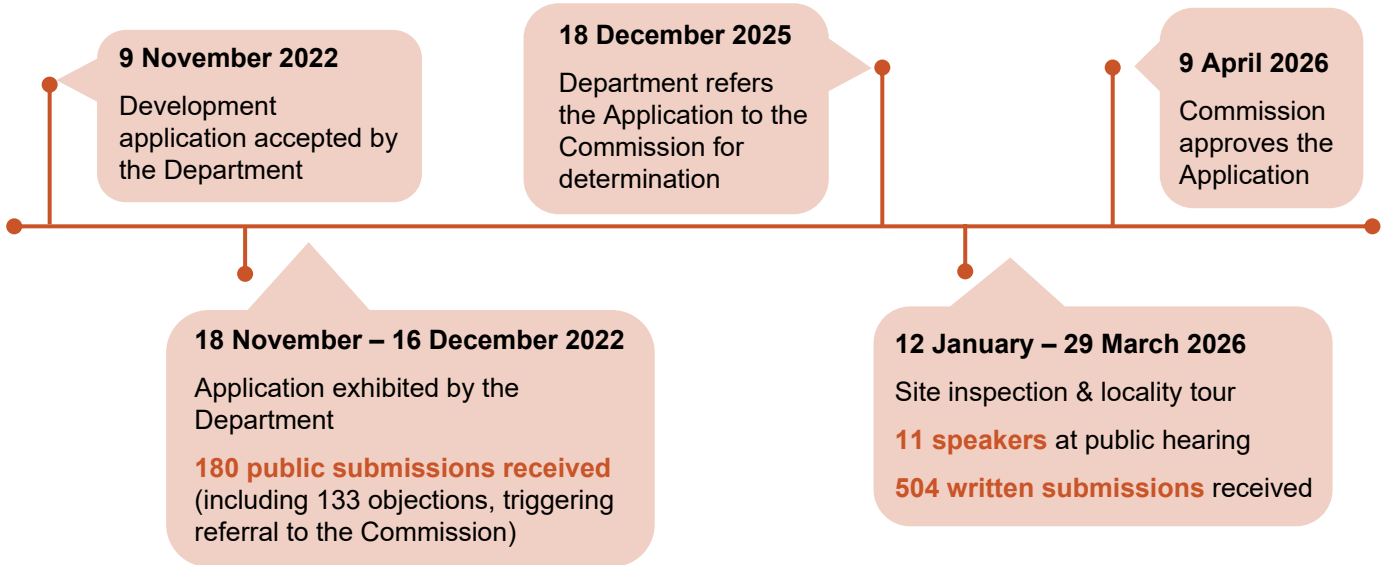
Dr Bronwyn Evans AM  
Member of the Commission

# Appendix A – Community Consultation Report

## Public consultation overview

A summary of the SSD application timeline and key engagement milestones is outlined below.

*Appendix A – Figure 1: Engagement timeline*



## Department’s public exhibition of the Project

During its assessment of the Application the Department exhibited the Project and received 180 submissions, comprised of 133 objections, 45 submissions in support and two comments. Chapter 5 of the Department’s Assessment Report outlines how these submissions were considered in its assessment.

## The Commission’s public consultation

### *The Commission’s meetings*

The Commission met with the Department and the Applicant (refer to *Appendix B – Material Considered by the Commission*). Transcripts from these meetings were made publicly available on the Commission’s website.

### *Public Hearing*

The Commission held a Public Hearing at Caves Beach on 19 February 2026 and heard from the Applicant, the Department and nine community members.

### *Written submissions*

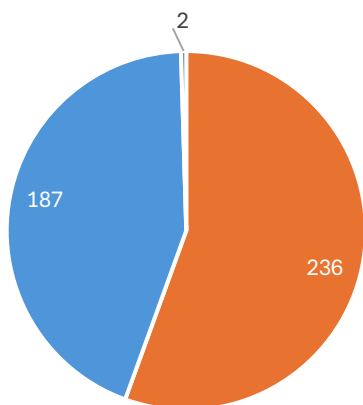
The community was offered the opportunity to make written submissions to the Commission on two occasions. The first submission period was from 10 January – 26 February 2026, in which the Commission received a total of 425 written submissions.

On 19 March 2026 the NSW Government released the *NSW Coal Industry 2026-50 (Coal Policy Statement)*. The Commission considered that it would be assisted by public submissions on the Coal Policy Statement’s application to the proposed development and sought submissions in a second submission period. The second submission period was from 20 March – 29 March 2026 and the Commission received a total of 79 written submissions.

