

Section 1

Introduction

This section introduces the proposal of Centennial Clarence Pty Ltd to modify Condition 7 of Schedule 2 of Development Consent DA 504-00 to allow an increase in the road haulage of coal products from 200 000 tonnes per annum to 500 000 tonnes per annum.

This section provides information on the following.

- *The scope and format of the document.*
- *The Proponent, Centennial Clarence Pty Ltd.*
- *Relevant background regarding the proposed modification.*
- *A summary of the approvals required and the approvals process.*
- *The personnel involved in the development, document preparation and assessment of the proposed modification.*



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1.1 SCOPE

Centennial Clarence Pty Ltd (“Centennial”) currently operates Clarence Colliery in accordance with a number of development consents (see Section 1.4.1). Condition 7 of Schedule 2 of Development Consent DA 504-00 (“DA 504-00”), granted in December 2005, allows for the transportation by road of up to 200 000 tonnes of coal per annum. This *Environmental Assessment* has been prepared to support an application by Centennial to modify DA 504-00 to enable an increase in the road haulage of coal products from 200 000 tonnes per annum to 500 000 tonnes per annum (“the modification”). A copy of the application for modification to DA 504-00 is included as **Appendix 1**.

Figure 1.1 presents the location of Clarence Colliery within the Blue Mountains region of NSW to the west of Sydney. **Figure 1.2** presents the local setting of Clarence Colliery approximately 8 kilometres east of Lithgow and 18 kilometres (by road) north of the Great Western Highway at Mount Victoria. **Figure 1.2** also identifies the various roads within the local setting that are used for road haulage of coal products from the Clarence Colliery.

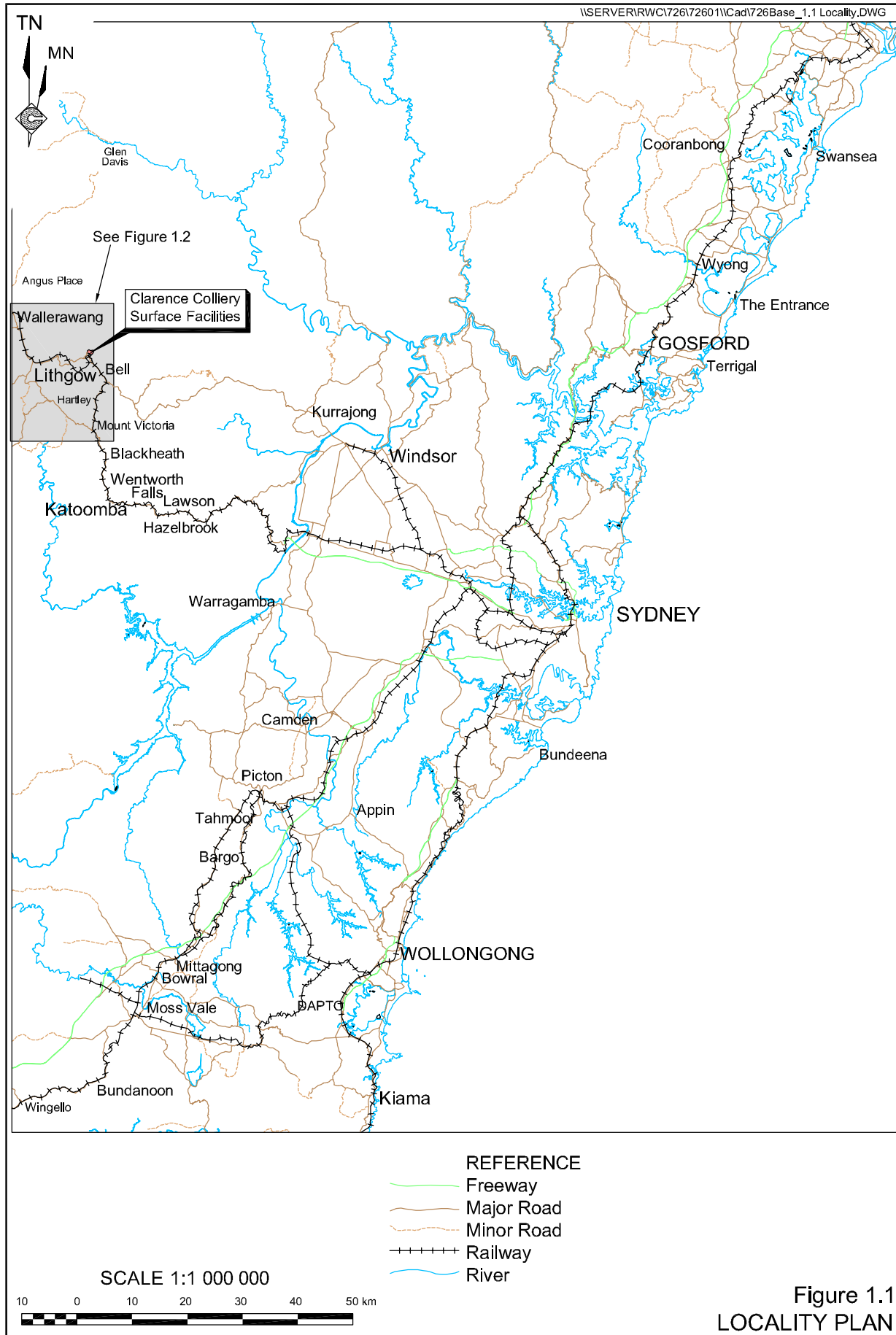
For the purposes of this document, the modification would involve:

