

ASSESSMENT REPORT

SPRINGVALE COLLIERY

Production Increase Modification (DA11/92 Mod 4)

1 BACKGROUND

Springvale Colliery (Springvale) is an underground coal mine located approximately 15 kilometres (km) northwest of Lithgow in the Lithgow local government area (see Figure 1). Springvale is owned and operated by Springvale Coal Pty Ltd (Springvale Coal), a joint venture company owned in equal shares by Centennial Springvale Pty Ltd, a subsidiary of Centennial Coal, and Springvale SK Kores Pty Ltd.

The Springvale pit top is situated on the Castlereagh Highway. The Springvale Coal Services Site (SCSS), a separate business unit of Centennial Coal, is also located on the Castlereagh Highway, near the village of Blackmans Flat, approximately 6 km from the pit top. Most mining areas are located beneath the Newnes State Forest.

The mine is bordered by Angus Place Colliery to the north, Clarence Colliery and the abandoned Lithgow State Mine to the south and the Wollan Valley and Newnes State Forest to the east. Existing land uses in the vicinity of Springvale include residential land, cattle grazing, commercial forestry, power generation, open cut and underground coal mining, and ancillary coal industry infrastructure such as overland conveyors. The nearest urban area is Lithgow.

Coal is currently extracted from Springvale using longwall mining techniques and taken via conveyor to the Springvale pit top where the Run of Mine (ROM) coal is screened and crushed before being transported by overland conveyor to either Mt Piper and/or Wallerawang Power Stations or to the SCSS. From the SCSS, a conveyor takes the washed coal intended for export to Lidsdale Siding for transport by rail to Port Kembla.

Springvale was granted development consent on 27 July 1992 (DA 11/92) by the then Minister for Planning, although mining operations did not commence until 1995. This consent permitted:

- construction and operation of an underground coal mine;
- extraction of up to 3.4 million tonnes per annum (Mtpa) of ROM coal from the Lithgow Seam;
- transportation of ROM coal by overland conveyor to either Mt Piper and/or Wallerawang Power Stations or to the SCSS;
- construction and operation of a Coal Preparation Plant (CPP) on the SCSS;
- employment of 280 full-time staff; and
- operating hours up to 24 hours per day.

This development consent has since been modified on three occasions, in:

- 1993 to allow changes to the pit top layout, a new mine entry, relocation of a conveyor route and the temporary use of an existing CPP on the SCSS;
- 1994 to alter the schedule of lands and tenements associated with the development consent; and
- 2012 to allow for construction and operation of an additional surface dewatering facility.

Mining is currently being undertaken in Longwall 415 with mining operations expected to be completed before the end of 2013. Springvale's development consent is limited to a 21 year period from the granting of its mining lease (ML 1326), and expires on 28 September 2014.

