



Centennial Clarence Colliery Modification Report

Modification 7

July 2021



1. Introduction

Clarence Colliery (Clarence) is a bord and pillar partial extraction underground coal mining operation located in the Western Coalfield of New South Wales (NSW), approximately 10 kilometres east of Lithgow in the Lithgow local government area (LGA).

Clarence is owned by Centennial Coal Pty Ltd (Centennial) and SK Networks Resources Australia Pty Ltd as participants in the Clarence Colliery Joint Venture with Centennial functioning as the management entity (Centennial Clarence Pty Ltd).

Presently, Clarence operates under three separate development consents:

- An interim development consent issued in 1976 by Blaxland Shire Council (now Lithgow City Council) for the construction of surface facilities (IRM.GE.76).
- A development consent issued in 1994 by Lithgow City Council for the extension of underground coal mining, surface reject emplacement areas (REAs) and water management and ancillary structures (DA 174/93).
- Development consent issued in 2005 (DA 504-00) by the NSW Department of Infrastructure, Planning and Natural Resources (now the NSW Department of Planning, Industry and Environment (DPIE)) to expand site operations into Mining Lease (ML) 1583.

Clarence has within its development consent DA 504-00 a condition to prepare Subsidence Management Plans (SMP) before carrying out any underground mining operations that will potentially result in surface subsidence (Schedule 3; Condition 2) included below:

Subsidence Management Plan

2. Before carrying out any underground mining operations that will potentially lead to subsidence of the land surface, the Applicant shall prepare a Subsidence Management Plan for those operations in accordance with the following DRG documents (or the most current and updated versions of these documents):

*(a) New Approval Process for Management of Coal Mining Subsidence - Policy; and
(b) Guideline for Applications for Subsidence Management Approvals,
to the satisfaction of the Planning Secretary.*

In addition to the above each Subsidence Management Plan shall:

*(a) describe how the subsidence impact assessment criteria will be monitored over time;
(b) provide for the notification of relevant authorities, including DRG, Water Division and the Planning Secretary in the event of any exceedance of the impact assessment criteria; and
(c) detail measures to reduce, mitigate and remediate any impacts.*

During the preparation of each Subsidence Management Plan the Applicant shall consult with the Department, Council, EPA, WaterNSW and the CCC, and have regard for any comments provided by these agencies/committees.

Whilst Clarence has continued to operate under a number of existing SMPs as varied over time, DA 504-00 does not provide for Extraction Plans (EP) required for approved mining areas not presently covered by an SMP.

Centennial as the operator of Clarence is seeking an administrative modification to DA 504-00 to enable EP's to be assessed and approved for approved mining areas not presently covered by an SMP. Centennial also seeks that the modified consent continues to recognise existing SMP's originally approved prior to June 2014.

This Modification Report provides an overview and assessment of the modification in accordance with section 4.55(1) of the NSW *Environmental Planning and Assessment Act 1979* (EP&A Act).

Centennial Clarence Pty Ltd is the applicant for this modification. The relevant address is:

Centennial Clarence Pty Ltd
Level 18, 1 Market Street
Sydney NSW 2000

2. Site Description

Clarence is situated within the Hawkesbury-Nepean Catchment and drains to the Wollangambe River, which flows to the Colo River. Access is via Chifley Road and Clarence Colliery Road with the pit top site situated on both Crown and freehold land. This Crown and freehold land exists north of Chifley Road (a continuation of Bells Line of Road) and the Main Western Rail Line east of Lithgow.

3. Existing Operations

Clarence is an underground mining operation utilising bord and pillar mining techniques with partial extraction targeting the Katoomba Seam of the Illawarra Coal Measures. Clarence is approved to extract up to 3 million tonnes per annum of run-of-mine (ROM) coal supplying both domestic and export markets. Clarence has approval to transport coal 24 hours per day, seven days per week via rail with some coal dispatched by road. To maximise coal quality, Clarence utilises on-site facilities to wash ROM coal with the coarse coal reject by-product emplaced into six REA's located at Clarence's pit top.

