

ASSESSMENT REPORT

Mt Owen Coal Mine Section 75W Modification (DA 14-1-2004 MOD 1)

1 BACKGROUND

The Mt Owen Mining Complex is located approximately 25 kilometres (km) northwest of Singleton in the Upper Hunter Valley (see Figure 1). The complex comprises the Mt Owen, Ravensworth East and Glendell open cut coal mines. The complex is managed by Thiess Pty Ltd on behalf of Xstrata Coal NSW (Xstrata).



FIGURE 1

Figure 1: Regional location of the Mt Owen Mining Complex

Mining at the complex is regulated by three consents:

- DA 80/952 for the Glendell open cut coal mine and associated infrastructure;
- DA 52-03-99 for the Ravensworth East coal mine; and
- DA 14-1-2004 for the expansion of mining operations at Mt Owen coal mine.

The Mt Owen Complex has development approval to process up to 15 million tonnes of run of mine (ROM) coal a year. Product coal from the Mt Owen Complex is transported by rail to Newcastle or in small volumes to domestic power stations via conveyor.

Xstrata is seeking to modify its development consent for the Mt Owen coal mine, which was granted on 8 December 2004 by the then Minister for Infrastructure and Planning.

2 PROPOSED MODIFICATION

Xstrata proposes to introduce a new rail service (X-Rail) to the Hunter Valley. This rail service would compete with the existing rail service providers in the region (Pacific National and Queensland Rail) and initially transport coal from Xstrata's mining operations.

On 5th August 2010, Xstrata submitted an application seeking to modify DA 14-1-2004 under section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

The proposed modification involves the construction of a new rail re-fuelling facility on disturbed land on the Mt Owen Rail Spur line. The facility would be comprised of (see Figures 2 and 3):

- a 100 kilolitre (kL) self bunded diesel storage tank;
- oil storage tank;
- sanding facilities;
- an oily water separator;
- a storage shed;
- maintenance gantry;
- water storage tank;
- access road; and
- ancillary mechanical and electrical equipment such as pumps and lighting (see Figure 3).

Construction of this facility is expected to take 16 weeks, and require 5 workers.

The new facility would service the trains coming to the Mount Owen Complex, and would have no impact on the approved mining operations within the Complex.

3 STATUTORY CONTEXT

Part 3A

Under Clause 8J(8)(b) of the *Environmental Planning and Assessment Regulation 2000*, a development consent granted under Part 4 of the EP&A Act is taken to be an approval under Part 3A for the purposes of modification if the development consent was granted by the Minister under *State Environmental Planning Policy No 34 – Major Employment* (SEPP 34).

The development consent for the Mt Owen Complex (DA 14-1-2004) was granted by the Minister on 8 December 2004 under SEPP 34, and as a result section 75W of the EP&A Act is the appropriate statutory provision under which the Minister may determine the modification application.