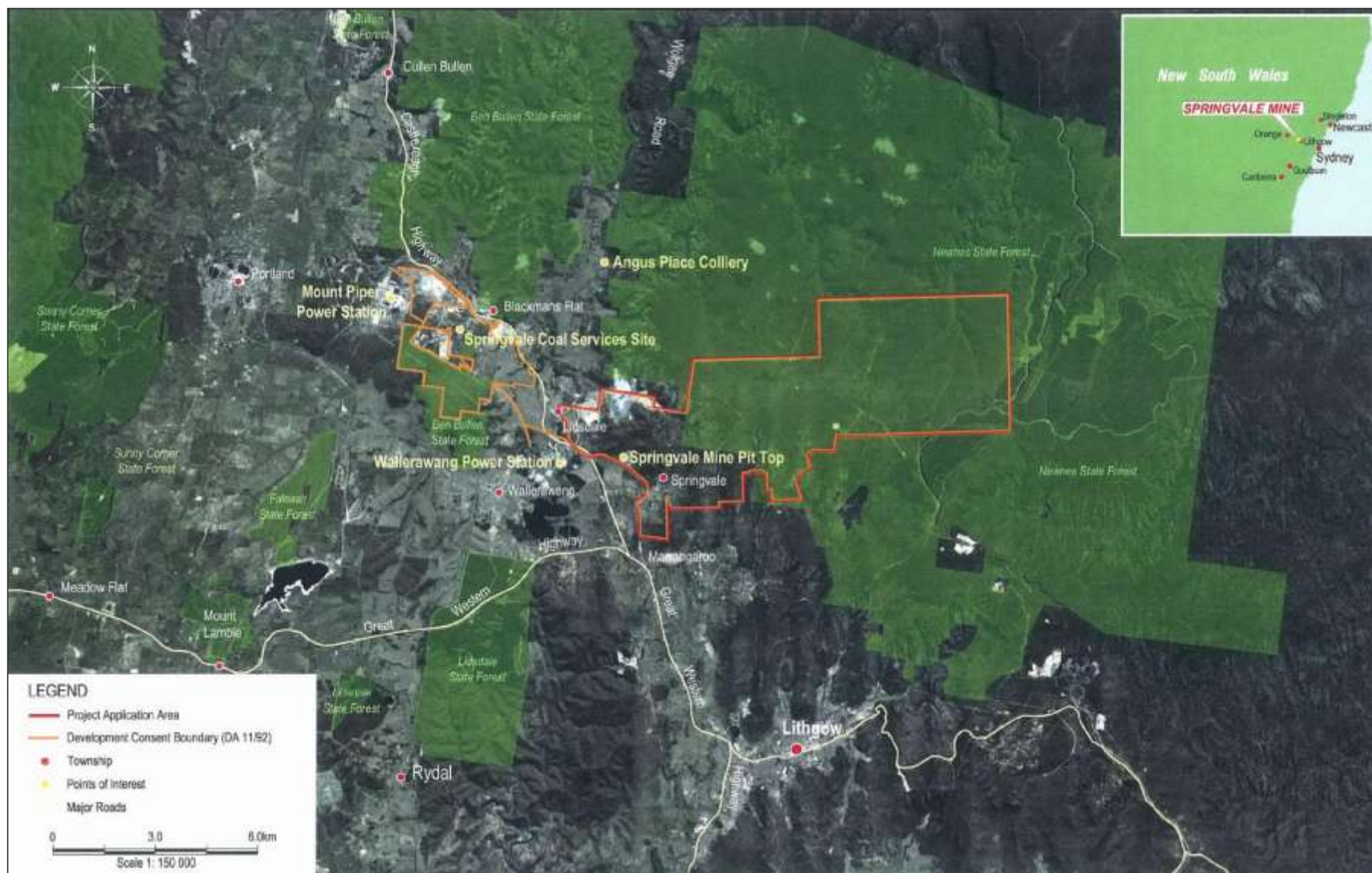


Figure 1 – Location of Springvale Colliery

2 PROPOSED MODIFICATION

Springvale Coal is seeking to modify its existing development consent (DA 11/92) under Section 75W of the *Environmental Planning & Assessment Act 1979* (EP&A Act) to allow for an increase in production from 3.4 to 4.5 Mtpa. Springvale has purchased new longwall mining equipment, which has already been installed, ready to commence mining the next longwall (Longwall 416). Usually there is a gap of 6-8 weeks in longwall production as the longwall equipment is moved from the end of a completed longwall to the start of the next longwall. The proposed production increase is sought because of the absence of a longwall changeover period between Longwall 415 and Longwall 416, resulting in longwall coal production over a full 12 months, rather than the usual period of about 10 or 10.5 months in a year.

In 2014, Springvale Coal also proposes to operate an additional continuous miner to support increased longwall production levels. The operation of this continuous miner would require the employment of an additional 30 employees. Ongoing increase in productivity would also be achieved by overall process improvements and implementation of operational practices to achieve greater availability of equipment and resources.

Springvale Coal proposes to connect its wastewater system to Lithgow City Council's sewage system, through the establishment of a connection to a mains sewer at Duncan Street/Wolgan Road intersection. This system would pump wastewater directly to the Council system.