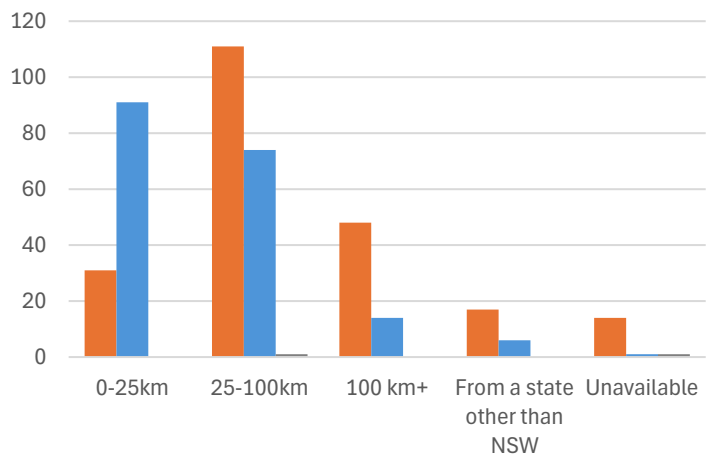
An analysis of submission type and submitter distance from the Site was undertaken for submissions received during both submission periods (*Appendix A – Figures 2 – 5*).

**First submission period**

*Appendix A – Figure 2: Breakdown of written submissions*



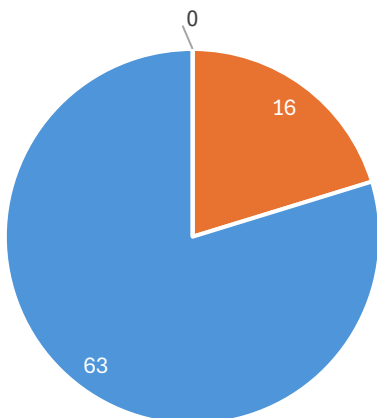
*Appendix A – Figure 3: Submitter distance from site*



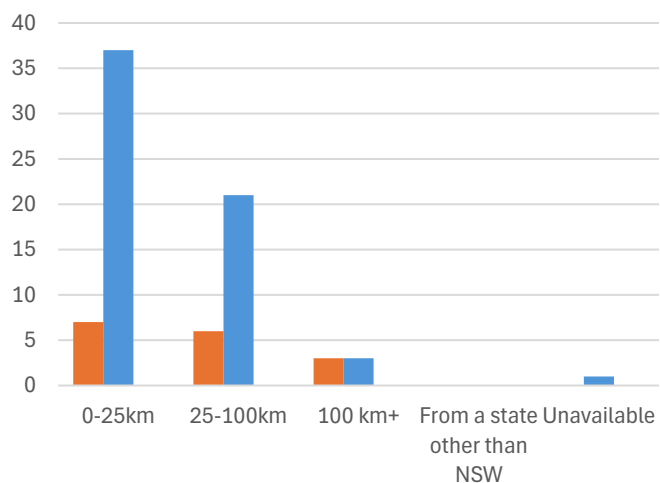
■ Object ■ Support ■ Comment

**Second submission period**

*Appendix A – Figure 4: Breakdown of written submissions*



*Appendix A – Figure 5: Submitter distance from site*



■ Object ■ Support ■ Comment

## Consideration of submissions

The Commission appreciates the time and effort the community put into their submissions. Submissions are one of the materials that the Commission considers and they play a key role in the Commission's decision-making process. Submissions were carefully reviewed by the Commission, whether they were made to the Department during the exhibition period or to the Commission as a written submission or a verbal submission at the Public Hearing.

The Commission acknowledges that several submissions raised broader concerns about energy policy, including objections to the coal industry more generally. Consistent with its statutory responsibilities, the Commission has focused its assessment on the specific impacts of the Project that is the subject of this Application. All submissions raising Project-specific issues have been carefully considered, and the matters they identify have informed the Commission's findings and conclusions throughout this Statement of Reasons for Decision.

*Appendix A – Table 1* below reflects the main themes raised in submissions and how the Commission has considered them in its decision.

To view all submissions, visit the [submissions tab](#) on the Commission's website.

*Appendix A – Table 2: Key matters raised in submissions*

Themes raised in submissions from the community	Commission's consideration
<p><b>Climate change, greenhouse gas emissions, industry opposition</b></p> <ul style="list-style-type: none"> <li>The Project is an intensification and prolongation of coal mining activity rather than a genuine progression toward orderly closure and rehabilitation. Extending operations for a further two years increases cumulative environmental impacts and delays rehabilitation. This is contrary to the precautionary principle and the intergenerational equity principle which require decision-makers to prevent environmental degradation and protect environmental values for future generations.</li> <li>In the midst of heat waves and bushfires, following on from floods and cyclones, all growing more fierce in their intensity, this proposal moves the State and the country in exactly the wrong direction. No further extensions should be provided for any NSW coal mines or collieries.</li> <li>Continuing and consolidating coal extraction is inconsistent with NSW climate policy objectives and undermines the State's duty to consider downstream emissions and climate impacts when determining major fossil fuel projects.</li> <li>The proponent has not comprehensively assessed local climate change impacts associated with the Project's estimated emissions in line with the DAMSHEG v MACH Energy ruling in the Court of Appeal.</li> </ul>	<p>In its assessment of the Project, the Commission considered the impact of the Project's greenhouse gas emissions at an international, national, state and local level. This consideration is outlined in detail at Section 5 of this Statement of Reasons for Decision.</p> <p>The Commission acknowledges that Scope 1, 2 and 3 greenhouse gas emissions from the Project will contribute to climate change, with the impacts of climate change occurring globally and in the locality of the Project. Although the Project's greenhouse gas emissions represent a small fraction of global emissions, they would nonetheless incrementally contribute to climate impacts.</p> <p>However, the Commission finds that the Project will ensure the continuity of coal supply to the adjacent Vales Point Power Station for a further two years, thereby supporting Vales Point Power Station to provide baseload electricity during NSW's ongoing transition to renewable energy. The Project's proximity to Vales Point Power Station will result in lower transport emissions than alternative coal supply options.</p> <p>The Project's contribution to NSW's total greenhouse gas emissions is limited by its operating life, which will end on 31 December 2029.</p> <p>The two-year extension sought by the Application is an appropriate timeframe to achieve this public benefit and represents the outer limit of what can reasonably be justified in NSW's policy context of working towards decarbonisation.</p>