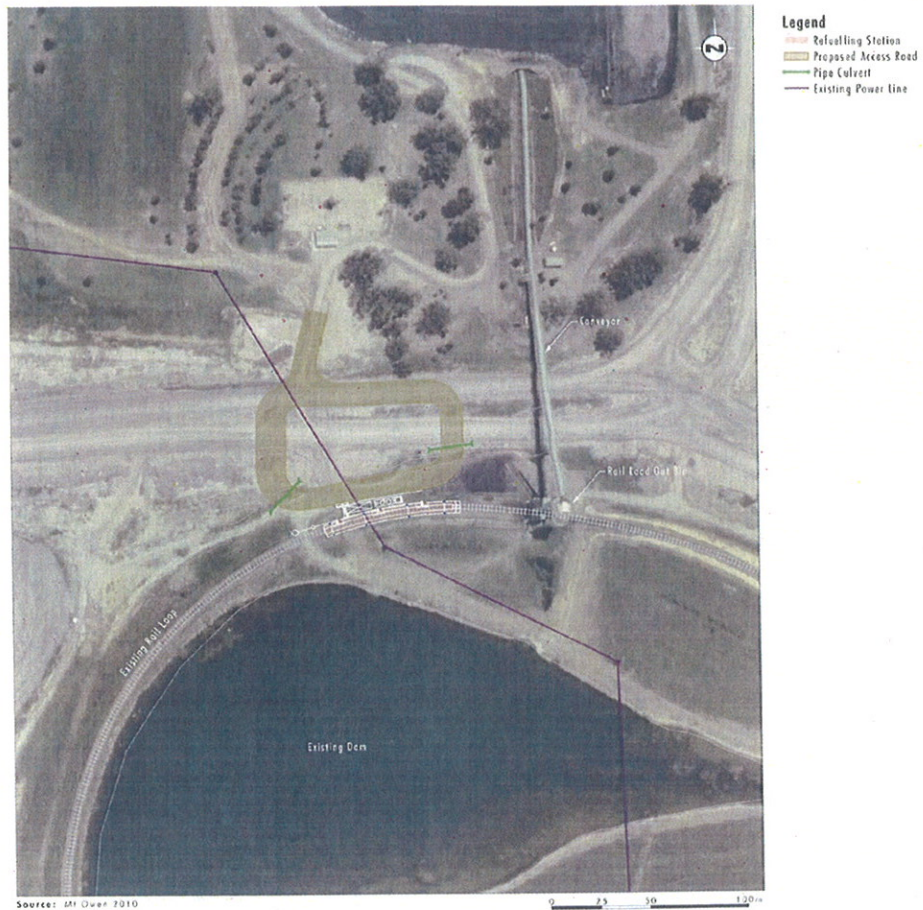


Figure 2: Location of the proposed re-fuelling facility

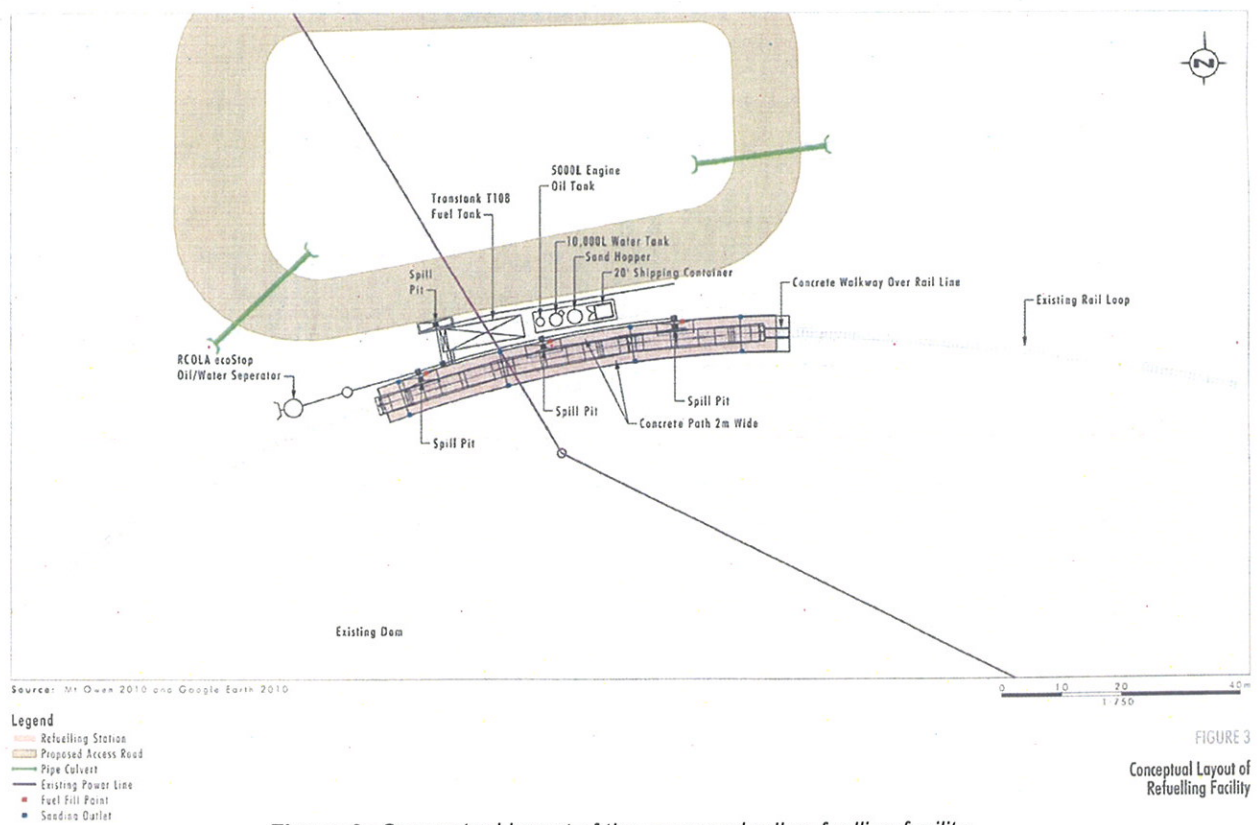


FIGURE 3
Conceptual Layout of
Refuelling Facility

Figure 3: Conceptual layout of the proposed rail re-fuelling facility

Approval Authority

The Minister was the consent authority for the original development application, and is consequently the approval authority for this application. However, on 25 January 2010, the Minister delegated his powers and functions as an approval authority to modify certain project approvals under section 75W of the EP&A Act to the Director, Mining and Industry Projects. This modification application meets the terms of this delegation; therefore the Director may determine the application under delegated authority.

Modification

The proposed modification involves the construction of some ancillary infrastructure on site to support the existing mining operations. As this infrastructure would be an extremely minor component of the total infrastructure on site, and would have limited impact on the approved mining operation on site (see below), the Department is satisfied that it should be treated as a modification of the original development consent under section 75W of the EP&A Act.

4 CONSULTATION

The Department is not required to notify or exhibit applications under section 75W of the EP&A Act. Given the minor nature of the proposed modification and its minimal environmental impact, the Department has not undertaken any consultation for the proposal.

5 ASSESSMENT

The Department's assessment of the key issues is summarised in Table 1 below:

Table 1: Assessment of key issues

Issue	Potential Impacts & Consideration	Conclusion