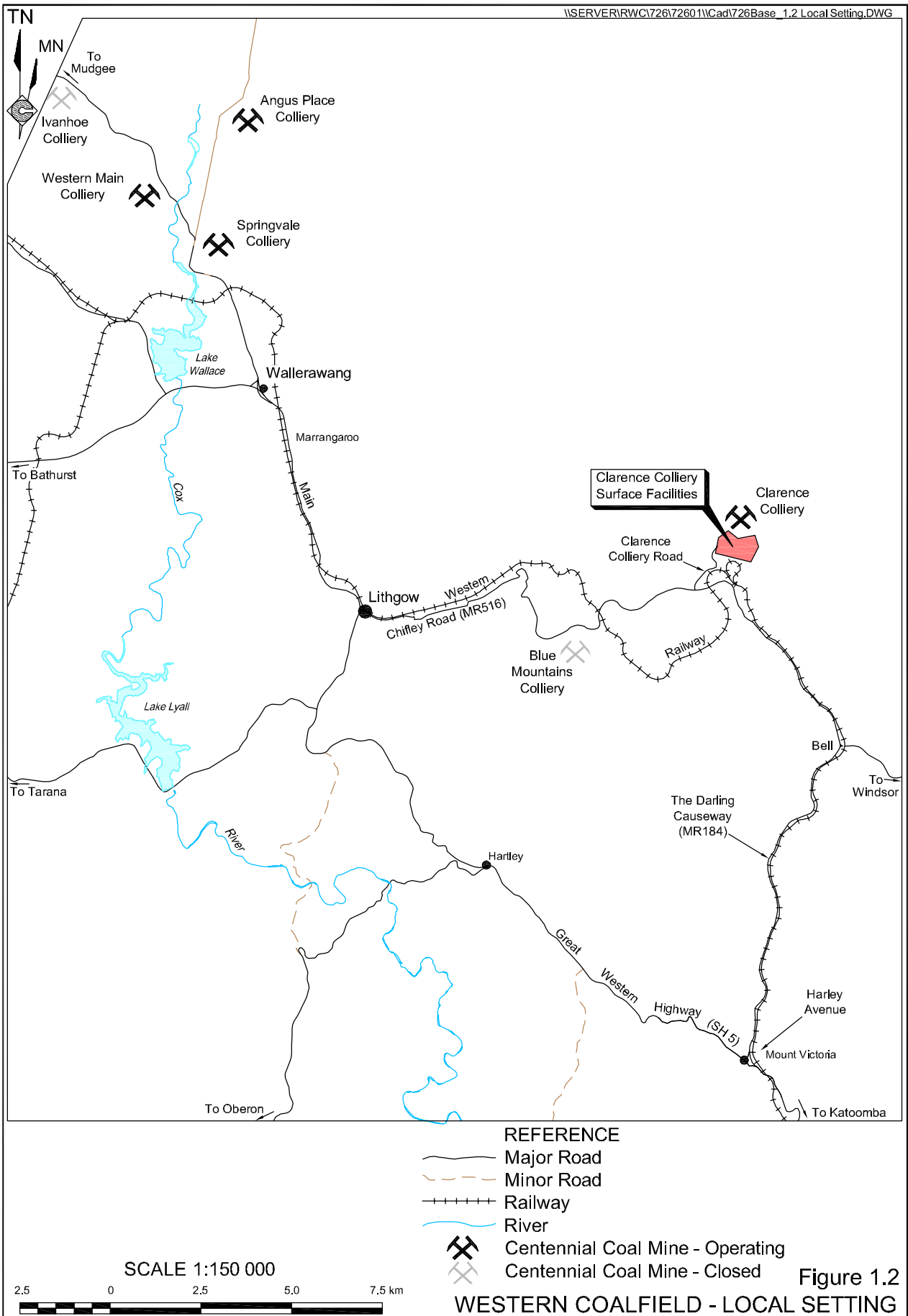
- an increase in the number of truck movements generated by Clarence Colliery each day from between 40 and 80 to an average of 148;
- the addition of a second front-end loader to facilitate the increased number of trucks to be loaded each day;
- minor modifications to the intersections between:
 - Clarence Colliery access road and Chifley Road; and
 - Harley Avenue and the Great Western Highway;to accommodate the use of these intersection by heavy vehicles; and
- the formalisation of haulage operating hours and routes as part of the modified DA 504-00.

