

ASSESSMENT REPORT

WAMBO COAL MINE RAIL INFRASTRUCTURE Rail Refuelling Facility Modification (DA 177-8-2004 Mod 2)

1 BACKGROUND

Wambo Coal, a subsidiary of Peabody Energy Australia, owns and operates the Wambo Coal mining complex, located about 15 kilometres west of Singleton (refer to **Figure 1**). The complex is located in an area dominated by coal mining, with only a few residents living in close proximity to the mine. The complex comprises mining and rail facilities which operate under two separate consents, one covering the mine itself (DA 305-7-2003) and the other the rail and coal loading infrastructure (177-8-2004).

Consent for the rail infrastructure at Wambo was granted on 16 December 2004, by the then Minister assisting the Minister for Infrastructure and Planning (Planning Administration). The consent has been previously modified once. Under the consolidated consent (see **Appendix B**), Wambo Coal is permitted to transport up to 15 million tonnes of product coal from Wambo Mine and the adjoining United Coal Mine to the Port of Newcastle, although the United Mine is currently on care and maintenance.

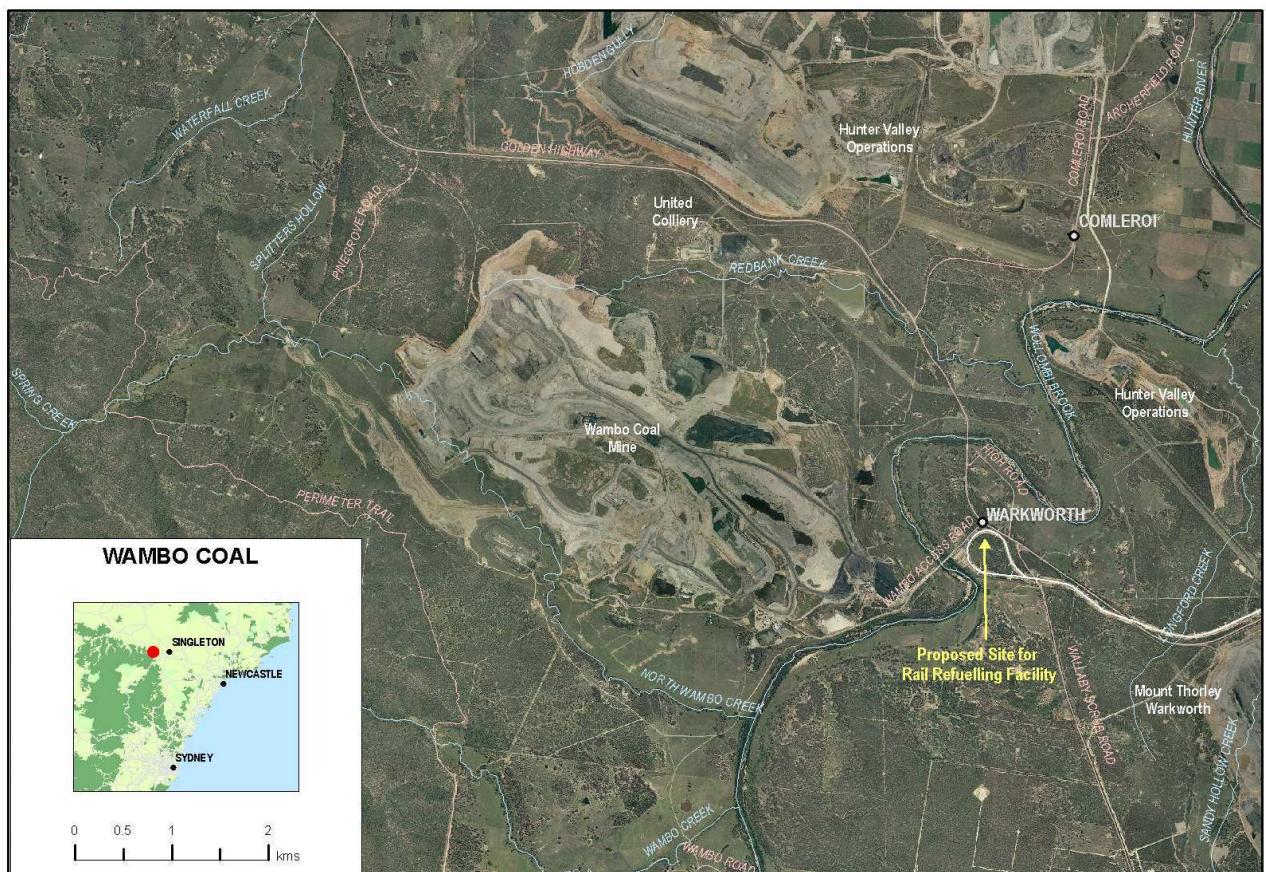


Figure 1: Wambo Coal Mine Regional Context

2 PROPOSED MODIFICATION

Wambo Coal is seeking to modify the development consent for Wambo's rail infrastructure under section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The proposed modification involves establishing a new rail refuelling facility adjacent to the existing rail loop. The facility would only be used to service trains using the loop. The proposal is summarised in **Table 1**, depicted in **Figures 2** and **3**, and described in full in the Environmental Assessment for the modification (**Appendix C**) and letter dated 28 September 2011 seeking minor amendments to the application (**Appendix D**).

Table 1: Modification key components

Aspect	Description
<i>Modification Summary</i>	The construction and operation of a rail refueling facility (see Figures 1 and 2) including: • installation of a 100 kilolitre (kL) self-bunded, double skinned diesel storage tank; • oil storage; • sand and water storage tanks; and • spill and oily water management system.
<i>Project Setting</i>	The facility is proposed on land owned by Wambo Coal, located 150 metres (m) east of the Wambo train loader and occupying some 650 m ² .
<i>Site Access</i>	Via the Wambo Mine entrance road (refer to Figure 1 for access entry and exit paths).