- The expansion of a dying fossil fuel industry is shortsighted and while profitable for corporations and shareholders in the short term, will not see cheaper energy for consumers.
- The project is not justified on energy security grounds. No alternative coal supply options were considered.

The Commission has imposed conditions requiring ongoing emissions management consistent with State climate objectives, including the preparation and implementation of a Greenhouse Gas Mitigation Plan that identifies all feasible and reasonable measures to minimise Scope 1 and 2 emissions in line with the Independent Expert Advisory Panel on Mining's recommendations.

*Refer to condition B19.*

### **Intergenerational equity**

- I want my grandchildren to have a decent world to live in and this Project doesn't take that into account. It is not in the public interest, and its cumulative impacts would pose significant risks to the environment and human health, including contributing to climate change.

Many submissions commented on intergenerational equity. The Commission appreciates that this does not relate to one single issue but encompasses many including: climate change, greenhouse gas emissions and their impact on extreme weather events; air pollution; human health; environmental risk; and biodiversity loss.

The Commission has found that the Project is in the public interest because it will support the Vales Point Power Station's ability to contribute to baseload power as NSW transitions to renewable energy sources. The two-year extension sought is an appropriate timeframe to achieve this public benefit and justified in NSW's policy context of working towards decarbonisation.

### **Air quality, human health**

- We have seen adverse health impacts in the community already. While it is expected that emissions and air quality impacts are within recommended levels I submit those levels are too high and should be reviewed.
- The draft conditions of consent proposed by the Department would, in some circumstances, allow coal to be hauled by public road between the colliery and the power station. This would expose the broader community to additional coal dust through transport emissions, spillage, and wind dispersal along public routes.
- The message from the community has been clear: air pollution is not a peripheral issue - it is the defining concern.
- My daughter suffers from chronic asthma and coughs throughout the morning. It is heartbreaking to watch and deeply distressing to feel powerless to protect her from the air she breathes in her own home. Our neighbours are so fearful of similar health impacts that they rarely open their windows.

The Commission grants consent to the Application except for the transportation of coal by truck to domestic customers other than VPPS and to the Port of Newcastle for international export. One of the reasons for this is that, amongst other impacts, the volume and nature of truck movements associated with this would increase amenity impacts to communities along the transport route including additional dust impacts.

Air quality impacts from the Project would remain broadly consistent with existing operations, aside from extending emission generating activities for two additional years, and are predicted to remain below all relevant standards. Cumulative impacts with Vales Point Power Station are not expected to exceed applicable thresholds.

It is noted that consideration of air quality impacts associated with the combustion of coal at Vales Point Power Station falls outside the scope of the Commission's assessment of the Application, other than as part of its cumulative impact assessment.

The conditions of consent require all feasible and reasonable measures to be implemented to minimise potential air quality impacts. These include applying best practice dust mitigation measures and continuing monitoring and reporting to demonstrate ongoing compliance.

*Refer to conditions B12 – B18.*

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- Air pollution from coal-fired power stations are estimated to have created issues related to childhood asthma and higher cancer rates in areas like the Central Coast and Lake Macquarie. Air pollution from coal-fired power stations are also estimated to cost taxpayers about \$2.4b per year in health damages.

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#### **Traffic, road haulage**

- The potential increase of up to 500 coal trucks a day on Ruttleys Road will impact the local community, with damage to the road and damage to local residents cars from coal that had fallen off trucks.

The Commission grants consent to the Application except for the transportation of coal by truck to domestic customers other than VPPS and to the Port of Newcastle for international export.

Coal will be transported from the Site to Vales Point Power Station via conveyor belt. The Applicant may only transport coal to Vales Point Power Station by truck by public road in an emergency, such as if the conveyor is broken. In these instances, the Applicant would require the prior written approval of the Planning Secretary and would need to operate under any restrictions set by the Planning Secretary.

*Refer to conditions A7 – A11.*

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#### **Aboriginal cultural heritage**

- Mining would damage Wiradjuri cultural landscapes, including sacred sites. We have already done enough damage, it is time to respect and value our First Nations People.