Current SMP approved areas under DA 504-00 at Clarence are illustrated on **Figure 1** and outlined in **Table 1** below:

Table 1: Current SMP areas within DA 504-00 Mining Areas

Subsidence Management Plan	Originally Approved	Variations
Clarence Colliery 700W Area	18 June 2012	Variation 1 – 7 August 2012 Variation 2 – 16 October 2012 Variation 3 & 4 – 18 September 2013 Variation 5 – 7 September 2017 Variation 6 – 28 May 2021
Clarence Colliery 800 Area	1 November 2013	Variation 1 – 7 May 2014 Variation 2 – 26 September 2014 Variation 3 – 16 November 2015 Variation 4 – 6 June 2017 Variation 5 – 18 April 2018 Variation 6 – 11 August 2020 Variation 7 – 13 May 2021
Clarence Colliery 900 Area	21 January 2014	Variation 1 – 7 May 2014 Variation 2 – 10 February 2015 Variation 3 – 7 June 2016 Variation 4 – 25 January 2019 Variation 5 – 26 July 2019

4. Modification Report Purpose

This Modification Report has been prepared to support an application to modify consent DA 504-00 pursuant to Section 4.55(1) of the EP&A Act. The report describes the need for the modification and outlines how the modification is to correct a current misdescription in DA 504-00 to provide for EPs and current SMPs.

5. Proposed Modification

Clarence's mining operations exist within multiple mining leases, with the majority of underground mining operations occurring within Consolidation Coal Lease (CCL) 705. Underground mining activities also occur within ML 1353, ML 1354 and ML 1583 with a small proportion of the existing surface facilities within ML 1721.

DA 504-00 presently provides for SMPs to be implemented and approved prior to carrying out underground mining operations that will potentially result in surface subsidence. This condition is defined in Schedule 3; Condition 2 of DA 504-00 and is provided in section 1 of this report.

From 1 July 2014, the former SMP process was replaced by a consolidated EP process which provides for the joint regulation of mine subsidence under a single EP between DPIE and NSW Resources Regulator. The new mining lease EP condition replaced the former SMP condition on coal mining leases from 1 July 2014 whilst enabling SMPs approved prior to continue to operate.

Clarence has continued to operate under a number of existing SMPs approved prior to June 2014 as varied over time. Whilst these existing SMPs remain valid under DA

504-00, mining beyond the existing SMP areas cannot be undertaken without an Extraction Plan to be provisioned for in the conditions of consent attached to DA 504-00.

The proposed modification is an administrative modification to correct this misdescription in accordance with section 4.55(1) of the EP&A Act by seeking approval to update DA 504-00 to enable the approval of EPs whilst recognising existing SMPs originally approved prior to June 2014.

To support this modification, **Figure 1** presented below illustrates the areas currently subject to approved SMPs as outlined in **Table 1** with **Figure 2** illustrating approved mining areas under DA 504-00 for the proposed EP condition to apply to.

6. Stakeholder Consultation

4.1 Department of Planning, Industry & Environment

A briefing letter was provided to DPIE on 16 June 2021 to introduce the modification and define the scope in addition to seeking confirmation of the proposed approval pathway and assessment.

A letter response was received on 21 June 2021 from DPIE confirming section 4.55(1) of the EP&A Act as the appropriate approval pathway for the modification. Accompanying the DPIE feedback were requirements to provide figures showing:

- areas within the DA 504-00 consent area subject to approved Subsidence Management Plans (**Figure 1**); and
- areas within the DA 504-00 consent area that are proposed to be subject to Extraction Plan requirements (**Figure 2**).

In addition to the requested figures, the DPIE correspondence has been included as **Appendix A** to this Modification Report.

7. Statutory Approval Framework

7.1. Environmental Planning and Assessment Act 1979

Section 4.55 of the EP&A Act outlines the pathways to modify existing development consents. Section 4.55(1) provides for modifications involving minor error, misdescription or miscalculation.

Due to the administrative nature of this modification to amend a misdescription in the consent from SMP's to contemporary EP's in accordance with the 2014 changes to the EP&A Act and *Mining Act 1992*, section 4.55(1) is considered an appropriate pathway as confirmed by DPIE's correspondence (**Appendix A**).

