



Centennial Coal

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1 February 2016

Mr D Kitto
NSW Planning and Environment
GPO Box 39
Sydney NSW 2001

Dear Mr Kitto *David*

Re: Centennial Airly – Modification to DA162/91 (Mod 5)

Centennial Airly Pty Limited (Centennial Airly) is seeking to modify the Airly Mine Development Consent DA 192/91 under Section 75W of the Environmental planning and Assessment Act 1979 (EP&A Act). The modification will allow for the continuation of mining within the approved mine area for a period of 6 months beyond the expiry date of DA 162/91 whilst the assessment of the Airly Mine Extension Project (SSD 12_5581) is completed.

DA 162/91 lapses on 30 April 2016. The six month extension will allow operations to continue beyond 30 April 2016 and the current workforce to be sustained up to 31 October 2016. The proposed modification does not include any physical works or changes to the existing mining operation beyond those currently assessed and approved. Centennial Airly will continue to adaptively manage development related risks to ensure that there are no exceedances of the criteria and/or performance measures detailed in development consent DA162/91.

Centennial Airly has prepared an Environmental Assessment to support an application to modify the Airly Mine Development Consent DA162/91 and has provided this as **Attachment 1**.

If you have any questions in regards to the Environmental Assessment attached or require any additional information, please contact James Wearne on 0407 207 530.

Yours sincerely

Mary-Anne Crawford
General Manager – Environment and Approvals

Attached:

- Environmental Assessment for Proposed Modification to DA162/91 (Mod 5)

Enclosed:

- Application to modify a development consent
- Political Donations Disclosure Statement

Attachment 1

Environmental Assessment for Proposed Modification to DA162/91 (Mod 5)

Introduction

The Airly Mine is an existing underground mining operation located in the Western Coalfields approximately 40 kilometres north northwest of Lithgow, New South Wales. The mine's current consent allows extraction of 1.8 million tonnes of coal per annum (Mtpa) for supply to both domestic and international markets by rail. Centennial Airly Pty Limited (Centennial Airly) is the operator of Airly Mine and is a wholly owned subsidiary of Centennial Coal Company Pty Limited.

Airly Mine's development consent (DA 162/91) was granted on 14 April 1993 pursuant to Section 101 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) and has been subject to three modifications since. This development consent (DA 162/91) will expire on 30 April 2016. Development consent is required to ensure Airly Mine is approved for operations beyond this date.

On 28 April 2014, Centennial Airly lodged a State Significant Development Application (SSD 12_5581) with NSW Department of Planning and Environment (DPE). This application was to, amongst other things, continue the Airly Mine for a period of up to 25 years from the date of consent. The State Significant Development Application is currently being assessed.

Centennial Airly proposes to modify DA162/91 pursuant to Section 75W of the EP&A Act to allow for the continuation of mining within the approved mine plan for a period of 6 months beyond the expiry date of DA 162/91. The proposed modification will enable the assessment of the Airly Mine Extension Project (SSD 12_5581) to be completed whilst sustaining the current workforce currently employed at the Airly Mine.

Site Location

Airly Mine is an existing underground mining operation located in the western coalfield of New South Wales (NSW), approximately 40 kilometres northwest of the City of Lithgow. The Airly Mine pit top is accessed via the Castlereagh Highway and is located 5 kilometres north-east of the village of Capertee. The underground mine is situated directly below a sandstone plateau of undulating unpopulated bushland forming the Mugii Murum-ban State Conservation Area. Access to this area is via forest tracks. Airly Mine is located within the Lithgow City Council Local Government Area (LGA).

Airly Mine is bordered by the Capertee National Park to the north, the Castlereagh Highway to the west, the Capertee Valley to the east and the Gardens of Stone National Park to the south. The location of Airly Mine is illustrated in **Figure 1**.

Proposed Modification

Centennial Airly are seeking to modify DA162/91 to allow for the continuation of mining within the approved mine plan for a period of 6 months beyond the expiry date of DA 162/91 (up until 31 October 2016). The Modification will allow for continued operations at the Airly Mine while the assessment of the Airly Mine Extension Project (SSD 12_5581) is being completed, sustaining current employment levels at the Airly Mine.

