

# **Senate Inquiry into the Impacts of Mining in the Murray Darling Basin**

## **NSW State Government Submission**

### **Overview**

Agriculture and mining can and do successfully co-exist within the Murray Darling Basin. This must continue to be the case.

These two vital primary industries underpin our modern way of life and together provide enormous benefits to regional communities both from the creation of regional employment and from their contribution to NSW's and the nation's economies.

The focus of Australian governments must be on working to ensure that we make the best use of both sectors for the benefit of the community. Recent NSW Government policies and actions, such as the commissioning of the Namoi Water Study, the introduction of the Rural Lands State Environmental Planning Policy 2007 and the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 have aimed at ensuring exactly that.

The majority of the mineral resources in NSW are owned by the Crown. State ownership of minerals confers on the State exclusive rights to allocate resources and collect royalties resulting from their exploitation. This provides a significant return to the people of NSW and for the nation for the use of the State's mineral resource endowment. As a result the people of NSW are direct stakeholders in the continued success of mining in this State.

It should be noted that the NSW Government is, in fact, obligated under the *Mining Act 1992* (the Mining Act) to:

- ensure an appropriate return to the State from mineral resources;
- to recognise and foster the significant social and economic benefits of the exploitation of those resources; and
- to ensure mineral resources are identified and developed in ways that minimise any impacts on the environment.

NSW is fortunate to have a very significant resource endowment, particularly in coal. The combined value of NSW mineral production in 2008/09 was approximately \$25 billion with coal production accounting for \$21 billion or around 84% of the total.

## **Coexistence**

The NSW Government has a strong commitment to the successful coexistence of agriculture and mining. Mining and agriculture have coexisted in NSW for over 200 years. Today there is no reason this coexistence cannot be successful.

Mining and agriculture have a great deal in common. Both industries are intimately connected with the land, and often draw their employees from the same regional families. Both continue to evolve and develop techniques and technologies for improving performance, managing and mitigating environmental impacts and increasing the value they add to the economy through the use and management of NSW's natural resources.

Three quarters of NSW lies within the Murray Darling Basin. It is therefore critically important for NSW's rural communities and the NSW and Australian economies that the Basin continues to contribute in both its agricultural and its mineral resource capacities.

The NSW Government has developed and continues to implement a robust regulatory framework designed to maximise the contribution of both industries to the well-being and prosperity of the people and landscapes of the Murray Darling Basin, NSW and Australia.

## ***Value of Mining in the Murray Darling Basin***

The Murray Darling Basin is rich in mineral resources. It is the source of a large part of the State's mineral production, including most of the State's metallic mineral production and all of the heavy mineral sand production. Other important commodities produced within the Murray Darling Basin catchment include coal, gas and a range of industrial minerals including limestone, gypsum and magnesite.

Major current mining operations within the Murray Darling Basin include Cadia - Ridgeway (gold, copper), Cowal (gold), the Peak and CSA mines at Cobar (gold, copper), North Parkes (copper, gold), Broken Hill (silver, lead, zinc) and the Gingko Mine (heavy mineral sands) near Pooncarie. Coal is produced from several mines within the Gunnedah Basin. Natural gas is produced near Narrabri for local use in power generation.

There are an estimated 12 billion tonnes of recoverable coal reserves in NSW contained within 60 operating mines and colliery holdings. Coal mining within the Murray Darling Basin is mainly concentrated on known resources of high quality black coal within the Upper Hunter, Gunnedah and Western Coalfields with smaller quantities in the Oaklands Basin (see map 1 *Coal & Petroleum mines, projects and exploration in the Murray Darling Basin NSW*). Metallic mining operations and projects are concentrated in three main areas of NSW: Broken Hill, Orange and Cobar (see map 2 *Mineral mines, projects and exploration in the Murray Darling Basin NSW*).

The estimated value of mineral production in the Murray Darling Basin in 2008/09 was around \$5 billion. The value of metallic mineral production in the Murray Darling Basin in 2008/09 was estimated at around \$2.7 billion. Meanwhile coal production from the Gunnedah and Ulan region of the Western Coalfields was valued at around \$2.2 billion.