Water Resources	• The proposed modification has the potential to impact surface water flows both during and following construction. • Prior to construction, erosion and sediment controls would be established in accordance with the existing Mt Owen Coal Erosion and Sediment Control Plan. • During operation, spill pits located at the proposed re-fuelling points would capture water and spills to be treated in the proposed oily water separator. Treated water would then be stored in the Environmental Control Dam (ECD) for use within the Mt Owen mine water management system. • The Department is satisfied that the impacts to water resources would be minimal and could be appropriately managed under the existing Mt Owen Water Management Plan.	• No additional control measures required.
Noise	• The proposed modification has the potential to cause noise impacts during construction and operation. • The proposed location of the rail re-fuelling facility is within the mine's existing consent boundary and construction noise impacts are expected to be minimal when compared to noise generated from existing operations. No additional noise impacts associated with the operation of the proposed modification are expected, as no additional train stopping would be required. • The Department is confident that any noise associated with the proposed modification would be negligible, unlikely to impact any sensitive receiver, and is able to be managed under Mt Owen's existing Noise Management Program.	• No additional control measures required.
Air Quality	• The proposed modification is not expected to generate additional levels of dust during operation. However, it has the potential to cause air quality impacts during construction, due to dust generation. However, the location of the proposed re-fuelling facility is within the mine's existing consent boundary and any air	• Preparation of a revised Air Quality & Greenhouse Gas Management Plan for the Mt Owen