As this is an administrative modification seeking to contemporise the existing consent, the development will be substantially the same development for which consent was originally granted. Further, the modification will result in no environmental impacts.

7.2. Mining Act 1992

Under Part 2 of the Mining State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries 2007 (SEPP), mining may be carried out with consent on land that is the subject of an ML under the Mining Act.

DA 504-00 consent comprises the following mining leases and purposes:

- CCL 705 (bulk of mining operations and surface facilities);
- ML 1353 (underground mining activities);
- ML 1354 (underground mining activities);
- ML 1583 (underground mining activities); and
- ML 1721 (small proportion of the existing surface facilities).

Effective from 1 July 2014, the NSW Minister for Resources and Energy amended condition 4 of CCL 705 to incorporate an EP condition defined as an EP or SMP approved in accordance with the conditions of a relevant development consent and provided to the Secretary. The modification seeks to align DA 504-00 with this amendment to permit the assessment and approval of EP's to manage subsidence for approved mining areas.

There are no proposed changes to the existing mining tenements utilised for DA 504-00 in order to modify DA 504-00 to provision for EPs.

The approving mining area boundary illustrated on **Figure 2** forms the boundary which Clarence is seeking the proposed EP condition to apply to subject to approved mining operations.

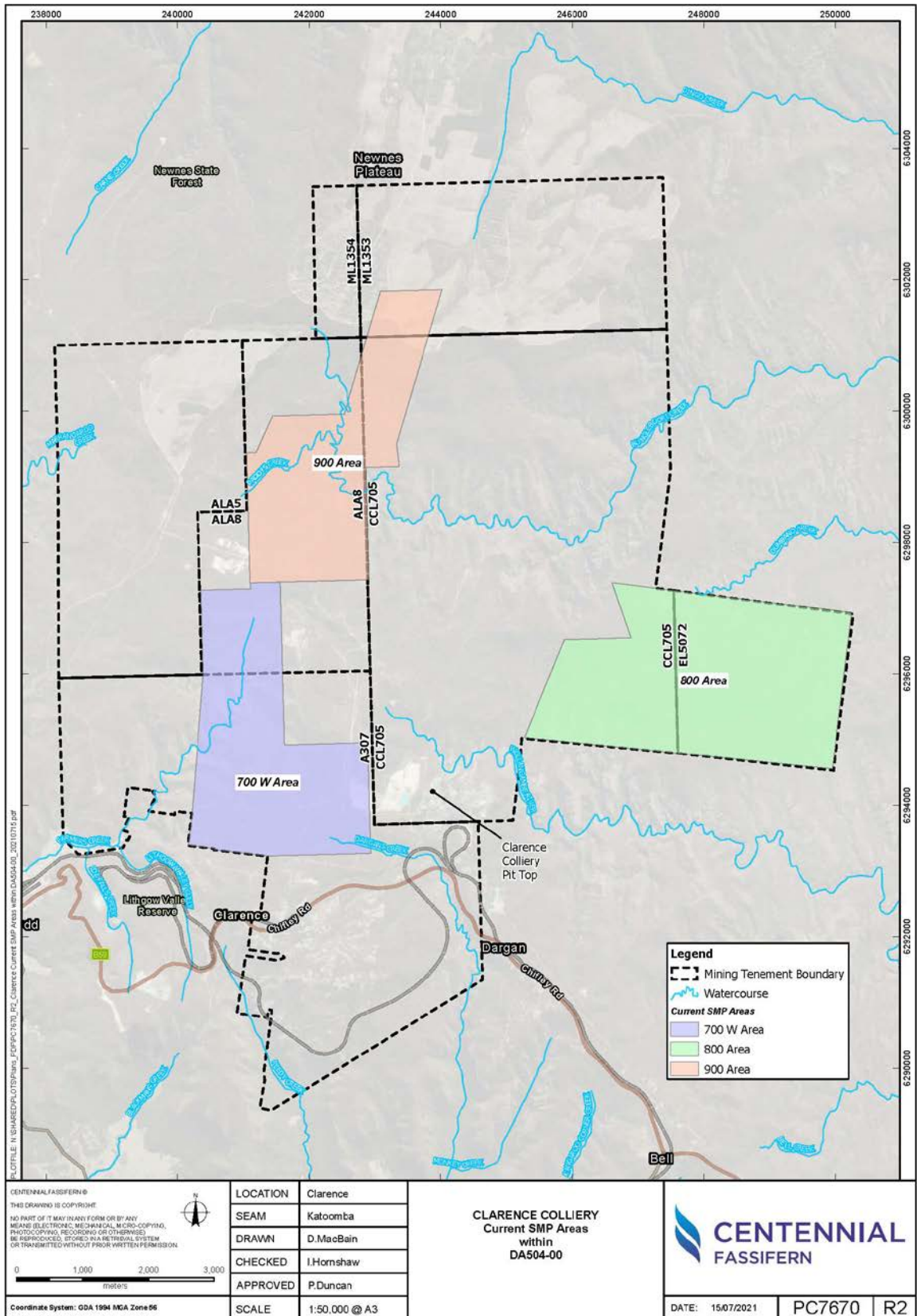


Figure 1 – Current Approved SMP Areas within DA 504-00

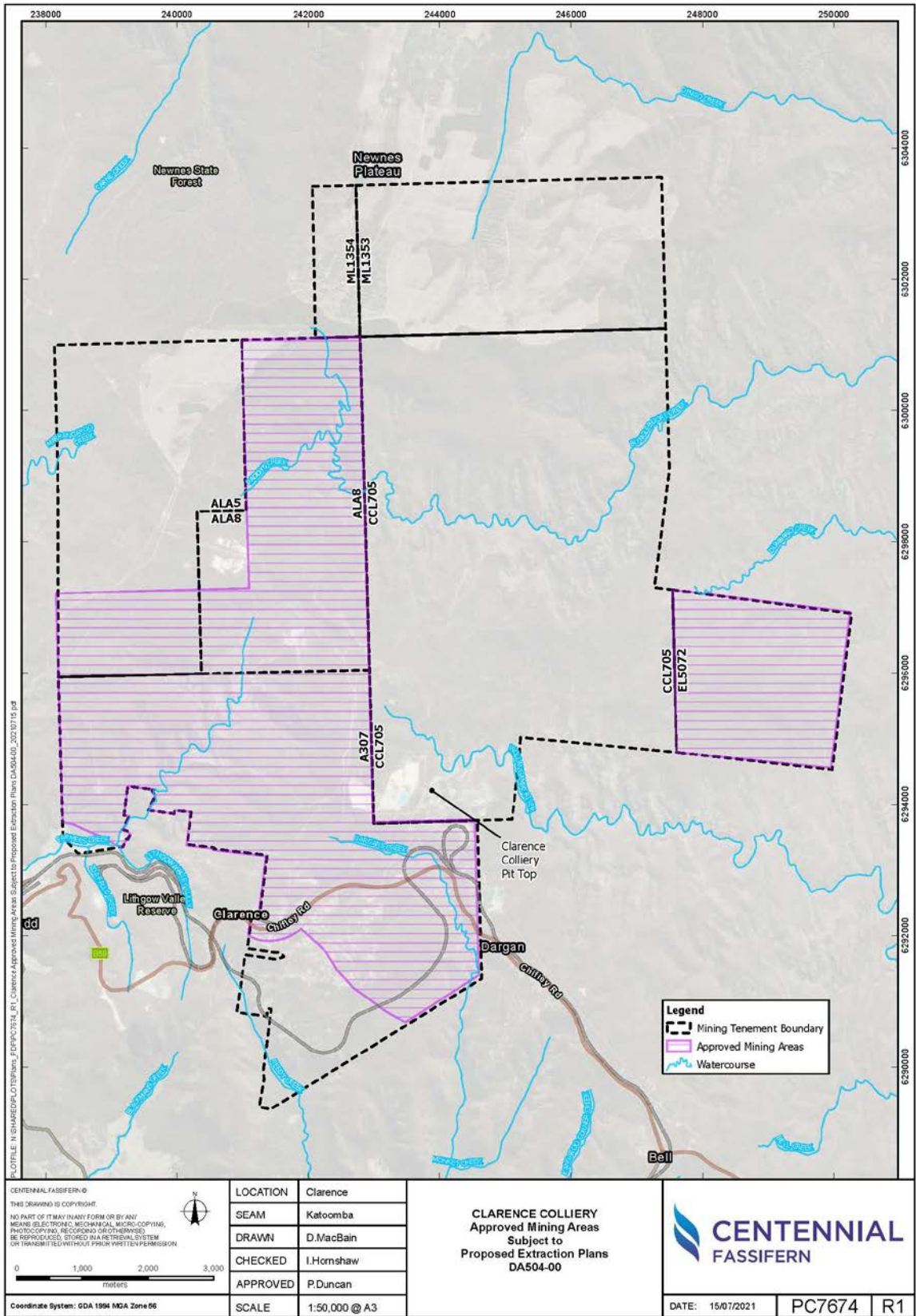


Figure 2 – Approved Mining Areas to be Subject to Extraction Plans

8. Environmental Assessment