NSW benefited significantly from mining royalties in 2008/09. Mining royalties were almost \$1.3 billion, an increase of 123% over the previous year. The forecast of royalties for 2009/10 is \$1.6 billion. The estimated value of royalties from the Murray Darling Basin for 2008/09 is approximately \$175 million. These royalties help to fund vital infrastructure, such as hospitals, schools and roads, for the benefit of all residents of NSW.

Mining brings significant economic benefits and employment opportunities to people living in regional and rural areas of the State through job creation, investment and regional development. Mining underpins towns in western NSW in the Murray Darling Basin such as Broken Hill and Cobar and provides a major economic stimulus to agricultural service centres such as Orange, Mudgee, Parkes, Dubbo, West Wyalong, Gunnedah, Nyngan, and Narrabri.

Direct employment in the mining industry in the Murray Darling Basin is estimated at over 7000 full time employees. At least two to three times this number may be indirectly employed in mine and non-mine related service industries in the Basin.

***Example 1: Orange Region***

The Cadia Valley Operations near Orange currently employ on average around 950 persons, generating total annual direct income of over \$85 million. A Socio-Economic Assessment prepared by Gillespie Economics for the Cadia East Project Environmental Assessment shows that in 2005-2006, mining contributed 10 per cent of the Gross Regional Product (GRP) of the Orange, Cabonne and Blayney (OCB) Statistical Local Areas compared to 2% of the Gross State Product of NSW. Mining also contributed 4% of employment in the OCB area, compared to 1% for NSW as a whole.

**Example 2: Mudgee Region**

In the Mudgee/Ulan area of the Western Coalfield, construction is underway on Felix Resources' \$405 million Moolarben coal mine project. The mine is expected to create up to 320 new full time jobs and produce around 10 Million tonnes per annum (Mtpa) of saleable coal for both domestic and export markets.

Felix Resources is also proceeding through the development assessment and approvals process for Stage 2 of the Moolarben coal mine project. Subject to necessary approvals, the integration of Stages 1 and 2 is likely to result in an additional 122 direct jobs.

Ulan Coal Mines Limited has commenced the development assessment and approvals process for its proposed Ulan Coal Continued Operations project. The \$880 million project proposes to increase saleable coal production to 20 Mtpa and increase direct employment by up to an additional 400 persons.

Ulan Coal Mines estimates that if this project is approved, the Ulan mine will employ a peak workforce of approximately 930 persons. In addition to direct employment, Ulan Coal Mines estimates that the project will create an additional 2563 flow on jobs during construction and operation, of which approximately 1523 would be within the Mudgee region.

Ulan Coal Mines estimates that the average annual economic contribution from employee expenditure in the Mudgee area would be \$27.9 million. Further Ulan Coal Mines estimates that over the 21 year life of the project it would contribute around \$2 billion in royalties and taxes to the NSW Government and employee personal income tax to the Commonwealth Government of approximately \$342 million and would have a total operational expenditure of about \$14.3 billion over the life of the Project.

**Current exploration activities**

A number of major coal, gas and mineral projects in the Murray Darling Basin are either at an advanced exploration stage or proceeding through the State's comprehensive development assessment and approvals process and could proceed to development over the next decade.

Combined, these new major project proposals would involve approximately \$5 billion in new capital expenditure and create at least 2500 new direct jobs and significant additional indirect employment in industries.

Exploration expenditure for coal, minerals and petroleum in the Murray Darling Basin in 2008/09 was estimated at more than \$130 million. Exploration expenditure for petroleum alone in the Murray Darling Basin was around \$38 million and gold exploration expenditure was over \$20 million.

Potential for further discoveries is high and there is a high level of exploration activity, with much of the Basin currently covered by exploration titles for metallic minerals, mineral sands, petroleum and coal.

Exploration for mineral deposits is focused on gold and base metals in the Central West, Cobar and Broken Hill regions and mineral sands in the Murray Basin, in the southwest of the State. Coal exploration is concentrated on the known resources within the Gunnedah Basin. Petroleum exploration titles cover extensive areas of the sedimentary basins within the area. Coal seam methane in the Bowen-Surat and Gunnedah Basins is the principal focus of current petroleum exploration activity.

Mining has been particularly important for regional NSW as the State continues to go through the worst drought in its history. It will also continue to play a vital role in regional economies in the current economic downturn. Importantly, some farming communities will only continue to be viable where individual businesses are able to access off farm income from industries such as mining.