The Project is unlikely to result in any physical impacts (either direct or indirect) nor any visual impacts to heritage items (both listed and unlisted) located partially within or in the vicinity of the Project area. The Commission has imposed conditions that require the Applicant to carry out the development in accordance with clear Aboriginal Cultural Heritage.

*Refer to conditions B34 – B39.*

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#### **Subsidence**

- The Applicant suggests it would respond to Independent Expert Advisory Panel on Mining concerns relating to subsidence post-approval as part of the Extraction Plan submission. This fails to address the Independent Expert Advisory Panel on Mining's concern around subsidence risks to inform the project approval process.
- The Department's report considers subsidence risk as the biggest environmental risk but also suggests a proper plan to manage subsidence can be written after development consent through staged extraction plans.

The Application proposes to maintain the approved subsidence management zones and limits for both Zone A and Zone B. Given the region's complex geology, the Department sought an independent review by the Independent Expert Advisory Panel on Mining, which requested further information from the Applicant before confirming that the conceptual mine layouts were suitable for assessment and recommending conditions for monitoring, performance criteria and extraction planning. With the Independent Expert Advisory Panel on Mining's advice, the Department considered that there was sufficient information to evaluate the Project's likely subsidence effects and necessary mitigation measures.

With the adaptive monitoring and design regime in place, the proposed Zone A workings are unlikely to result in more than negligible subsidence or any adverse surface impacts. For Zone B, with additional geological investigations and Extraction Plan controls in place, the layout can be designed to meet subsidence limits and maintain acceptable environmental and infrastructure outcomes.

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The Commission has imposed conditions relating to subsidence to ensure the Project provides an appropriate level of protection to the natural and built environment. This includes a preparation of a subsidence monitoring plan, performance measures related to the natural environment and built features, and an extraction plan.

*Refer to conditions C1 – C12.*

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### **Biodiversity**

- This Project is a disaster for the local nature and biodiversity. It threatens the local koala habitat as well as that of the Regent Honey-eater, Broad-headed Snake, Microbats (eastern cave and large-eared pied bats), and White Box-Yellow Box-Blakely's Red Gum Grassy Box Woodland and Derived Native Grassland. When we sacrifice nature we pay a huge cost both economically and short change future generations.

The Biodiversity Assessment prepared by the Applicant confirmed that the Project would not create any new surface disturbance, that discharge volumes and quality would remain consistent with existing approvals, and that no material impacts to aquatic biodiversity are expected.

Subject to imposed conditions requiring that existing management plans and performance measures be retained, the Project is not expected to result in additional biodiversity or aquatic ecology impacts.

*Refer to conditions B30 – B33.*

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### **Economic impacts**

- Extending operations to 2029 provides certainty for workers, their families, and local businesses who rely on the mine's continued operation.
- The Chain Valley Colliery plays a critical role in providing stable employment for local workers and supporting families in the region. My employment at Delta Coal allows me to provide for my family, meet our financial commitments, and maintain a secure and stable household. If the mine were to close, it would place my family under significant financial strain and cause serious distress, not only for us but for many other families who rely on the mine for their livelihoods.
- Keeping skilled workers in the region is essential. These individuals possess technical expertise in engineering, geology, and environmental management that will be crucial for the future rehabilitation of the site and the broader industrial transition.

The Project is in the public interest because it will support VPPS's ability to contribute to baseload power as NSW transitions to renewable energy sources. The Project would also provide ongoing economic benefits for the short-term, including continued employment for the existing workforce, ongoing support for local businesses and services, and royalties and taxes to the NSW Government, supporting State services and infrastructure.

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### **Water**

- There are concerns about the coal ash dam and water pollution. Storage, run-off, drift, water table and sub-surface contamination of water-bodies in existing or future planned ash dams. There is no quantitative data publicly available demonstrating the degree of toxicity due to seepage contamination underneath existing ash dams.

The Commission has considered the potential impacts of the Project on water resources, including the surface water discharges of the mine into Lake Macquarie via Swindles Creek.

Neither the NSW Environment Protection Authority nor the NSW Department of Climate Change, Energy, the Environment and Water raised any concerns in relation to water resources and the Project is unlikely to result in additional adverse impacts to water resources.

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The Applicant is required to prepare a Water Management Plan that includes a site water balance, salt balance, erosion and sediment control plan, surface water management plan and groundwater management plan.

*Refer to conditions B21 – B29.*

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### **Second submission period**

#### **NSW Coal Industry 2026-50**

- Extensions to existing coal mining projects are incompatible with achieving NSW emission reduction targets (The Net Zero Commission Spotlight report on coal released in December 2025).
- The colliery's methane cannot be managed in a way that will not jeopardise the State's legislated net zero 2050 targets.
- How will the emissions from this project contribute to sector-wide emissions and the achievement of emission reduction targets? Given the high emissions intensity of Chain Valley operations there should be no extension granted.
- Agencies have differences of opinions regarding the trajectory of emissions decline in the coal sector that build the case for rejection of this proposal.
- The Project does not deliver energy or job security with any certainty and is therefore at odds with the core principle of the policy statement supporting brownfield extensions on the basis of energy and job security.