The Springvale development consent applies to the current operations of the SCSS, including coal processing, stockpiling, reject disposal, overland conveyors and transport logistics. A State significant development application has been lodged for the proposed Western Coal Services Project (SSD 12_5579) that includes upgrades to the existing infrastructure within SCSS to support Centennial Coal's ongoing and proposed Western coal operations. That application proposes that the SCSS is separated from DA 11/92. For this reason, this modification application does not address the SCSS.

After exhibition, Springvale Coal also amended its application to seek a short extension to the approved mine life. Springvale Coal wishes to extend approved mining operations until 30 September 2015 in order to allow extraction of Longwall 416 and Longwall 417 under the existing development consent. Springvale Coal has very recently lodged a separate development application and draft environmental impact statement for its Springvale Extension Project. However, there is some risk that this development application will not be determined by the planned expiry date of DA 11/92 on 28 September 2014.

No other changes to existing operations are sought. A summary of the proposed modification is outlined in Table 1.

Table 1: Summary of proposed modification

Aspect	Current Operations	Proposed Mine Extension
Production	3.4 Mtpa	4.5 Mtpa
Consent Expires	28 September 2014	30 September 2015
Hours of Operation	24 hours per day	No change
Employment	280 personnel	310 personnel
ROM Stockpile	85,000 tonnes	No change
Coal Preparation	Coal is crushed at the onsite screening and crusher plant	No change
Land Preparation	Minor land preparation is occasionally required for exploration purposes and the installation of support infrastructure	No change
Product Coal Transport	Coal is transferred via overland conveyors and transported to either Mount Piper or Wallerawang Power Stations, or to SCSS for washing and export	No change
Waste Management	Coarse and fine reject material from the CPP at the SCSS is emplaced in the 'A pit' Reject Emplacement Area (REA), while the Co-disposal REA is used as a backup facility	No change
Surface Water Management	The surface water management system relies on the separation of clean and dirty water and the treatment	A sewer line would be connected into the Council

	of dirty water prior to discharge. Waste water is currently treated and the effluent applied to an effluent utilisation area at the Springvale pit-top	sewer system to convey effluent from the Springvale pit top
<i>Groundwater Management</i>	Groundwater is pumped from the underground workings to the surface for transfer via the Springvale-Delta Water Transfer Scheme (SDWTS)	No change.
<i>Rehabilitation</i>	Rehabilitation is limited to small areas in the Newnes State Forest following the cessation of exploration activities, or when surface infrastructure is decommissioned	No change

3 STATUTORY CONTEXT

3.1 Modification under Section 75W

The development consent for Springvale (DA 11/92) was granted under section 101 of the EP&A Act. Clause 8J(8) of the *Environmental Planning and Assessment Regulation 2000* requires modifications of such development consents to be carried out under the now repealed section 75W of the EP&A Act. Despite its repeal, the effect of section 75W is continued for such consents by clause 12 in schedule 6A of the EP&A Act.

The Department is satisfied that the proposed modification is within the scope of section 75W. The Department notes that the proposed modification involves no changes to existing mining methods, no change to processing or transportation systems, and the resulting environmental impacts would be substantially the same as for the approved development.

3.2 Approval Authority

Under section 75W of the EP&A Act, the Minister for Planning and Infrastructure is the approval authority for the modification application. However, under the Minister's delegation of 14 September 2011, the Planning Assessment Commission must determine the modification application, as Centennial Coal has made reportable political donations.

4 CONSULTATION

Under section 75W of the EP&A Act, the Department is not required to exhibit the modification application or to undertake consultation. However, the Department publicly exhibited the Environmental Assessment (EA) for this modification from 23 September to 8 October 2013. Copies of the EA were placed on display at:

- Department of Planning and Infrastructure Information Centre;
- Lithgow City Council (Council);
- Council's Wallerawang Branch Library; and
- Nature Conservation Council.

During the exhibition period the Department received seven submissions from Government agencies and one from a special interest group, which are summarised below. Copies of the submissions are provided in Appendix C. No submissions were received from the general public.