The proposed Modification does not include any physical works or changes to the existing mining operation.

The Proponent

Airly Mine is owned by Centennial Coal Company Limited (Centennial Coal). Airly Mine is operated by Centennial Airly, for and on behalf of Centennial Coal. Centennial Airly is the applicant for the Modification.

Approval Pathway and Permissibility

Development consent DA162/91 was granted to Novacoal Australia Pty Ltd for the Airly Coal Project by the then Minister for Planning on 14 April 1993 under section 101 of Part 4 of the EP&A Act. Centennial Airly, the operator of Airly Mine, now seeks a modification to DA 162/91 pursuant to the provisions of Section 75W of the EP&A Act to allow for an extension of time to the consent.

Although Part 3A was repealed on 1 October 2011, Schedule 6A of the EP&A Act provides savings provisions whereby Section 75W of Part 3A continues to apply to modifications of the Part 4 development consents referred to in clause 8J(8) of the EP&A Regulation. Clause 8J(8) provides a mechanism whereby projects approved under Part 4 of the EP&A Act can be modified under Section 75W in cases where the development would have been a Part 3A Project but for the operation of clause 6(2)(a) of State Environmental Planning Policy (Major Development) 2005

(SEPP Major Development 2005). Coal mining is a class of development listed in Schedule 1 of the SEPP Major Development 2005, and as such would be a Project to which Part 3A applies.

(Note: Although Schedule 1 of SEPP Major Development 2005 has been repealed, Schedule 6A of the EP&A Act allows for the continuation of the provisions of this relevant section of the SEPP).

The Minister for Planning (or his delegate) determines applications to modify approvals under Section 75W of the EP&A Act.

Sub-clause 7(1)(a) of State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 states that development for the purpose of underground mining (which includes mine related development) may be carried out on any land with development consent.

Development consent DA162/92, if modified, will not become an approval under Part 3A, but will remain development consent under Part 4.

Existing Approvals

The Airly Mine was approved on the 14 April 1993 pursuant to section 101 of the Environmental Planning and Assessment Act 1979. DA162/91 authorises the extraction of up to 1.8 Mpta of run-of-mine (ROM) coal within the existing mining lease area, ML 1331. DA162/91 is due to lapse on 30 April 2016.

Airly Mine operates under Environment Protection License (EPL) 12374, which permits coal handling to a scale of up to 2 million tonnes per annum and coal production up to a scale of 2 million tonnes per annum.

Approved Mining Authorities held by Airly Mine include ML1331 and A232. No mining is proposed in the area of A232 that is not within ML1331 under this modification.

Existing and Proposed Operations

The main components of Airly Mine's existing operations are an underground mine and the surface facilities area. The underground part of the mine is accessed via the surface facilities area. Mine access is off Glen Davis Road, approximately 3 kilometres northeast of Capertee.

Airly Mine is approved to undertake activities summarised in **Table 1**. This table also provides an overview of the proposed modification.

Table 1 – Approved and Proposed Operations at the Airly Mine

Key Feature	Approved and Existing Operation	The Modification
Mine Life	31 October 2015	Extend the life of the existing consent to 31 October 2016
Hours of Operation	The mine operates 24 hours per day, 7 days per week.	No change.
Mine Method and Design	The development consent allows for: - no mining in the 50 m coal barrier; - first workings only where the depth of cover is less than 50m; - maximum subsidence of 125mm; - maximum tensile strains of 2.0 mm/m; - maximum compressive strains of 2.0 mm/m; and - maximum tilt of 2.5 mm/m.	No change. The mine plan has been designed with long term stable pillars with a minimum system factor of safety of 2.0. Mining will be limited to ML1331 as shown in Figure 2. Subsidence predictions will be within those approved for Mod 3. As per Mod 3, there will be: - no mining in the 50 m coal barrier; - first workings only where the depth of cover is less than 50 m; - maximum subsidence of 125mm; - maximum tensile strains of 2.0 mm/m; - maximum compressive strains of 2.0 mm/m; and - maximum tilt of 2.5 mm/m.
Project Application Area	Mining Lease ML1331 boundary	No change
Underground Mine Access	A series of portals at the pit top box cut and the eastern portal southwest of Mount Genowlan.	No change The eastern portal has not been constructed and is not proposed as part of this modification.
Airly Pit Top Infrastructure	The pit top is approved to include the following: - bath house, office and assembly building; - wash-down facilities, workshop and service building; - workforce, materials and ventilation portals, store	No change