The Commission recognises that there are differing views about how the NSW Coal Industry 2026–50 policy should be interpreted, however that policy does not require all coal projects to be refused or approved as a matter of course. The NSW Government has not prohibited all coal mining through planning law, nor has it removed the Commission's responsibility to consider greenhouse gas emissions and climate policy matters. In assessing this Application, the Commission has had regard to the proponent's greenhouse gas assessment, relevant government policies, NSW's broader transition to renewable energy, and independent expert advice on emissions modelling and mitigation measures. Taken together, this framework allows the Commission to lawfully consider and approve the project where impacts have been appropriately assessed, mitigated and balanced against its benefits.

## Appendix B – Commission’s Consideration

### Material considered by the Commission

Appendix B – Table 1: Material considered by the Commission

Document	Date
Applicant’s EIS and its accompanying appendices	September 2022
Government agency advice to the Department	Various
Public submissions made to the Department during exhibition (18 November 2022 to 16 December 2022)	Various
Applicant’s Response to Submissions Report and its accompanying appendices	March 2023
Correspondence from the Minister for Planning and Public Spaces to the Commission Chair	June 2024
The Net Zero Commission’s letter to the Commission (including the Net Zero Commission’s 2024 Annual Report)	September 2025
Department’s Assessment Report and recommended conditions of consent	18 December 2025
Comments and presentation material from meetings with:	
• Applicant	9 February 2026
• Department	11 February 2026
Observations made at the Site Inspection	18 February 2026
Submissions from stakeholders and community members who registered interest and addressed the Public Hearing	19 February 2026
Correspondence from:	
• the Applicant	16 February 2026
• the Commission to the Planning Secretary	5 March 2026
• the Planning Secretary to the Commission	18 March 2026
All written submissions made to the Commission during the <b>first submission period</b> up until	26 February 2026
All written submissions made to the Commission during the <b>second submission period</b> on the <i>NSW Coal Industry 2026-50</i> (released on 19 March 2026, after the close of the first submission period)	29 March 2026
Department’s advice to the Commission regarding the imposition of conditions	25 March 2026

### Planning Framework

Appendix B – Table 2: Strategic and Statutory context

Strategic context	Commission’s consideration
The United Nations Framework Convention on Climate Change (UNFCCC) <i>Paris Agreement</i> (2015) ( <b>Paris Agreement</b> )	Australia remains bound by its commitments under the Paris Agreement, including a 62-70% reduction in emissions by 2035 and net zero by 2050. If the Applicant were to export coal internationally, as sought by the Application, it would need to restrict sales to customers subject to commitments aligned with obligations under the Paris Agreement. However, given the Commission’s findings on coal transport and its decision not to permit coal haulage by truck to any customer other than VPPS, this requirement no longer applies.

<p><i>Australia's Long - Term Emissions Reduction Plan 2022</i> <b>(Long-Term Emissions Reduction Plan)</b></p>	<p>Australia's Long-Term Emissions Reduction Plan sets a whole-of-economy pathway to achieve net-zero emissions by 2050, supported by national monitoring and accountability frameworks such as the NGERs and the Safeguard Mechanism. Of relevance to the Commission's consideration of the Application is that, as an NGERs participant, the Applicant must continue to review technologies and implement abatement measures to progressively reduce operational emissions. This regulatory framework provides an ongoing financial and compliance incentive for continual emissions reduction across the life of the Project.</p>
<p><i>NSW Climate Change (Net Zero Future) Act 2023</i> <b>(Climate Change Act)</b></p>	<p>NSW's Climate Change Act legislates State-wide emissions reduction targets of at least 50% below 2005 levels by 2030, 70% by 2035 and net zero by 2050, with the Net Zero Commission established to monitor progress.</p> <p>Of relevance to the Commission's consideration of the Application is recent advice from the Net Zero Commission highlighting the need to assess Scope 1 emissions against these legislated targets and to strengthen the evaluation of applications with GHG emissions. Updated NSW Government projections released in May 2025 indicate that, based on current and proposed developments, NSW is not yet on track to meet its 2030 and 2035 targets, with emissions forecast to fall by 46% by 2030 and 62% by 2035 – below the required reduction trajectory (AR Table 2).</p>
<p><i>2024 Annual Report of the Net Zero Commission</i></p>	<p>The Net Zero Commission's 2024 Annual Report (referred to in its September 2025 letter to the Commission) highlighted that NSW is not yet on a trajectory consistent with its legislated GHG emissions reduction targets and that additional emissions from new or extended projects increase the challenge of meeting them. It found that further abatement is required across all sectors. The report reinforces the need for the Commission to closely consider project-level emissions and abatement measures.</p>
<p><i>Coal Mining Emissions Spotlight Report</i> <b>(Spotlight Report)</b></p>	<p>The Net Zero Commission's Spotlight Report (December 2025) is discussed at Section 5 of this Statement of Reasons for Decision.</p>
<p><i>NSW Climate Change Policy 2023 and Climate Change Action Plan 2023-26</i></p>	<p>The EPA's <i>NSW Climate Change Policy and Climate Change Action Plan 2023-26</i> establish a strengthened framework to drive decarbonisation and improve industry preparedness for climate risks.</p> <p>Key NSW policy guidance for existing coal mining operations includes:</p> <ul style="list-style-type: none"> <li>• the <i>NSW Guide for Large Emitters</i> – finalised in January 2025 – which sets clear assessment and mitigation requirements for high-emitting proposals; and</li> <li>• the progressive introduction of Climate Change Mitigation and Adaptation Plans (CCMAPs) under existing and new Environment Protection Licences. These CCMAPs will require licensees to demonstrate how they will minimise GHG emissions and manage climate risk, supported by EPA guidance.</li> </ul>
<p><i>NSW Coal Industry 2026-50</i> <b>(Coal Policy Statement)</b></p>	<p>As noted above, the NSW Government's recently released Coal Policy Statement supersedes <i>Strategic Statement on Coal Exploration and Mining in NSW 2020</i>. It is discussed at Section 5 of this Statement of Reasons for Decision.</p>
<p><i>Central Coast Regional Plan 2036</i> <b>(Central Coast Regional Plan)</b></p>	<p>The Central Coast Regional Plan provides the NSW Government's long-term land use vision for the Central Coast region, including goals to grow local jobs, protect environmental values and support diverse housing. Of relevance to the Commission's consideration of the Application is the Applicant's view that the Project supports these goals by maintaining up to 390 local jobs, utilising established resource lands, and implementing comprehensive environmental management and mitigation measures (AR Table 2).</p>