### ***Value of Agriculture in the Murray Darling Basin***

This submission focuses primarily on the mining sector; however the agriculture sector is a major contributor to the NSW economy and is the backbone of regional economies across the Murray Darling Basin. Direct employment in NSW agricultural industries across NSW is estimated at 73400 employees. In terms of financial contribution to the economic wellbeing of the state the agriculture sector contributes \$7.741 billion in gross value production and \$3.864 billion in exports. The Murray Darling Basin alone accounts for \$3.27 billion of agricultural output.

Some of the State's rich agricultural lands overlie valuable mineral resources and competing land-use claims can arise. The NSW Government has an extensive regulatory framework that ensures agricultural, mining development and environmental values are carefully considered and the appropriate balance achieved through the application process for developments.

The Government recognises the importance of agriculture to NSW in the Rural Lands State Environmental Planning Policy (SEPP) 2008. The Policy provides for the protection of rural lands while allowing flexibility to respond to the changing nature of agriculture. If mining were banned altogether from prime agricultural land it would significantly impact on NSW regional economies.

### ***Policy and Regulatory Framework for mining within the Murray Darling Basin***

There is a strong regulatory framework in NSW to ensure that the impacts of mining activities on the environment, including agricultural lands and water sources, are minimised, and that an appropriate balance between competing land-uses is achieved.

The Government controls mining through a regulatory framework comprising legislation, regulations, environmental planning instruments and other guidance material. This includes compliance with relevant Commonwealth legislation.

The legislation of primary importance for mining approvals and exploration activities is the *Environmental Planning and Assessment Act 1979* (EP&A Act) and for exploration activities, the Mining Act. The *Protection of the Environment Operations Act 1997* (POEO Act), the *Water Management Act 2000* (WMA) and the *Water Act 1912* (NSW Water Act) are also important.

The environmental assessment processes in place under existing legislation are comprehensive, efficient and thorough. Developments are considered on their individual merits where all factors, including the benefits to the people of NSW, are taken into account.

Enforcement of conditions of authority and environmental obligations are part of the regulatory framework to ensure that the exploration and mining industry meet environmental and rehabilitation performance outcomes as expected by the NSW community and Government. The enforcement process has the primary purpose of preventing the occurrence of unacceptable environmental outcomes, and is designed to promote a culture of voluntary compliance and due diligence.

Additional detail about the NSW Framework and its interaction with Commonwealth water legislation and the proposed Murray Darling Basin Plan is provided below.

## **New South Wales Framework**

### ***Environmental Planning and Assessment Act 1979 (EP&A Act)***

The EP&A Act requires up front environmental assessment of exploration and mining proposals, and may impose conditions on approvals to minimise potential environmental impacts. The comprehensive merit-based assessment process under the EP&A Act considers a broad range of environmental issues including water, aquifers, alternative uses of the land and whether the proposed development is in the best interests of the State.

The assessment process also considers ecologically sustainable development, including inter-generational equity and environmental, social and economic factors. The assessment process includes community and agency consultation, depending on the nature and scope of the proposal.

Mining and exploration are subject to different approval requirements given the differences in environmental impacts.

Exploration activities are subject to the environmental assessment process set out in Part 5 of the EP&A Act prior to approval. Part 5 of the EP&A Act requires the determining authority to examine and take into account to the fullest extent possible all matters affecting or likely to affect the environment. Conditions to protect the environment are imposed on the exploration title on approval of exploration activities.

Approved exploration activities cannot occur without an agreement with the relevant owner of the land.

The Minister for Planning is the approval authority for all coal mining and mineral sands proposals and other major mining proposals under Part 3A of the EP&A Act. Local councils are the consent authorities for most other mining projects under Part 4 of the EP&A Act. To comply with the comprehensive planning requirements, a thorough environmental assessment of all mining proposals is required. Final approvals issued under the EP&A Act incorporate specific requirements from all relevant agencies, including Industry & Investment NSW and the Department of Environment, Climate Change and Water (DECCW).

The merit-based assessment processes of the EP&A Act provide a rigorous mechanism whereby the competing values of land proposed to be subject to mining can be carefully weighed and an appropriate decision made. This process allows for situations where mineral development values, agricultural values, environmental values or other values may either prevail or be brought into an appropriate balance. This enables the facts of any particular case to be considered rather than giving primacy to particular values.