In accordance with Section 4.55(1) of the EP&A Act, this modification is 'to correct a minor error, misdescription or miscalculation' and as such there are no environmental, social or economic impacts associated with the modification and no impact assessments required. Existing mining areas currently subject to an approved SMP will continue to be managed in accordance with the approved SMP as varied (**Figure 1**). Approved mining areas under DA 504-00 not presently covered by an SMP will be subject to the preparation and approval of EPs (**Figure 2**).

9. Justification

9.1 Modification Impacts

This modification is an administrative modification to correct a misdescription as permitted by Section 4.55(1) of the EP&A Act. As such there are no environmental, social or economic impacts resulting from this modification. Clarence will continue to operate as currently approved.

9.2 Modification Benefits

This modification will contemporise DA 504-00 regarding subsidence management in that EPs are the only means by which approved mining areas not presently covered by an SMP that result in surface subsidence can be approved and managed. The modification will align the conditions in DA 504-00 with CCL 705 that were amended in June 2014 and not constrain Clarence's future mining operations beyond areas approved under existing SMPs. This will continue the ongoing economic investment and employment benefits both locally and regionally.

10. Conclusion

As DA 504-00 does not presently provide for EPs, Centennial is seeking an administrative modification to incorporate this requirement for approved mining areas not covered by an existing SMP. Centennial seeks the amended consent to continue to recognise existing SMPs originally approved prior to June 2014.

In line with Section 4.55(1) of the EP&A Act, this is considered to correct a misdescription in the consent and results in no environmental, social or economic impacts. The development, being an underground coal mine with supporting surface infrastructure, will remain substantially the same development for which consent was originally granted.