Key Feature	Approved and Existing Operation	The Modification
	building; training centre; • bulk storage area, cable store; • potable water provision and sewage treatment plant; • hardstand areas, haul roads, car-parking areas, helicopter-pad; • diesel, fuel and oil storage and refuelling facilities; • fire station and associated fire-fighting equipment • compressor room, main fan; • water management structures; • electrical distribution network	
Product Coal	Steaming coal	No change
Employment	120 personnel.	No change
Coal destination	Domestic and export	No change
Coal Stockpile	30,000 tonne emergency ROM stockpile 200,000 tonne product stockpile	No change
Coal Handling and Preparation Plant (CHPP)	A CHPP with a capacity of 500 tph	No change
Reject Management	4.3 Mt coarse reject emplacement area (REA) tailings dam.	No change. No rejects emplacement has been built as the beneficiation circuit of the CHPP has not been built. No reject is proposed to be produced as part of this modification.
Electrical Services	66 kV electricity line	No change
Train Loading	A balloon loop, train load out and a rail surge bin	No change
Wallerawang Unloading System	Upgrade to a balloon loop; provision of an underground rail unloading facility; and transfer conveyor.	No change. Not proposed as part of this modification
Product Coal Transport	All coal will leave the site by rail.	No change
Ventilation	A ventilation facility at the pit top, with movement to the eastern portal	No change

Key Feature	Approved and Existing Operation	The Modification
Water Management	Diversion of clean and dirty water, harvest clean water for use at the mine	No change

Environmental Assessment

The proposed mine design criteria for the Airly Mine yield the following subsidence predictions as per Mod 3.

- Vertical subsidence to be no greater than 125 mm
- A maximum tilt of 2.5 mm/m
- A maximum strain of 2.0 mm/m.

The proposed extension of time will allow mining to continue within existing approved mining areas for a period of six months beyond 30 April 2016.

There is no change to the rate of production or volume of coal produced. No changes are proposed to the existing infrastructure at the Airly Mine pit top under this modification. As such, all environmental impacts will remain within the limits currently assessed and approved for the Airly Mine to operate within.

Centennial Airly will continue to adaptively manage development related risks to ensure that there are no exceedances of the criteria and/or performance measures detailed in development consent DA162/91.

Conclusion

Centennial Airly proposes to modify DA162/91 pursuant to Section 75W of the EP&A Act to allow for the continuation of mining within the approved mine area for a period of 6 months beyond the expiry date of DA 162/91. The proposed modification will enable the assessment of the Airly Mine Extension Project (SSD 12_5581) to be completed whilst sustaining the current workforce currently employed at the Airly Mine.

All mining will be undertaken within existing approved mining areas. All environmental impacts will remain within the limits currently assessed and approved for the Airly Mine to operate within. Centennial Airly will continue to adaptively manage development related risks to ensure that there are no exceedances of the criteria and/or performance measures detailed in development consent DA162/91.