In recognition of the importance of agriculture to NSW, the Government has introduced a number of complementary regulatory measures within the planning framework of the EP&A Act to ensure the integrity of agricultural land is not diminished through the development of incompatible industries. These measures include the Rural Lands SEPP and the SEPP (Mining, Petroleum Production and Extractive Industries) 2007, both of which are environmental planning instruments created under the EP&A Act.

The Rural Lands SEPP provides for protection of rural lands in NSW while at the same time allowing flexibility to respond to the changing nature of agriculture. The SEPP contains a framework whereby agricultural land of State significance can be identified for special protection (clauses 12 and 13).

The Mining SEPP requires an assessment of land-use compatibility as part of an application for a new mine, quarry or petroleum production facility. It also applies to developments on adjacent land identified as containing minerals, extractive materials or petroleum resources. The assessment is used to determine the potential for land-use conflict and land-use constraint in respect to adjacent land uses.

### ***Mining Act 1992 (Mining Act) and Petroleum (Onshore) Act 1991***

These Acts regulate access to land for exploration and mining of minerals and petroleum in New South Wales. They set out the requirements to be met in order to enter land to undertake exploration and mining and petroleum activities, including requirements to obtain a mining or petroleum authority (exploration licence, assessment lease, mining lease, opal prospecting licence or mineral claim) and to pay royalties to the Crown on recovered minerals and petroleum.

Under Part 11 (Protection of the Environment) of the Mining Act, Industry and Investment NSW (I&I NSW) is responsible for regulating the rehabilitation of mine sites, which it does through a wide range of powers including: rehabilitation security bonds (which are required to cover the full rehabilitation liability), conditions on mining titles, powers to issue directions on title holders

to comply with rehabilitation obligations and penalty notices. Part 6 of the *Petroleum (Onshore) Act 1991* contains similar provisions. The *Mining Amendment Act 2008*, scheduled to fully commence in early 2010, significantly strengthens the enforcement powers in respect of environmental protection and rehabilitation. Similar amendments are proposed in respect of the *Petroleum (Onshore) Act 1991*.

### ***Protection of the Environment Operations Act 1997 (PEEO Act)***

The PEOA Act administered by DECCW, regulates pollution generated by mining activities through a licensing scheme. The DECCW imposes conditions on the licence which limit or prohibit pollution and establish management obligations.

### ***Water Management Act 2000 (WMA) and the Water Act 1912 (NSW Water Act)***

The WMA and the NSW Water Act, administered by DECCW, regulate rights to surface and groundwater sources via a licensing and approvals regime which is integrated with the EP&A Act. This regime limits the volume and nature of water that can be extracted from a water source and imposes conditions to protect the water source.

The WMA applies in areas where water sharing plans have commenced. Otherwise the NSW Water Act still operates.

Water extracted for mining is licensed under NSW water legislation and accounted for within water extraction limits.

The NSW Government is developing a policy framework for the management of stream and aquifer systems, with the aim of increasing integration and streamlining of approval processes.

## **Commonwealth Framework**

### ***Water Act 2007 (Cth)***

Mining developments in the Murray Darling Basin are required to comply with certain Commonwealth legislation including the *Water Act 2007 (Cth)*.

The *Water Act 2007 (Cth)* includes requirements that relate to mining, particularly the provision to promote, use and manage the Basin water resources in a way that optimises economic, social and environmental outcomes.

NSW has also passed legislative amendments to ensure that it fulfils its obligations under the July 2008 Murray Darling Basin intergovernmental agreement. The amendments refer powers to the Commonwealth to enable the NSW Water Act to operate effectively, particularly in relation to water market rules, water charges and provision for critical human water needs.



### ***The Murray–Darling Basin Plan***

The Murray–Darling Basin Authority (MDBA) is responsible for preparing a Basin Plan to commence in 2011. It has prepared a concept statement outlining the intent of the Basin Plan. This indicates that the Basin Plan will include a reduction in water allocations throughout the Murray Darling Basin. The Commonwealth *Water Act 2007* specifies some content of the Basin Plan including identification of risks to Basin water resources, water quality and salinity management plans and rules about trading of water rights in relation to Basin water resources.

The MDBA has indicated that where mining activities may impact upon groundwater flows there would be a requirement that such water 'use' is licensed.