Issue	Potential Impacts & Consideration	Conclusion
	quality impacts would be insignificant when compared to the air quality impacts generated from existing operations. - While the Department is satisfied that the potential air quality impacts associated with the modification would be negligible, it is concerned about the cumulative air quality impacts of the mine's operation in the vicinity of the Camberwell Village. - To improve the management of these impacts, the Department believes an integrated, regional air quality monitoring and management system should be established, involving all mines close to Camberwell, with the aim of not only improving predictive and real-time management of dust emissions, but also reducing monitoring costs. The Department is therefore proposing to upgrade conditions in the Mt Owen development consent to include an Air Quality & Greenhouse Gas Management Plan for the Mt Owen Mining Complex. This plan would include: - a description of all measures that will be implemented to ensure compliance, including a real-time air quality management system; and - an air quality monitoring program, using a combination of real-time monitors, high volume samplers, and dust deposition gauges to monitor the performance of the project.	Mining Complex proposed.
Ecology	- The proposed modification has the potential to impact flora and fauna during the construction and operation of the refuelling facility. - However, the proposed location for the refuelling facility has been previously disturbed and contains highly disturbed vegetation and habitat. No threatened species or populations or endangered ecological communities have been identified in the area. - Due to the highly disturbed nature of the site, the Department is satisfied that any potential impact to flora and fauna would be negligible.	No additional control measures required.
Heritage	- The proposed modification has the potential to impact on Aboriginal and non-Aboriginal heritage. - However, the proposed location has been highly disturbed and modified by the existing development. No Aboriginal objects were identified within the proposed location, and the site was assessed as having a low archaeological potential due to likelihood of redistribution of objects if they were originally present. - Due to the highly disturbed nature of the site, the Department is satisfied that any potential impacts to heritage items would be negligible.	No additional control measures required.
Visual and Lighting	- The proposed modification has the potential to increase the visual impact of the mine. However, the assessment indicates that both the rail re-fuelling facility and lighting operated at the facility would not be visible from any public view points within the area. - Nevertheless, Xstrata would construct the gantry and storage sheds from green Colourbond to blend with the surrounding areas and minimise the potential visual impact. - The Department is satisfied that the visual amenity impacts would be minimal in the context of the existing mining operation.	No additional control measures required.
Traffic	- The modification has the potential to impact traffic movements generated by Mt Owen both during and following construction. - An additional two heavy vehicles per day are expected to be required during construction for delivery of materials. Following construction, two fuel tankers per day would be required to provide fuel to the proposed re-fuelling facility. - However, the assessment indicates that the number of heavy vehicles required is consistent with existing operational requirements and is not expected to have an impact on overall	No additional control measures required.

Issue	Potential Impacts & Consideration	Conclusion
	traffic movements generated by the mine. The Department is satisfied that the traffic impacts generated by the proposed modification would be minimal in relation to the existing operations.	

6 RECOMMENDED CONDITIONS

The Department has used this opportunity to update several conditions in the consent, particularly in schedule 4 and 5 of the consent. These updates are generally of an administrative nature to make the consent consistent with other consents/approvals in the Hunter Valley.

7 CONCLUSION

The Department has assessed the modification application in accordance with the relevant requirements of the EP&A Act, including the objectives of the Act and the principles of ecologically sustainable development.

Based on this assessment, the Department considers that the proposed modification represents a change that is consistent with the approved development. The assessment has found that the proposed rail re-fuelling facility and associated infrastructure would not generate any adverse environmental impacts above and beyond those associated with the approved Mt Owen mining operations.

The proposal would promote optimum efficiency at the Mt Owen Complex by enabling re-fuelling of trains to occur during loading of product coal. Consequently, the Department is satisfied that the proposed modification is in the public interest and should be approved, subject to conditions.

8 RECOMMENDATION

It is RECOMMENDED that the Director, as delegate of the Minister:

- **consider** the findings and recommendations of this report;
- **determine** that the proposed modification falls within the scope of section 75W of the EP&A Act;
- **approve** the application under section 75W, subject to conditions; and
- **sign** the notice of modification in Appendix A.

Howard Reed

Howard Reed
Manager
Mining Projects

25.11.10

David Kitto 26/11/10

David Kitto
Director
Mining and Industry Projects