Figure 1 – Airly Mine Locality Plan

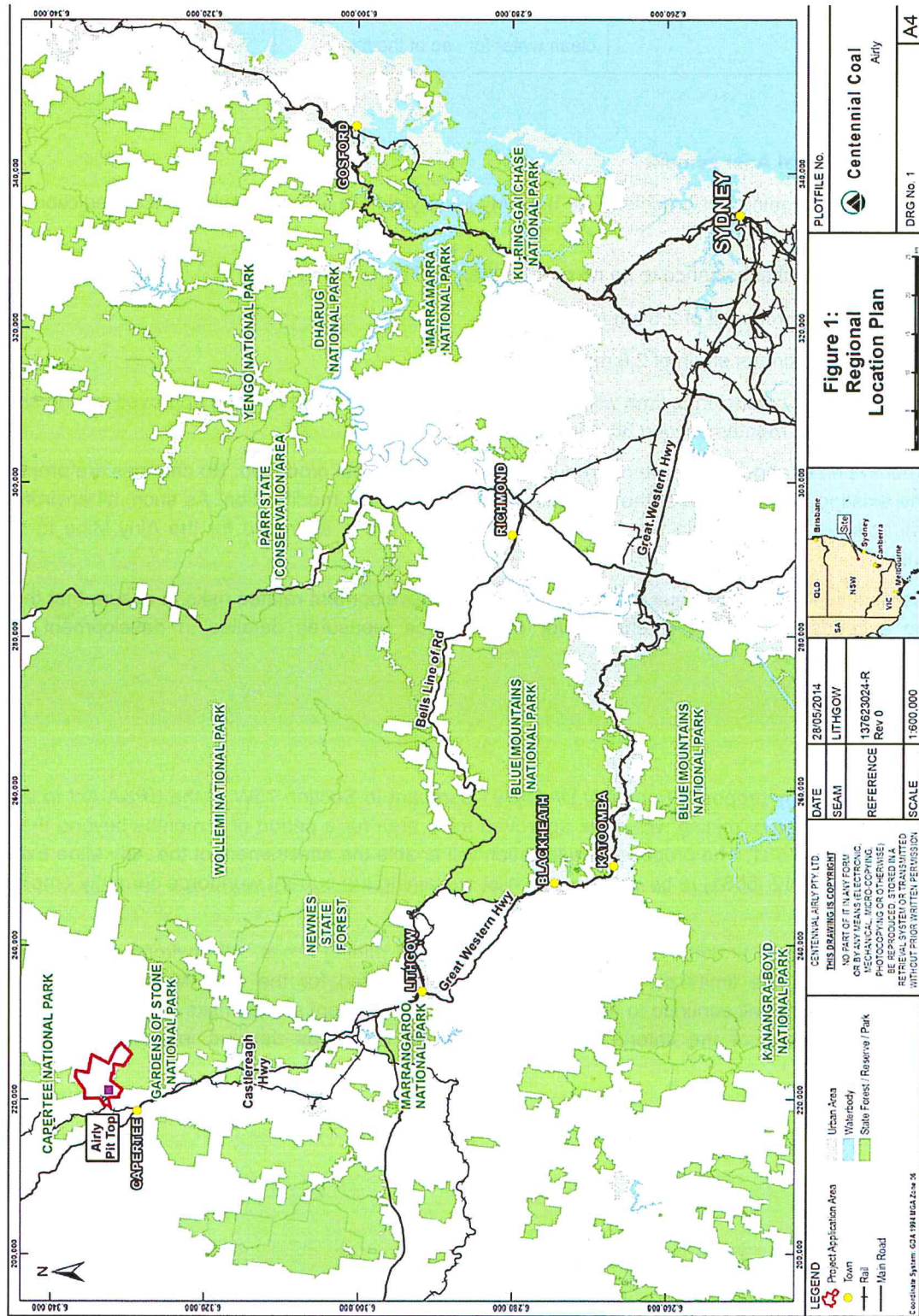