4.1 Submissions

The **NSW Environment Protection Authority** (EPA) had no objection to the proposed modification and is satisfied that there would be negligible impacts to the environment with respect to air, noise and surface water quality. However, the EPA provided recommended conditions of consent in respect of noise limits applicable at residences close to the Springvale pit top.

The **Division of Resources and Energy** (DRE), part of the Department of Trade and Investment, Regional Infrastructure and Services, considered that the proposal would have no significant environmental impacts compared to existing operations and therefore had no objections. DRE also commented that the proposed modification would have a beneficial employment and economic impact for the region and the State, although the higher production rate would reduce the overall mine life.

NSW Office of Water, part of the Department of Primary Industries (DPI), had no objection to the proposed modification, as groundwater levels in the shallow aquifer and the Lithgow Seam indicate negligible impacts from the project.

The **NSW Office of Environment and Heritage, Roads and Maritime Services, Forests Corporation of NSW** and **Lithgow City Council** had no objections to the proposed modification. Council stated that an application would need to be lodged for connection to Council's sewer services together with supporting information. Council would like the opportunity to enter into a Voluntary Planning Agreement (VPA) with Springvale Coal for the provision of community services.

The **Colong Foundation for Wilderness Ltd** (CFW) proposed that, if the modification is approved, then it should lapse with the expiry of the development consent on 28 September 2014 and sought clarification of the water extraction limits that apply to the mine. The Department informed CFW of Springvale Coal's amendment to its application seeking to extend the consent for 12 months. CFW responded at that time that it would consider the amendment and whether to provide a supplementary submission. CFW did not add to its initial submission.

5 ASSESSMENT

The Department has reviewed the submissions received during the exhibition of the EA and has completed an assessment of the key issues associated with the proposed modification.

5.1 Noise

The EA includes a Noise Impact Assessment (NIA) conducted in accordance with the EPA's *Industrial Noise Policy*. The NIA established Project Specific Noise Levels (PSNLs) for existing and proposed operations at the Springvale pit top. The NIA identified that the PSNLs would be (and have been) exceeded at the closest residences during night-time hours.

However, the mine's consent does not currently contain operational noise criteria. It has been operating with similar surface infrastructure and coal production rates for 18 years, since operations commenced in 1995. Springvale Coal receives very few complaints about noise from members of the public. During 2012 the mine did not receive any noise complaints from the general public.

Springvale Coal has also undertaken quarterly acoustical monitoring around its pit top since December 2010, even though not required to do so under its consent. Springvale Coal accepts that it is desirable to reduce noise emissions and has committed to the implementation of a noise mitigation program, which includes:

- installing a muffler on the stockpile dozer;
- installing a 'quacker' reversing alarm on the stockpile dozer for use during daytime and using a flashing warning light signal during night-time in place of the existing reversing beeper;
- restricting the stockpile dozer to second gear while reversing to reduce track slap;
- regular inspection of conveyor idlers and prompt replacement of damaged or worn idlers;
- cladding the southern wall of the ROM conveyor drive building or installing an adjacent noise barrier; and
- developing a Noise Management Plan (NMP) for the development.

The noise mitigation program would significantly reduce noise emissions from existing and proposed operations at the pit top for the benefit of the mine's near neighbours. The Department supports the noise mitigation program and also considers that the NMP, including the noise mitigation program and noise monitoring, should be formalised by including them within conditions of consent.

The EPA proposed noise criteria for the project, in accordance with standard contemporary practice. However, since there have been few previous noise complaints and none in recent years, and as the colliery's consent is proposed to be surrendered by September 2015, the Department considers that imposing noise criteria would offer little benefit at this time. The extent to which noise levels at nearby residences would be reduced would only be fully evident in a year's time, once the mitigation program has been implemented and subsequent noise monitoring has taken place. When the company's application for the Springvale Extension Project is assessed (likely to be within the next 18 months) the success of the NMP would be a major consideration in determining appropriate PSNLs for the mine's operations and whether any further noise control or mitigation measures are required, including operational noise criteria. The Department discussed its proposed approach with EPA, and EPA has provided its support to this approach.