<p><i>Greater Lake Munmorah Structure Plan: Land Use Strategy: 2021-2041</i> <b>(Greater Lake Munmorah Structure Plan)</b></p>	<p>The Greater Lake Munmorah Structure Plan provides a 20-year framework for guiding future growth in the region, including land use, transport, infrastructure, open space and environmental considerations. Of relevance to the Commission's consideration of the Application is the Plan's acknowledgement that land-use planning in the area must account for existing and future resource development. The Commission acknowledges that the Project would occur within existing approved mining boundaries and would not introduce new land-use conflicts beyond those already authorised.</p>
<p><i>Lake Macquarie City Local Strategic Planning Statement 2025-2045</i> <b>(Lake Macquarie LSPS)</b></p>	<p>The Lake Macquarie LSPS sets the long-term land-use vision for the LGA, focusing on sustainable growth, protection of environmental values, and supporting a resilient local economy. The Project's continuation within its approved footprint, along with proposed environmental management measures, will ensure that it remains consistent with the LSPS's strategic direction for land use and regional economic stability.</p>
<p><i>Central Coast Council – Interim Local Strategic Planning Statement 2020</i> <b>(Central Coast Interim LSPS)</b></p>	<p>The Central Coast Interim LSPS sets the LGA's strategic land-use vision, emphasising sustainable development, protection of environmental values and the careful management of existing resource lands. The Project is located within an established mining area and will not introduce new land-use conflicts beyond those already approved. With its proposed environmental management measures, the Project will remain consistent with the LSPS's strategic intent to balance economic activity with the long-term environmental and community priorities of the Central Coast.</p>
<p><i>Central Coast and Lake Macquarie Regional Economic Development Strategy – 2023 Update</i> <b>(REDS 2023 Update)</b></p>	<p>The REDS 2023 Update outlines a long-term framework for strengthening the region's economy, supporting local employment, and building resilience across key industry sectors. Of relevance to the Commission's consideration of the Application is that the Project contributes to regional economic stability by sustaining an established local workforce and supporting ongoing activity within an existing resource industry cluster. By operating within its approved footprint and maintaining employment for the next two years, the Project aligns with the Strategy's objectives and supports economic resilience across the Central Coast and Lake Macquarie region.</p>
<p><b>Statutory context</b></p>	<p><b>Commission's consideration</b></p>
<p>State significant development</p>	<p>The Project is for the purpose of (underground) coal mining. Accordingly, the Project is declared to be State Significant development (SSD) under section 4.36 of the EP&amp;A Act, as it meets the criteria specified in section 5(1)(a) of Schedule 1 of the Planning Systems SEPP (AR Table 3).</p>
<p>Consent authority</p>	<p>In accordance with section 4.5(a) of the EP&amp;A Act and section 2.7(1) of SEPP Planning Systems, the Commission is the consent authority as more than 50 unique public submissions were made by way of objection to the Department during its exhibition period. On 16 December 2025, the Minister for Planning and Public Spaces requested that the Commission conduct a Public Hearing on the Application in accordance with Section 2.9(1)(d) of the EP&amp;A Act.</p>
<p>Permissibility</p>	<p>The Project spans the Lake Macquarie and Central Coast LGAs, where underground mining is prohibited in parts of the LEP mapped area. However, <i>State Environmental Planning Policy (Resources and Energy) 2021 (Resources and Energy SEPP)</i> overrides any inconsistent LEP provisions, and clause 7 of the Resources and Energy SEPP expressly permits underground mining with consent on any land with consent. Accordingly, the Project is permissible with development consent.</p>