Notably, the modification would not require any change to mining, crushing, screening, washing and rail transport operations associated with the production of thermal coal for export markets and specifically sized coal products (“sized coal”) for domestic markets.

This *Environmental Assessment* describes the modification and provides information on mitigation measures and management controls Centennial would adopt to avoid or minimise potential impacts on the surrounding environment. The residual impact(s) are described and proposed monitoring outlined to assess the ongoing environmental performance of the Project. The *Environmental Assessment* has been prepared in accordance with the provisions of Part 3A, Section 75W of the *Environmental Planning and Assessment Act 1979* and specifically with reference to the key assessment requirements incorporated within the Director-General’s Requirements issued by the Department of Planning (see **Appendix 2**).







1.2 DOCUMENT FORMAT

The *Environmental Assessment* has been structured to address the key environmental assessment requirements nominated by the Director-General of the Department of Planning (DoP). The *Environmental Assessment* has been compiled in a single volume which includes six sections of text, a reference section, a glossary, and a set of Appendices.

The format of the *Environment Assessment* has been structured as follows.

Section 1: introduces the proposed modification, the background to the modification and provides a summary of the approvals required and approvals process.

Section 2: describes the component activities of the proposed increase in haulage from Clarence Colliery. Each of these activities are described in terms of the existing activities that are planned to continue and those existing activities that would be modified. An assessment of various alternatives to the proposed modification concludes this section.

Section 3: provides a summary of the identification of key issues for assessment based on the Director-General's Requirements for the proposed modification and stakeholder consultation through the planning stages.

Section 4: presents the proposed management, assessment of potential impacts and maintenance/monitoring requirements for the key issues identified in Section 3.

Section 5: provides a draft Statement of Commitments in relation to environmental management and monitoring for the proposed modification.

Section 6: evaluates the proposed modification in terms of biophysical, economic and social considerations and the principles of Ecologically Sustainable Development.

Appendices: present the following additional information.

1. A copy of Clarence Colliery's application for modification of DA 504-00.
2. The Director-General's Requirements.
3. Correspondence received from Customers to Centennial.
4. A Traffic Impact Assessment prepared by FJF Group Pty Ltd.
5. A Noise Impact Assessment prepared by Heggies Pty Ltd.
6. An Air Quality Impact Assessment prepared by Heggies Pty Ltd.
7. An Economic Impact Statement for the proposed modification prepared by Mark Sargent Enterprises, t/a Aigis Group.

1.3 THE PROPONENT

Centennial Clarence Pty Ltd is a joint venture company owned by Centennial Coal Company Ltd (85% holding) and SK Corporation Pty. Ltd. (15% holding).

Centennial manages Clarence Colliery and is the holder of all development consents (see **Table 1.1**) and Consolidated Coal Lease (CCL) 705.



1.4 BACKGROUND TO THE DEVELOPMENT OF THE PROPOSED MODIFICATION

1.4.1 Existing Approvals at Clarence Colliery

Clarence Colliery currently operates with four development consents, each of which are listed in **Table 1.1**.