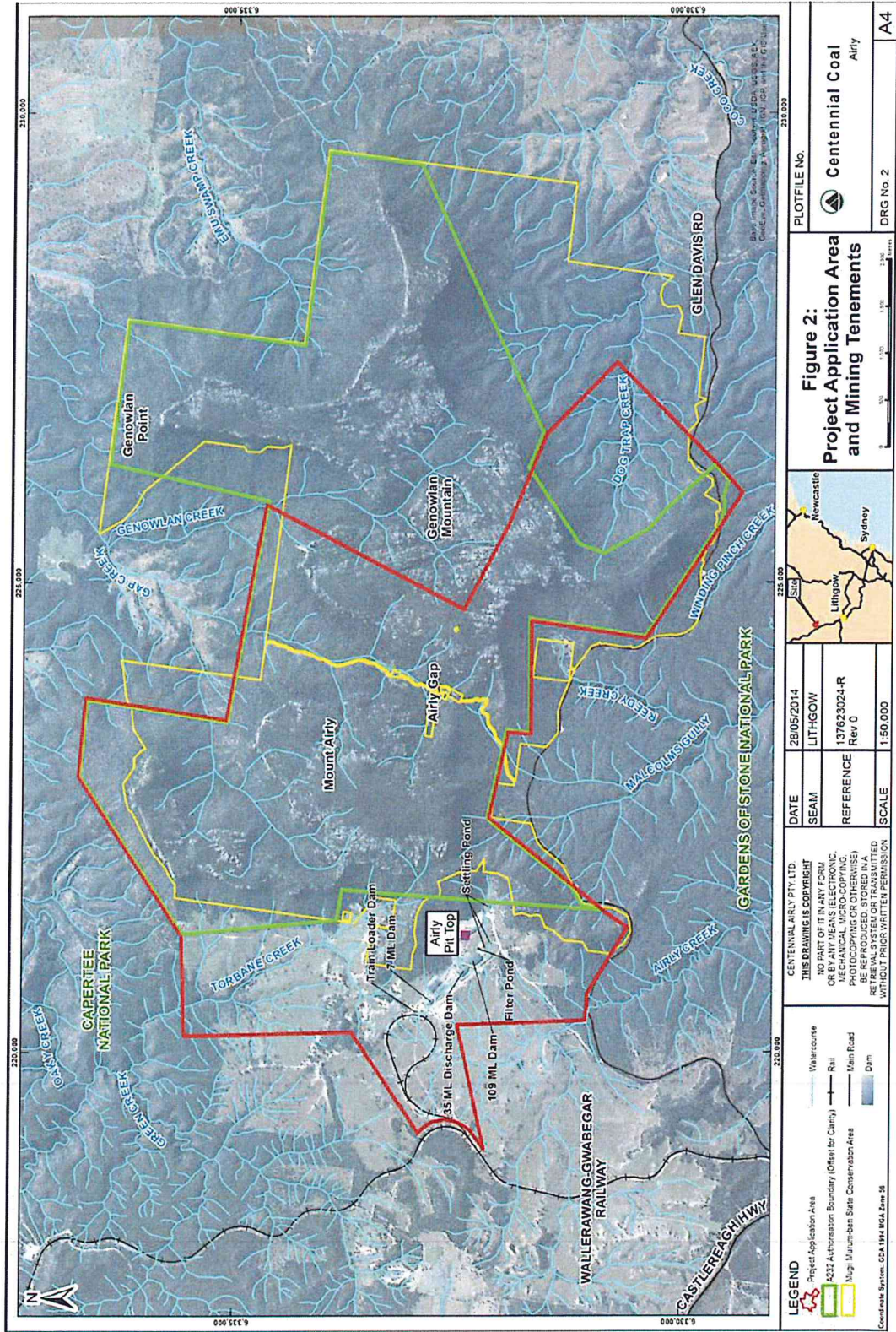