There is no capacity for the issuing of a new entitlement within the Basin. Any activity which requires licensing would need to acquire water entitlements through water trading markets. Any changes to allocations that arise can be effectively managed through the NSW longer term water sharing and shorter term annual allocation processes.

Implementation of Murray Darling Basin priorities to protect resources within NSW is occurring through the following processes:

- the implementation of the National Water Initiative and being party to the Murray Darling Basin agreement;
- the development of policy guidelines to improve water planning and manage interception impacts in water resource management zones;
- the development of water accounting standards and water trading rules to ensure industries account for water intercepted and that trading regimes facilitate economic development while providing adequate safeguards for environmental protection;
- the delivery of education, training and extension programs to water users to encourage improved water resources management practices for improved productivity and reduced negative environmental impacts; and
- the undertaking of scientific investigation into quantification of water resource use by the primary industries sector and the associated development of scientifically based approaches to improve the productivity of water use by the primary industries sector.

### ***National Water Commission Study***

The National Water Commission has commissioned a study on the "potential local and cumulative impacts of mining on groundwater resources". The study is being progressed through the auspices of the Water Working Group under the Ministerial Council on Minerals and Petroleum Resources.

## ***Potential Environmental Impacts and Controls***

Despite the size of the mining industry, the diversity of minerals and the location of resources, mining takes place in an area of less than half of one percent of the total land area of NSW and is a relatively minor user of water. However, within the intensive resource areas for coal such as the Upper Hunter, Gunnedah and Western coal fields, mining operations are significant users of both surface and groundwater sources.

The ongoing production of coal within these areas will be dependent on mining companies' ability to manage the impacts of mining on water resources.

While the area of current mining activity might be small, mining can be an intense local, but transient land use. There are a range of potential impacts associated with mining activities that can occur during exploration and mining. However many are site-specific, unlikely to have regional significance and would be identified and addressed during the environmental assessment phase of the development application process. These impacts and the way they are addressed in the regulatory framework as well as some of the specific measures used by industry are described below.

Rehabilitation and environmental performance conditions are attached to all authorities (exploration and mining) issued under the Mining Act and the *Petroleum (Onshore) Act 1991*. Conditions include procedural requirements regarding mine planning, monitoring and reporting, performance outcome requirements, security bonds, and limits or constraints to specified activities.

### ***Water Quality and Quantity***

According to the Australian Bureau of Statistics most recent figures the mining industry used only 1.1% of a total of 5922 gigalitres of water consumed in NSW. A CSIRO study has also found that the mining industry provides \$80 of value per cubic metre of water used, which is a much higher value than other industrial users.

Nevertheless the mining industry is acutely aware of water usage issues and has responded to reduced water availability by identifying alternative water sources, water sharing and investing in water efficiency, re-use and recycling programs. Examples include:

- the use of treated effluent water by Cadia Mine near Orange and Perilya Broken Hill Mine and the Bemax Separation Plant (part of the Ginkgo Mineral Sands Mine) in Broken Hill;
- co-operation between nearby operations to reduce water use and investigate alternative sources of water (such as the mines at Cobar);
- the use of technologies to reduce evaporation from open water storages such the use of floating modules at the NorthParkes mine near Parkes;

- the preferential sourcing of water from mine site runoff, onsite water storage, old underground workings and saline aquifers; and
- improvements in water storage technologies and the installation of cleaner water management technologies.

The regulatory framework includes a number of controls which are applied to address potential impacts on water quality and quantity:

- the EP&A Act requires a comprehensive environmental impact assessment as part of any application for approval. Conditions of approval commonly require comprehensive water management plans to be prepared and approved;
- licences under the NSW Water Act or the WMA limit the volume of water that can be extracted and require avoidance, prevention or remediation of harm (as defined in the WMA) to surface and groundwater sources; and
- licences under the POEO Act regulate the pollution of water by setting appropriate conditions and limits on the quantity and quality of polluted water that can be discharged from a site, the treatment of any waste water on site and management conditions.

In addition to comprehensive processes under the EP&A Act for identification and assessment of water sources and potential impacts, there are a number of other policies and standards which are applied to protect water resources. These include:

- Aquifer Interference Guidelines currently being developed by the NSW Office of Water (NOW) within DECCW which will detail how the NSW Government will licence activities which intersect aquifers and assist proponents with addressing the concepts of avoidance, prevention or remediation. It is anticipated these guidelines will be completed by mid 2010; and
- conditions attached to mining and petroleum authorities address potential drilling impacts such as aquifer cross-contamination and bore abandonment.