Notification	<p>In accordance with Section 2.48 of <i>State Environmental Planning Policy (Transport and Infrastructure) 2021 (Transport and Infrastructure SEPP)</i>, the Department has provided written notice to TfNSW, Lake Macquarie City Council and Central Coast Council. The Department notes that the Applicant has also consulted with electricity supply authorities relevant to the Project. The Commission has considered the Department's assessment of the advice received from these authorities.</p>
Objects of the EP&A Act and Ecologically Sustainable Development (ESD)	<p>In its determination, the Commission has reviewed the Department's assessment of the Objects of the EP&amp;A Act, as outlined in Appendix B of the Department's AR. The Commission agrees with the Department's assessment and is satisfied that the Project aligns with the Objects of the EP&amp;A Act, with impacts effectively managed or mitigated through the conditions of consent imposed by the Commission. The Commission finds the Project to be an orderly and economic use of the land. Further, the Commission is satisfied that the Project is consistent with the principles of ecologically sustainable development and achieves an appropriate balance between environmental, economic and social considerations. The Commission notes that the 15 December 2025 amendment of the Objects of the EP&amp;A Act that took effect as part of the recent Planning Systems Reforms do not apply to the determination of this Application, due to the operation of section 34 of Schedule 6 to the <i>Environmental Planning and Assessment Regulation 2021</i>.</p>
Other approvals and authorisations	<p>Under section 4.41 of the EP&amp;A Act, a number of other approvals are integrated into the SSD approval process and are therefore are not required to be separately obtained for the Project. Under section 4.42 of the EP&amp;A Act, some other approvals that may be required cannot be refused and must be substantially consistent with the development consent for the Project (AR para 24) and include an EPL under the <i>Protection of Environment Operations Act 1997 (POEO Act)</i>.</p>
<b>Mandatory considerations</b>	<b>Commission's consideration</b>
Relevant environmental planning instruments (EPIs)	<p>Appendix B of the Department's AR outlines the relevant EPIs applicable to the Project, including:</p> <ul style="list-style-type: none"> <li>• <i>State Environmental Planning Policy (Planning Systems) 2021</i>;</li> <li>• <i>State Environmental Planning Policy (Resilience and Hazards) 2021 (Resilience and Hazards SEPP)</i>;</li> <li>• <i>State Environmental Planning Policy (Biodiversity and Conservation) 2021</i>;</li> <li>• <i>State Environmental Planning Policy (Transport and Infrastructure) 2021 (Transport and Infrastructure SEPP)</i>;</li> <li>• <i>State Environmental Planning Policy (Resources and Energy) 2021 (Resources and Energy SEPP)</i>;</li> <li>• <i>Lake Macquarie Local Environmental Plan 2014 (MLEP)</i>; and</li> <li>• <i>Central Coast Local Environmental Plan 2022 (CCLEP)</i>.</li> </ul> <p>The Commission has considered these EPIs as part of its determination.</p> <p><b>Resources and Energy SEPP</b></p> <p>There are provisions of the Resources and Energy SEPP which the Commission must consider before determining the Application. The Commission's consideration of these provisions is set out below:</p> <p><u>Section 2.16 – Non-discretionary development standards</u></p> <p>The Commission has considered the project noise trigger levels and predicted impacts at relevant assessment locations, including R11, R12, R15, 7 and 8. The Commission has considered noise impacts further at Section 5 of this Statement of Reasons for Decision.</p>

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#### Section 2.17 – Compatibility of mine with other land uses

Potential impacts on lands uses in the vicinity of the Project have been assessed in Section 6 of the Department's AR. The Commission agrees with the Department's assessment and agrees that subject to the implementation of the recommended conditions of consent, the Project would not cause significant impact on land uses in the vicinity and would be undertaken in a manner consistent with the aims, objectives and provisions of section 2.17

#### Section 2.18 – Voluntary land acquisition and mitigation policy

The Commission agrees with the Department and acknowledges that the Project would not exceed noise or air quality criteria at any privately owned receivers that would trigger provisions of the NSW Government's *Voluntary Land Acquisition and Mitigation Policy (September 2018)*.

#### Section 2.19 – Compatibility of proposed development with mining, petroleum and extractive industries

Not applicable.

#### Section 2.20 – Natural resource management and environmental management

The Commission has imposed conditions of consent to mitigate and suitably manage potential adverse impacts and outcomes on water resources, and biodiversity and would, as far as reasonably practicable, reduce impacts from GHG emissions. These conditions, in line with the mandatory consideration provided under section 2.20, require the Project to be undertaken in an environmentally sensitive manner.

#### Section 2.21 – Resource Recovery

The Commission agrees with the Department's assessment (AR, Table D2) that the Project can be carried out in an efficient manner that optimises coal resource recovery while giving appropriate recognition and protection for environmental values.