<i>Construction Period</i>	8 weeks. 7 am to 6 pm, Monday to Saturday, 8am to 6pm on Sunday (if required).
<i>Operation</i>	On average 2 trains per day, but up to 6 trains per day.
<i>Fuel Storage</i>	Fuel would be stored in a 100 kL, self-bunded, double skinned storage tank, with dimensions of 13 m (l) x 3 m (w) x 3.3 m (h).
<i>Fuel Supply</i>	Fuel would be delivered by 27-33 tonne tankers with one delivery required every two days.
<i>Oil</i>	Stored on-site in 2000 L capacity tank. Less than 4000 litres (L) would be required per year, with two deliveries by truck per year.
<i>Sand</i>	Stored in 4 pneumatic, 8 tonne capacity tanks. 50 kilograms would be required per fuelling event, with one delivery by truck every two months.
<i>Water</i>	On-site storage in one 10,000 L capacity tank. 100 L required per train. Sourced from a local water contractor.
<i>Ancillary facilities</i>	Ancillary facilities forming part of the proposed refueling facility include: • three shelters, 2-2.4 m high by 3-4 m high; • piping and electrical cabling; • electricity sourced from the nearby coal loading point; • task lighting and level walkways both sides of the track; • spill control matting; • lockable weather proof storage container; and • a 2 m chain wire perimeter fence.
<i>Employment</i>	2 construction jobs, 0.5 operational jobs.
<i>Capital Cost</i>	\$1,700,000

3 STATUTORY CONTEXT

Section 75W

Under Clause 8J(8) of the *Environmental Planning & Assessment Regulation 2000*, a development consent relating to State significant development which was granted under Part 4 of the EP&A Act before 1 August 2005, is taken to be an approval under Part 3A of the Act for the purpose of modification.

Consequently, Section 75W of the EP&A Act is the appropriate statutory provision under which this modification application can be determined.

The proposed modification involves the construction and operation of additional infrastructure in disturbed areas adjacent to the existing rail loop. The purpose of the modification is to provide for locomotive refuelling and other provisioning during coal loading. The modification is not seeking to increase train movements, or to increase the amount of coal transported from the site. Consequently, the Department is satisfied that the proposal should be characterised as a modification of the consent for the approved rail coal and loading infrastructure, as opposed to a new development in its own right, and can therefore be determined under section 75W of the EP&A Act.