5.2 Other Issues

Table 2 – Other Issues

Issue	Description of Issue	Consideration
<i>Waste Management</i>	Improvements are proposed to the existing sewage treatment and effluent utilisation area. It is proposed that: • pump(s) within the effluent pumping station would be replaced with two pumps of 4L/s capacity; and • a 75mm sewer line would be laid from the existing pumping station to connect with the Council's sewer system. The new sewer line would extend for about 100 metres to the Duncan Street/Volgan Road intersection where it would connect to the Council main. The sewer line would be attached to the structure of the existing overland conveyor for most of its length. There would be no change to the management of other waste streams.	The Department supports the connection of the on-site sewage system to Council's sewer as a pollution risk reduction measure, particularly during times of heavy rain.
<i>Surface and Ground Water</i>	The establishment of a sewer connection would be the only change to water management on-site. De-watering from both the Springvale Mine (17 megalitres/day (ML/day)) and the Angus Place Mine (8.4 ML/day) is well within the capacity of the SDWTS (30 ML/day).	The Department supports the connection of the on-site sewage system to Council's sewer as a pollution risk reduction measure, particularly during times of heavy rain. Groundwater volumes would be managed by the existing groundwater management system and within its current approved limits.
<i>Socio-economic Impacts</i>	Employee numbers are planned to increase by 30, with relatively small but positive impacts to economic activity in the Lithgow district. Springvale Coal is negotiating with Council in respect of a VPA to offset impacts of several of its operations in the area.	The additional demand on community services due to 30 additional employees would be negligible. The Department supports the current negotiations directed towards a regional VPA for Centennial's projects in preference to a series of separate VPAs for social impacts that are, on their own, quite minor. No change to existing conditions.
<i>Traffic and Transport</i>	The modification would result in a small increase in vehicle trips prior to the start of each shift and following the completion of each shift, as a result of the extra 30 employees. The intersection of Castlereagh Highway and the mine access road would continue to operate at a good level of service with low average delays and significant spare capacity.	No change to existing conditions.
<i>Air Quality</i>	No exceedances of relevant air quality criteria are expected.	No change to existing conditions.
<i>Greenhouse Gases (GHG)</i>	The primary source of additional Scope 1 or Scope 2 GHG emissions associated with the proposed modification would be additional diesel consumption, which would result in only a marginal increase in GHG emissions.	No change to existing conditions.

6 CONCLUSION

The Department has assessed the application in accordance with the relevant requirements of the EP&A Act and is satisfied that the impacts of the proposed modification would be managed within the existing regulatory framework.

The proposed modification would result in a small but positive economic benefit to the Lithgow region through the employment of 30 additional mining personnel to support the efficient operation of Springvale and its new longwall miner. It would also improve environmental outcomes, by connecting Springvale's wastewater system to Council's sewage system.

The Department's assessment concludes that the proposed modification would result in negligible additional impacts to those previously assessed and approved and that any additional impacts would be able to be successfully managed under existing conditions of approval. Consequently the Department believes the proposed modification is in the public interest and should be approved, subject to conditions.

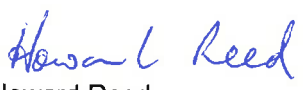
7 CONDITIONS

The Department has prepared recommended conditions of consent for the modification (see **Appendix A**).

8 RECOMMENDATION

It is **RECOMMENDED** that the Planning Assessment Commission, as delegate for the Minister:

- **considers** the findings and recommendations of this report;
- **determines** that the proposed modification falls within the scope of section 75W of the EP&A Act;
- **approves** the application under section 75W, subject to conditions; and
- **signs** the attached Notice of Modification in Appendix A;


Howard Reed
Manager
Mining Projects 22.11.13


David Kitto
Director
Mining Projects


Chris Wilson
Executive Director
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APPENDIX A – NOTICE OF MODIFICATION

APPENDIX B – CONSOLIDATED CONSENT (AS MODIFIED)

APPENDIX C – ENVIRONMENTAL ASSESSMENT

(SEE ATTACHED CD)

APPENDIX D – SUBMISSIONS