By contemporising the consent to include provisions for EPs, in addition to recognising existing SMP's approved prior to June 2014 as varied, mining operations at Clarence will continue as approved. This will continue the ongoing economic and employment benefits both locally and regionally whilst improving subsidence management.

APPENDIX A – DPIE Correspondence 21 June 2021



Mr Iain Hornshaw
Approvals Manager
Centennial Coal

21/06/2021

Dear Mr Hornshaw

Clarence Coal (DA 504-00)
Modification 7 – Additional of Extraction Plan Condition

I refer to your correspondence concerning a proposed modification to the Clarence Coal development consent (DA 504-00).

The Department confirms that the appropriate approval pathway for this modification application would be under section 4.55(1) of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

The Department has reviewed the proposed approach to preparing a modification application. The Department confirms that a modification application will be required to be submitted and requests that the accompanying modification report include figure/s clearly identifying:

- areas within the DA 504-00 consent area subject to approved Subsidence Management Plans, and
- areas within the DA 504-00 consent area that are proposed to be subject to future Extraction Plan requirements.

Your next step will be to lodge your modification application through your dashboard on the major projects website (<http://www.planningportal.nsw.gov.au/major-projects>).

If you have any questions, please contact Gabrielle Allan, who can be contacted on 02 9585 6078 or gabrielle.allan@dpi.e.nsw.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S O'Donoghue'.

Stephen O'Donoghue
Director
Resource Assessments