Figure 2: Proposed area for rail refuelling facility

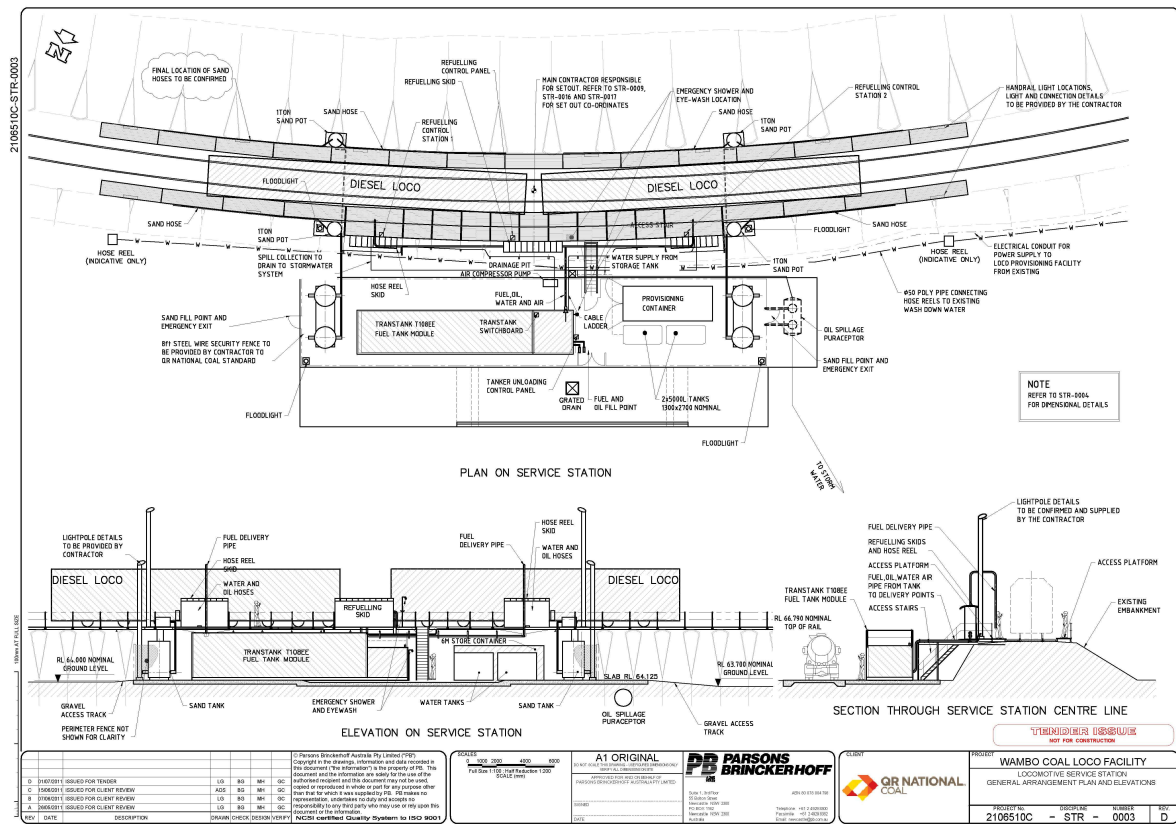


Figure 3: Components of the proposed rail refuelling facility

Approval Authority

The Minister was the consent authority for the original development consent, and is consequently the approval authority for this modification application. The application falls within the terms of the Minister's delegation of 14 September 2011, as the Applicant has made a reportable political donation. Consequently, the PAC is required to determine the application.

4 CONSULTATION

The Department exhibited the environmental assessment for the proposed modification between 13 May and 27 May 2011. The Applicant provided amendments to the application (**Appendix D**) on 28 September 2011, following a site inspection by Department of Planning and Infrastructure compliance staff, which included the addition of three small shelters and an assessment of trains idling during refuelling. Due to the limited scope of the changes and the lack of material impacts from the proposed amendments, the Department is satisfied that the revised project does not warrant re-exhibition.

During the exhibition period, the Department received 7 submissions, comprising:

- 4 from public authorities;
- 1 from a special interest group; and
- 2 from the general public.

A full copy of the submissions is attached in **Appendix E**.