The extensive regulatory framework seeks to prevent the following from occurring:

- *The pollution of surface and groundwater.*  
In particular, impacts can occur from cross-contamination of aquifers from drilling, discharge of groundwater from mine dewatering and off-site movement of sediment. The NSW Water Quality Objectives are the agreed environmental values and long-term goals for NSW's surface waters. These objectives are consistent with Australian and New Zealand Environment and Conservation Council (ANZECC) 2000 and the National Water Quality Management Strategy. Water-sharing plans must be consistent with these water quality objectives.

- *Adverse impacts from extraction of groundwater to allow access for mining activities eg. dewatering.*  
During this process physical interference with aquifers (direct or indirect) can result in permanent adverse impacts on aquifer integrity and groundwater dependent ecosystems. These include wetlands, terrestrial vegetation communities and connected surface water systems.
- *Underground mining impacting ground water and mixing aquifers from different depths.*  
This can impact directly on groundwater dependent ecosystems, and on the community who use the ground water. Experience in the Gunnedah and other basins is that while some ground water is high quality, other ground water is not. Therefore water from mines can be of poor quality and present additional on-site challenges associated with managing this water as well as opportunities for possible value-adding through beneficial treatment of water.
- *River flow patterns being affected by mining activities.*  
Base flow from connected groundwater systems can be reduced by dewatering and the discharge of waste water can artificially increase river flows. The NSW River Flow Objectives detail the principles associated with maintaining environmental values.
- *Dewatering of coal bed methane seams.*  
Coal seams targeted to date have been deep (400 to 800m) and there has been little evidence of connection with overlying aquifers. The key issue within the Murray Darling Basin is management, treatment and disposal of water from the seams.

### ***Water Study in the Namoi Catchment***

The NSW Government is very aware of current community concerns regarding coal exploration and possible future mining and the potential impacts of these activities on aquifers and agricultural activities in the Liverpool Plains region.

The NSW Government initiated discussions in late 2008 with both agricultural and coal and gas exploration and mining interests to try to reach agreement on the scope and terms of reference for a possible initial water study in the Namoi Catchment to consider the community concerns.

A working group was formed of the various stakeholder parties, which met on a regular basis. The working group agreed to Draft Terms of Reference for an initial water study in the Namoi Catchment at its final meeting in May 2009.

In accordance with the governance structure outlined in the agreed draft Terms of Reference, the NSW Minister for Mineral Resources, the Hon. Ian Macdonald MLC, established a Ministerial Oversight Committee (MOC) to progress the Water Study. The MOC had its inaugural meeting on 24 August 2009.

The MOC will liaise regularly with the Stakeholder Advisory Group who will keep the local community informed on the progress of the Study. This Group will have wide representation to ensure transparency and inclusiveness. Every effort is being made to safeguard the water resources and the agricultural amenity of the Namoi Catchment.

### ***Subsidence***

Potential subsidence impacts are regulated through a combination of EP&A Act and Mining Act requirements which incorporate detailed assessment, and management requirements through the imposition of conditions on the planning approval and mining title. Proposals which are likely to result in unacceptable impacts (e.g. cracking of surface water sources and associated alluviums by mining activity) will either be modified or not be approved by the NSW Government, as historically subsidence impacts have completely captured surface flows and drained connected alluviums resulting in significant local and regional surface and groundwater losses.

### ***Terrestrial and Aquatic Biodiversity***

The NSW Government has a comprehensive process in place to identify and assess potential impacts on such biodiversity. These include processes under the *Threatened Species Conservation Act 1995*, the *Fisheries Management Act 1994*, the EP&A Act, the Mining Act and the *Petroleum (Onshore) Act 1991*.

### ***Amenity and Dust***

Exploration and mining can produce dust and noise from the operations, and increased rail and road traffic. Such impacts are assessed and regulated

under the EP&A Act and the PEOA Act. Titleholders may, for example, be required to identify and implement all reasonable and feasible mitigation methods to reduce any noise and vibrations and conduct monitoring, where appropriate.

### ***Wetlands***

Mining activities have the potential to adversely impact on wetlands through direct physical disturbance of the wetland (peat mining, subsidence or excavation) or by altering the critical water regimes (groundwater, local runoff or river flows) that drive wetland health.