#### Section 2.22 – Transport

Section 2.22 aims to limit the transport of coal, other minerals and their ores, and extractive materials on public roads. Given the Commission's findings regarding coal transport and its decision not to permit coal transport by truck to customers other than VPPS, transport of coal will be restricted to the established conveyor system. Coal transport by truck will only be permitted in emergency scenarios and only to VPPS, with restrictions set by the Planning Secretary.

#### Section 2.23 – Rehabilitation

The Commission has imposed conditions of consent that reinforce existing requirements and provide a robust framework to ensure rehabilitation, waste management and contamination risks are effectively controlled.

#### **Resilience and Hazards SEPP**

There are provisions of the Resilience and Hazards SEPP which the Commission must consider before determining the Application. The Commission's consideration of these provisions is set out below:

#### Chapter 2 – Coastal Management

Parts of the Site are mapped as coastal wetlands and proximity areas for coastal wetlands under Chapter 2 of the Resilience and Hazards SEPP, and the associated development controls therefore apply. The Commission is satisfied that the continuation of the established subsidence management approach for Zones A and B – requiring negligible environmental consequences in Zone A and limiting subsidence to 780 mm in Zone B – provides an appropriate and effective framework to protect the biophysical, hydrological and ecological integrity of the mapped coastal wetland areas and their surrounds. The Commission has imposed conditions accordingly.

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### Chapter 3 – Hazardous and Offensive Development

The Commission has considered the provisions relating to hazardous and offensive development and is satisfied that the Project does not constitute a potentially hazardous or potentially offensive industry. The Project will not change the existing storage or use of dangerous goods or hazardous materials. Accordingly, a preliminary hazard analysis is not required, and the Commission has imposed conditions of consent that maintain the existing controls on hazardous materials management.

### Chapter 4 – Remediation of Land

The Commission has considered the requirements relating to remediation of land and is satisfied that the Project would not result in any additional surface disturbance beyond what is already approved. Any potential contamination risks can be appropriately managed through the Rehabilitation Management Plan. The Commission has imposed conditions requiring all areas affected by the Project to be made safe and non-polluting, with contamination management measures to be detailed in the Rehabilitation Management Plan.

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Relevant DCPs	Pursuant to section 2.10 of the SEPP Planning Systems, DCPs do not apply to SSD.
Any planning agreement or draft planning agreement	<p>The Applicant has an existing Voluntary Planning Agreement with Central Coast Council requiring contributions of \$0.035 per tonne of coal produced to a Council-administered community fund supporting local infrastructure projects in Summerland Point, Gwandalan, Chain Valley Bay and Mannering Park. Over \$200,000 had been allocated to the fund as of 2021, and the Applicant has committed to continue these contributions for the life of the Project.</p> <p>The Commission has also imposed a condition requiring the Applicant to pay affected Councils \$0.02 for each tonne of ROM coal produced for the purpose of improving water quality in the Lake Macquarie catchment.</p>
Likely impacts of the development	The Commission has given consideration to the likely impacts of the Project and finds has set out its reasons for the decision in Section 5 of this Statement of Reasons for Decision.
Suitability of the Site for development	<p>The Site is suitable for development for the following reasons. The Project:</p> <ul style="list-style-type: none"> <li>• is an existing and operational mine with existing infrastructure;</li> <li>• will ensure the continuity of coal supply to the adjacent VPPS for a further two years, thereby supporting VPPS to provide baseload electricity during NSW's transition to renewable energy;</li> <li>• is located in close proximity to VPPS, thereby avoiding GHG emissions and road transport impacts that would arise from sourcing coal from other regions;</li> <li>• will remain within existing mining boundaries, with no expansion beyond the current approved footprint;</li> <li>• will utilise existing infrastructure, thereby avoiding the need for new land disturbance or additional construction impacts;</li> <li>• will operate within an established mining area where environmental impacts are well understood and can be effectively managed through updated conditions of consent;</li> <li>• will implement the subsidence controls and environmental management frameworks that are already in place to effectively manage risks;</li> <li>• aligns with strategic land-use planning for the region, which recognises and accommodates existing resource lands;</li> </ul>

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- will provide ongoing economic benefits for the short-term, including continued employment for the existing workforce; ongoing support for local businesses and services; and royalties and taxes to the NSW Government, supporting State services and infrastructure; and
  - the Project is capable of being appropriately decommissioned and rehabilitated.
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**The public interest**

The Commission has weighed the public interest, the likely impacts of the Project and the relevant ESD principles and concludes that granting a two-year conditional approval for the Project is justified. The Commission considers the extension is warranted to support VPPS's contribution to baseload electricity during NSW's transition to renewable energy, and that two years represents a timeframe that can reasonably be supported within the State's decarbonisation policy settings. Refer to the Commission's findings at paragraphs 113-115 of this Statement of Reasons.

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## Appendix C – Department’s Assessment Report

Link to [Department’s Assessment Report](#), dated December 2025.

## Appendix D – Instrument of Consent

Link to [Instrument of Consent](#), dated 9 April 2026.



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