None of the public authorities objected to the proposal, however:

- the Office of Environment and Heritage (**OEH**) provided recommended conditions of approval regarding Aboriginal heritage;
- the Mine Subsidence Board (**MSB**) noted that the facility is located in a Mine Subsidence District and would need to be built to a suitable standard to withstand subsidence; and
- the Dams Safety Committee (**DSC**) and the Division of Resources and Energy (**DRE**) within Department of Trade and Investment, Regional Infrastructure and Services had no objection to the proposed modification.

Of the 3 public submissions, only the special interest group (the **CFMEU**) was in support of the proposal. This support was based on the strategic location of the proposed facility, and making efficient use of existing infrastructure in an already disturbed site. The 2 public submissions objected to the potential increases in road and rail traffic, potential risk to safety and security, and the visual impacts from the Golden Highway.

Wambo Coal has provided a formal response to the issues raised in submissions (**Appendix F**).

5 ASSESSMENT

The Department has assessed the merits of the proposal. During this assessment, the Department has considered the:

- modification application, environmental assessment, submissions and the company's response to submissions;
- outcomes of a compliance inspection at the rail infrastructure facility on 8 September 2011;
- existing conditions of consent;
- relevant environmental planning instruments, policies and guidelines;
- relevant elements of the environmental impact statement and Director-General's report for the original development; and
- requirements in the EP&A Act, including the objectives of the Act.

The conclusions of this assessment are summarised in **Table 2** below.

Table 2: Assessment of Key Issues

Issue	Consideration and Assessment	Recommendation
<i>Traffic and Transport</i>	- The modification would result in a minor increase in heavy vehicles (approximately 20 per month). All vehicles would enter and exit the refuelling site in a forward direction, from the mine access road. - The compliance inspection noted the potential for dirt from the site access track to be tracked offsite onto the Golden Highway. Consequently, Wambo Coal has committed to upgrade the site access track to all weather gravel. If dirt is subsequently tracked offsite, then Wambo Coal has agreed to upgrade the access track to bitumen. - No additional trains would utilise the rail loop and associated refuelling facility, other than those already transporting coal from the facility.	- Ensure daily train movements are limited and that only trains using the coal loader use the refuelling facility. - Ensure safe site access and all reasonable measures are implemented to avoid tracking dirt from the site.
<i>Bushfire Risk</i>	- The proposed site is on Rural Fire Service (RFS) Bushfire Prone Land. The EA included a Bushfire Threat Assessment (BTA) undertaken by <i>EcoBiological</i> in accordance with relevant RFS guidelines. The BTA determined that the site's existing cleared areas and nearby roads were sufficient to protect assets and to provide safe access. - The BTA made several recommendations, including: - ongoing landscape management of setbacks to minimise fire risk; - ensure static water supplies are able to be used by the RFS for fire fighting in the immediate vicinity, if required; - prepare an emergency management plan for approval by the RFS; and - operate the facility in accordance with the existing Bushfire Management Plan for Wambo Mine. - Wambo Coal has committed to operate the facility in accordance with the Bushfire Management Plan for Wambo Mine.	Ensure the Bushfire Management Plan for Wambo Mine is updated to include the facility, and apply the BTA's recommendations.
<i>Visual</i>	- The facility would have limited exposure above the level of the existing rail embankment (refer to Figure 2 and 4) and is to be filtered from view by traffic on the Golden Highway by existing vegetation. During a site inspection by the Department, it was identified that the vegetation screen would require some minor additional plantings and ongoing maintenance. Consequently Wambo Coal has committed to undertake additional tree and shrub plantings in locations where the shrub and mid storey vegetation is sparse. - The facility, including handrails, would be painted green, consistent with the existing train loading facility and to blend with the natural environment. - Low power non-intrusive lighting would be installed and configured to activate on train arrival and turn off after a set period. Lighting impacts would be further reduced by the shielding effect of shelters proposed in the amended project. - The Department is satisfied that the visual impacts of the facility would be minimal, in the context of the existing environment.	Ensure that mitigation measures to avoid offsite lighting impacts address potential impacts to traffic on the Golden Highway.
<i>Soil and Water</i>	- Sedimentation arising from construction would be minimised through limiting the area of disturbed land and erecting sediment fencing down gradient from the site where necessary. - To prevent contamination from diesel and oil spills: - fuel tanks would be self bunded and double skinned; - refilling of tanks would be undertaken in a concrete bunded area; - both refill points would have drip and spill control grates; and - captured spills would drain to a SPEL PurceptorTM oily water management system (see Appendix C for details). - Runoff and treated water from the oily water separator would drain to an existing sediment control dam which, when full, overflows to the Wollombi Brook over 400 m from the site. - In its submission, OEH recommended conditions regarding the storage of chemicals on site. The Department has proposed conditions consistent with these recommendations.	- Ensure the Soil and Water Management Plan for Wambo Mine is revised to include the facility, including measures to prevent contamination through diesel and oil spills. - Ensure the safe storage and management of all potentially hazardous materials.

