

Attachment 1

Environmental Assessment for Proposed Modification to DA162/91 (Mod 6)

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 (**Figure 1**). 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 31 October 2016. A modification to the 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 three 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 three months beyond the expiry date of DA 162/91 (up until 31 January 2017). 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 31 October 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 2016	Extend the life of the existing consent to 31 January 2017
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 three months beyond 31 October 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 three 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

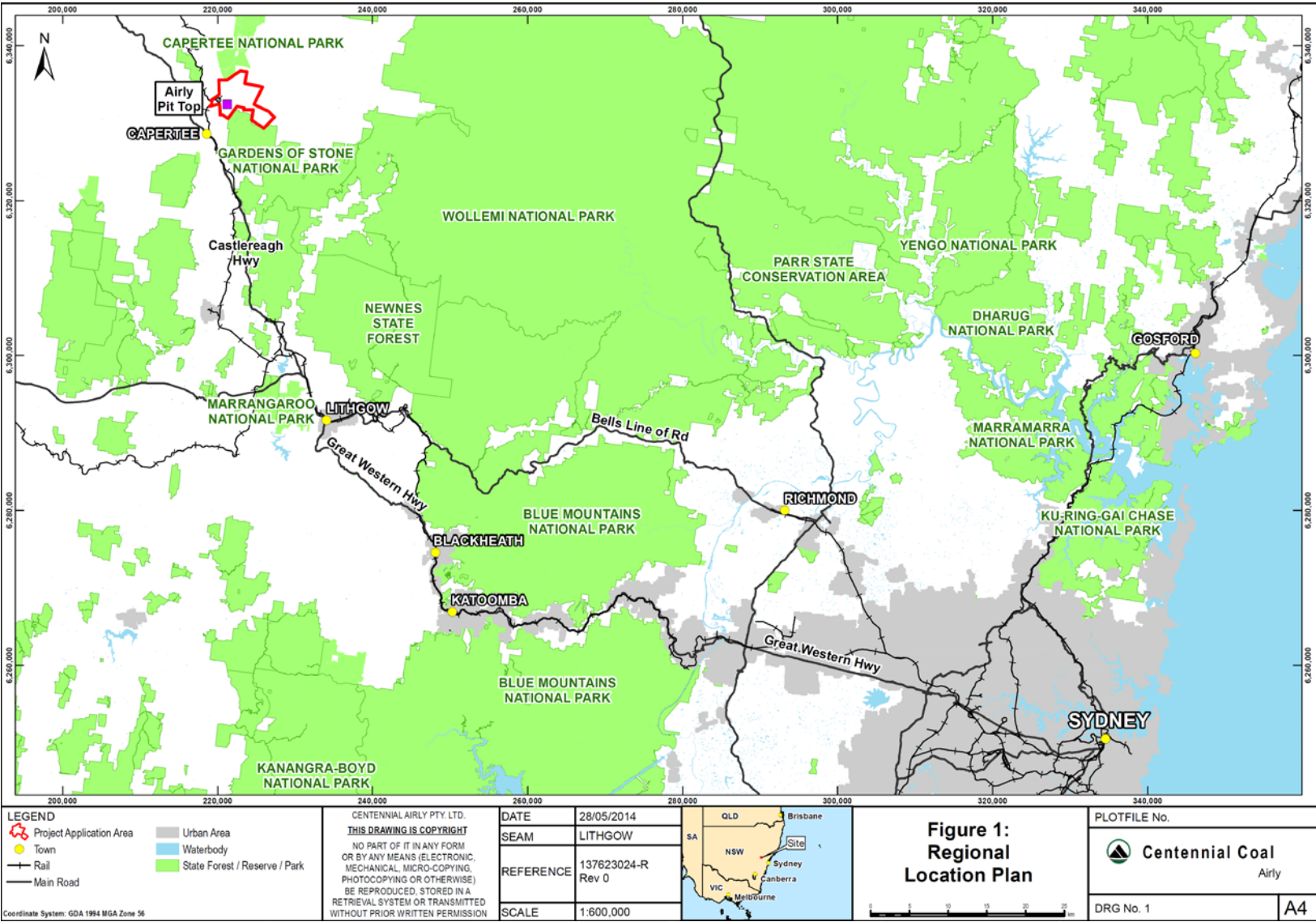


Figure 2 – Project Application Area and Mining Leases