Figure 2 – Project Application Area and Mining Leases



Application to modify a development consent



NSW GOVERNMENT
Department of Planning

Date lodged: ____/____/____

DA modification no. _____
(Office use only)

1. Before you lodge

This form is to be used for applications to modify Part 4 development consents under section 96 or 96AA of the *Environmental Planning and Assessment Act 1979* (EP&A Act). This form is also to be used for Part 4 development consents that are to be modified under section 75W of the Act.

Disclosure statement

Persons lodging modification applications are required to declare reportable political donations (including donations of or more than \$1,000) made in the previous two years. For more details, including a disclosure form, go to www.planning.nsw.gov.au/donations.

Lodgement

Anyone wishing to lodge an application is recommended to call the Department of Planning to discuss their proposal and modification application requirements prior to lodging their application. You can lodge your completed form, together with attachments and fees at the relevant Department of Planning office listed below. Please lodge Part 4 modification applications with the Department of Planning head office or, for modification applications that are within the Kosciuszko ski resorts area, the Department's Alpine Resorts team.

NSW Department of Planning
Head Office
Ground Floor, 23–33 Bridge Street, Sydney NSW 2000
GPO Box 39 Sydney NSW 2001
Phone: 1300 305 695 Fax: (02) 9228 6555
Email: information@planning.nsw.gov.au

NSW Department of Planning
Alpine Resorts Team
Shop 5A, Snowy River Avenue
PO Box 36, Jindabyne NSW 2627
Phone: (02) 6456 1733 Fax: (02) 6456 1736
Email: alpineresorts@planning.nsw.gov.au

To minimise delay in receiving a decision about your application, please ensure you submit all relevant information to the Department. When your application has been assessed, you will receive a notice of determination.

2. Applicant and contact details

Company/organisation/agency

Centennial Airly Pty Limited

ABN

84 078 693 722

☐ Mr ☒ Ms ☐ Mrs ☐ Dr ☐ Other

First name

Mary-Anne

Family name

Crawford

STREET ADDRESS

Unit/street no.

100

Street name

Miller Road

Suburb or town

Fassifern

State

NSW

Postcode

2283

POSTAL ADDRESS (or mark 'as above')

PO Box 1000

Suburb or town

Toronto

State

NSW

Postcode

2283

Daytime telephone

(02) 4935 8918

Fax

Mobile

0400 403 550

Email

maryanne.crawford@centennialcoal.com.au

3. Property description

Unit/street no. (or lot no. for Kosciuszko ski resorts)

Street or property name

Suburb, town or locality

Postcode

Local government area

Capertee

2847

Lithgow

Lot/DP or Lot/Section/DP or Lot/Strata no.

Please ensure that you put a slash (/) between lot, section, DP and strata numbers. If you have more than one piece of land, you will need to separate them with a comma e.g. 123/579, 162/2.

Note: You can find the lot, section, DP or strata number on a map of the land or on the title documents for the land, if title was provided after 30 October 1983. If you have documents older than this, you will need to contact the NSW Department of Lands for updated details. If the subject land is located within the Kosciuszko ski resorts area, DP and strata numbers do not apply.

4. Details of the original development consent

Briefly describe your approved development in the space below. If the development has been modified previously you must list all previous modifications and the relevant determination date(s).

The development consent (DA 162/91) permits a 1.8 million tonnes of ROM coal per annum (Mtpa) production underground mine with transport of coal from the full production mine by rail up to 30 April 2016.

Refer Table 1 of the Environmental Assessment.

What was the original development application no.?

DA 162/91

What was the date consent was granted?

14 April 1993

What was the original application fee?

TBC

5. Type of modification

An application under section 96 of the EP&A Act is an application to modify a development consent. Modifications to a development consent can also be made under section 75W of the EP&A Act, or section 96AA for court granted consents.

There are five types of modification applications. Please tick the type of modification application that is being sought:

- ☐ Section 96(1) involving minor error, misdescription or miscalculation.
- ☐ Section 96(1A) involving minimal environmental impact, where the development as originally approved remains substantially the same.
- ☐ Section 96(2) other modification, where the development as originally approved remains substantially the same.
- ☐ Section 96AA modification of consent granted by the Land and Environment Court, where the development as originally approved remains substantially the same.
- ☒ Section 75W modification, involving use of Part 3A processes to modify the Part 4 consent.

Note: If the proposed modification will lead to the consented development being not 'substantially the same' (except in the case of a proposed modification under section 75W) then you will need to submit a new development application.

6. Extent of modification

Will the modified development be substantially the same as the development that was originally approved?

No ☐ > Please submit a new development application.

Yes ☒ > Please provide evidence that the development will remain substantially the same. (If you need to attach additional pages, please list below the material attached).

Not Applicable - proposed modification under section 75W.

Note: Question 6 does not apply to proposed modifications under section 75W.