The environmental impact assessment process under the EP&A Act applies to any development which is likely to have an impact on a wetland. The WMA also regulates development on the foreshore of any wetland to the extent that the EP&A Act does not apply.

The Draft NSW Wetlands Policy contains relevant guiding principles to be used in the decision making process to ensure the sustainable management of wetlands. In particular these principles advocate that natural wetlands are not degraded or destroyed and that land use activities seek to maintain or improve wetland health. The draft policy was released for consultation in November 2008 and is currently being finalised. It is due to be released later in 2009.

## New mining proposals under the Environmental Planning and Assessment Act 1979 (EP&A Act)

Part of the EP&A Act	Part 3A EP&A Act	Part 4 EP&A Act	Part 5 EP&A Act
Type of mining proposal	All coal mining and mineral sands proposals and other major mining proposals: refer to Major Development SEPP for details.	Smaller scale proposals: refer to the Environmental Planning and Assessment Regulation 2000, relevant LEP and the Mining SEPP.	Other proposals that do not require approval under Parts 3A or 4.
Consent authority	Minister for Planning	Local government; I&I NSW has an integrated approval function.	I&I NSW.
Overview	<p>Key Steps</p> <ul style="list-style-type: none"> <li>Preparation of environmental assessment (EA) by proponent based on Director General's Requirements (DGRs) (which include advice from other agencies)</li> <li>Exhibition and consultation. There is consultation with agencies prior to public exhibition to ensure EA meets the DGRs. Public exhibition at least 30 days</li> <li>Assessment and determination. Assessment prepared by Dept of Planning, and includes consideration of comments by public &amp; agencies</li> </ul>	<p>Statement of Environmental Effects (SEE) or Environmental Impact Statement (EIS) required (depends on impacts of proposal).</p> <p>Key Steps:</p> <ul style="list-style-type: none"> <li>preparation of SEE or EIS by proponent;</li> <li>exhibition and consultation;</li> <li>consent authority consults with agencies and stakeholders can make submissions; and</li> <li>assessment and determination by consent authority.</li> </ul>	<p>Under s111 of EP&amp;A Act, I&amp;I NSW assess activities within titles issued under the Mining or Petroleum (Onshore) Act. Key Steps:</p> <ol style="list-style-type: none"> <li>preparation of environmental assessment usually in the form of a review of environmental factors;</li> <li>I&amp;I NSW determine whether EIS or Species Impact Statement (SIS) required; preparation of EIS or SIS; and</li> <li>I&amp;I NSW make a determination of whether an activity should be approved</li> </ol>
Stakeholder input	Yes-during public exhibition of environmental assessment.	Yes – during public exhibition of EIS	Yes - consultation is a part EIS or SIS.
Other approvals	<p>Mining Lease under the Mining Act 1992 (or Production Lease under the Petroleum (Onshore) Act 1991) is required (granted by I&amp;I NSW).</p> <p>Projects approved under Part 3A are exempt from the requirement to obtain specified approvals under other legislation because the assessment for such approvals is integrated into the Part 3A process (e.g. activity approval under the Water Management Act 2000).</p> <p>Some other approvals such as a mining lease (under the Mining Act 1992) and a environmental protection licence (under the Protection of the Environment Operations Act 1997) cannot be refused and the terms of these approvals must be 'substantially consistent' with the Part 3A approval. Other permits &amp; approvals under other legislation are also required.</p>	<p>Mining Lease under the Mining Act 1992 (or Production Lease under the Petroleum (Onshore) Act 1991) is required (granted by I&amp;I NSW).</p> <p>Other permits &amp; approvals under other legislation are also required.</p>	<p>Mining Lease under the Mining Act 1992 (or Production Lease under the Petroleum (Onshore) Act 1991) is required (granted by I&amp;I NSW).</p> <p>Other permits &amp; approvals under other legislation are also required.</p>

**Notes:** This information should be taken as a guide and read in conjunction with the NSW State Government Submission to the Senate Inquiry into the Impacts of Mining in the Murray Darling Basin. Refer to the EP&A Act and the NSW Department of Planning website for specific details.

Mining is subject to assessment under Part 3A, Part 4 or Part 5 of the EP&A Act. The nature, scope and location of the mining proposal will determine which part of the EP&A Act applies.