<i>Issue</i>	<i>Consideration and Assessment</i>	<i>Recommendation</i>
<i>Security</i>	- Security measures in place at the facility would include: - night lighting, security fencing and video surveillance; - access cards restricting unauthorised fuel use; - emergency shut-off valves should piping be severed; and - registration on Wambo's dangerous goods manifest list, which is supplied to relevant authorities, including the RFS. - High visibility from the Wambo Mine access road would provide regular scrutiny of the area by passing mine employees and contractors.	No further action required.
<i>Heritage</i>	- No Aboriginal or European heritage objects or sites were located within the proposed site. Any aboriginal objects that may have been impacted as a result of the proposal have already been salvaged as part of the approved development. - If previously unidentified Aboriginal heritage objects are uncovered during development, they would be managed under the <i>National Parks and Wildlife Act 1974</i>.	Update conditions relating to Aboriginal heritage to reflect changes to the <i>NPW Act</i>.
<i>Noise</i>	- Trains would remain idling during refuelling; however as no additional train movements would occur, there would be no significant increase to existing noise levels. - Most construction activities would occur off site, since the proposal involves the use of pre-fabricated components. - Increases in noise due to operations and construction would be negligible and within the limits of the existing consent.	Update the noise management criteria for Wambo Mine.
<i>Air Quality</i>	- No additional dust generation is predicted during the operation of the proposed rail refuelling facility. Idling trains during refuelling would not create a significant increase in dust emissions. - Dust generated through construction activities would be managed by minimising disturbed areas and using water carts. - Impacts on air quality as a result of the modification would be minimal and within the limits of the existing consent.	Update the air quality management criteria for Wambo Mine.
<i>Biodiversity</i>	- The proposed site of the facility is heavily disturbed and modified, containing little or no significant native vegetation (refer to Figure 4). - No endangered ecological communities, threatened species or populations would be impacted through the proposal.	No further action required.



Figure 4: Site of proposed refuelling station (facing Golden Highway from rail loop area)

6 RECOMMENDED CONDITIONS

The Department has drafted recommended conditions for the modification to address the recommendations in Table 2 (see **Appendix A**). It has also used this opportunity to update several conditions to consolidate management of the rail facilities with the Wambo Mine and be consistent with conditions in contemporary mining approvals. Wambo Coal has reviewed and accepted these conditions.

7 CONCLUSION

The Department has assessed the proposed modification 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 rail refuelling facility is located to make efficient use of existing infrastructure and would be constructed and operated within the existing disturbance footprint, therefore minimising environmental impacts.

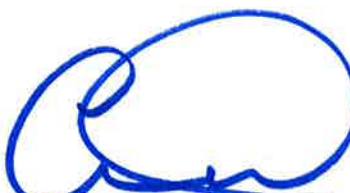
The proposed facility would improve the efficiency of the Hunter Valley rail network, and assist in targeted network haulage rates being met. Consequently, the Department is satisfied that the proposed modification is in the public interest and should be approved, subject to conditions.

8 RECOMMENDATION

It is **RECOMMENDED** that the Planning Assessment Commission:

- **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**.


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31.1.12


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Executive Director
Major Projects Assessment
3.2.12


Richard Pearson
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APPENDIX A – NOTICE OF MODIFICATION

APPENDIX B – EXISTING CONSOLIDATED CONSENT

APPENDIX C – ENVIRONMENTAL ASSESSMENT

APPENDIX D – LETTER AMENDING THE PROPOSED APPLICATION

APPENDIX E - SUBMISSIONS

APPENDIX F – RESPONSE TO SUBMISSIONS