7. Description of modification

- In the case of a section 96(1) application, indicate the nature of the minor error, misdescription or miscalculation in the space below.
- In the case of a section 96(1A), section 96(2) or section 96AA application describe the impact of the modification in the space below. A statement of environmental effects will need to accompany the application, which includes an assessment of the development as proposed to be modified in accordance with section 79C(1) of the EP&A Act. Provisions of the *Heritage Act 1977* may also apply for works to a heritage item or works adjoining a heritage item.
- In the case of a section 75W application under clause 8J(8) of the Environmental Planning and Assessment Regulation 2000, a development consent in force immediately before the commencement of Part 3A of the Act may be modified under section 75W as if the consent were an approval under that Part. However, approval from the Minister is required to lodge a section 75W application. **Applicants should contact the Department first if they are considering applying for a modification under section 75W.**

Regardless of the type of modification, please state below the specific conditions of consent to be modified, deleted or additional conditions request, and details of any other changes being sought.

Centennial Airly Pty Limited is proposing to modify Airly Mine's development consent DA 162/91 to allow for the continuation of mining within the approved mine plan for a period of 6 months beyond the expiry date of DA 162/91.

Note: If your proposal is within Kosciuszko ski resorts area, please attach a copy of the Interim Lease Variation Approval received from the Department of Environment and Climate Change to your application.

8. General terms of approval from State agencies

If the original development application was classified as integrated development and required approval from one or more State agencies, list them in the space below and their respective general terms of approval. Depending on the type of modification, it may be necessary to refer the modification application to the approval body.

9. Number of jobs to be created

Please indicate the number of jobs the proposed development will create. This should be expressed as a proportion of full time jobs over a full year, (e.g. a person employed full time for 6 months would equal 0.5 of a full time equivalent job; six contractors working on and off over 2 weeks equate to 2 people working full time for 2 weeks, which equals approximately 0.08 of an FTE job).

Construction jobs (full time equivalent) 0

Operational jobs (full time equivalent) 0

10. Application fee

Part 15 of the Environmental Planning and Assessment Regulation 2000 sets out how to calculate the fees for an application for modification of a development consent. If your development needs to be advertised to the public you may also need to include an advertising fee.

Note: Advertising fees attract GST, all other fees do not.

Please contact the Department in order to calculate the fee for your modification application.

Estimated cost of the development	Original application fee	Total fees lodged
0	TBC	TBA

11. Political donation disclosure statement

Persons lodging modification applications are required to declare reportable political donations (including donations of or more than \$1,000) made in the previous two years. Disclosure statements are to be submitted with your application.

Have you attached a disclosure statement to this application?

Yes ☒

No ☐

Note: For more details about political donation disclosure requirements, including a disclosure form, go to www.planning.nsw.gov.au/donations.

12. Owner's consent

The owner(s) of the land to be developed must sign the application. If you are not the owner of the land, you must have all the owners sign the application. If the land is Crown land, an authorised officer of the NSW Department of Lands must sign the application. An original signature must be provided.

As the owner(s) of the above property, I/we consent to this application:

Signature

Name

Date

Signature

Name

Date

Note: For applications within the Kosciuszko ski resorts area, the approval of the lessee rather than the owner is required.

13. Applicant's signature

The applicant, or the applicant's agent, must sign the application. Only an original signature will be accepted (photocopies or faxed copies will not be accepted).

Signature



Date

1 February 2016

In what capacity are you signing if you are not the applicant

General Manager -
Environment and Approvals

Name, if you are not the applicant

MARY-ANNE CRAWFORD

14. Privacy policy

The information you provide in this application will enable the Department, and any relevant state agency, to assess your application under the *Environmental Planning and Assessment Act 1979* and other applicable state legislation. If the information is not provided, your application may not be accepted.

If your application is for designated development or advertised development, it will be made available for public inspection and copying during a submission period. Written notification of the application will also be

provided to the neighbourhood. You have the right to access and have corrected any information provided in your application. Please ensure that the information is accurate and advise the Department of any changes.