Table 1.1
Clarence Colliery Development Consents

Approval	Granted	Summary of Consent
Original Development Consent (DAM.08.76) (Blaxland Shire Council)	15/06/1976	Approval of building plans, landscaping, operations in accordance with the EIS, Collection Dam as well as compliance with other State Government Department Conditions.
Amended Development Consent (DAM.08.76) (Lithgow City Council)	01/07/1993	Amended consent. Underground Coal Mine, Reject Emplacement Areas and Associated Pit Top Facilities.
Development Consent 5161/20000000/0 (DA174/93) (Lithgow City Council)	15/02/1994	Development application. Extension of underground coal mining.
Development Consent (DA 504-00) (Department of Planning)	19/12/2005	Partial Extraction in Lease Extension Area ML1583 and transportation of coal by road.

Source: Centennial Clarence Pty Ltd

1.4.2 Existing Operations at Clarence Colliery

Clarence Colliery is an underground mining operation which produces (primarily) low sulphur, thermal coal for sale and export to markets in Korea, Taiwan and Japan where the coal is used for power generation. The mined coal is transferred to surface by conveyor, reduced in size (<50mm) before being either stockpiled for immediate loading to trains, or washed (to remove additional ash) and screened prior to stockpiling and loading to trains.

In addition to the thermal coal sold to export markets, Centennial produces various coal products for industrial use by domestic customers at Clarence Colliery. This includes a small proportion of the higher ash Run-of-Mine coal, washed and screened coal (25mm to 50mm or <25mm), and a small proportion of consolidated coal fines excavated from the reject emplacement area of the Clarence Colliery.

Centennial currently sells up to 200 000 tonnes of coal products suited to domestic markets, with all transport undertaken by road (in accordance with the conditional limits on road haulage included in DA 504-00). Depending on total production at Clarence Colliery (DA 504-00 approves production of up to 3 million tonnes per annum), this generally represents between 10% and 20% of total production.

1.4.3 Current and Future Demand for Clarence Colliery Sized Coal Products

Sized coal products produced at Clarence Colliery have historically been supplied by Centennial Coal Ltd operations throughout the Lithgow area. Several of these operations have ceased in recent years, with the two largest suppliers (and previous contribution to the domestic industrial coal market) being Blue Mountains Colliery (100 000 tonnes per annum) and Ivanhoe Colliery (150 000 tonnes per annum).



In addition, other operating mines in the Lithgow area have discontinued their domestic coal business, placing increased pressure on the remaining suppliers of the sized coal products for industrial use by domestic customers.

Clarence Colliery, with its similar geographic location to these closed operations (see **Figure 1.2**) and extensive coal reserves (see Section 2.4.1), is well situated to make up this lost production of sized coal and provide long-term security of supply to the domestic industrial market.

Marketing forecasts completed by Centennial has determined that there will be continuing demand for up to 500 000 tonnes of the sized coal products from Clarence Colliery as domestic industrial customers across NSW (and further afield) seek to source a reliable supply of these products. Notably, it is not the intention of Centennial to necessarily achieve the proposed maximum road haulage (500 000 tonnes per annum) each year, rather, to accommodate for fluctuating domestic demand and local supply issues for the sized coal. Transportation of coal by rail to domestic customers is generally not feasible due to the lack of coal unloading facilities close to the destinations (considered in greater detail in Section 2.11).

1.5 APPROVALS AND APPROVALS PROCESS

1.5.1 Approvals Required

In order for the proposed modification to proceed, the following approvals are required.

- (i) Modification to DA 504-00 by the Minister for Planning under Section 75W of Part 3A of the *Environmental Planning and Assessment Act 1979*.
- (ii) A permit issued by the NSW RTA under Section 138 of the *Roads Act 1993* for works to upgrade the intersections of:
 - Clarence Colliery access road and Chifley Road (Bells Line of Road); and
 - Harley Avenue and the Great Western Highway at Mount Victoria.

1.5.2 Approvals Process

Table 1.2 presents the component stages of the overall approvals process for the proposed modification of existing approvals under Part 3A of the EP&A Act. The approvals process reflects all formal stages involved in the assessment of the proposed modification, some of which have already been completed by the Department of Planning or Centennial. For stages completed so far, the relevant date is recorded, whereas for the remaining stages beyond the commencement of the exhibition of the *Environmental Assessment*, an estimate of the likely date of each subsequent step is provided.

1.6 MANAGEMENT OF INVESTIGATIONS

The preparation of this document has been completed by Mr Alex Irwin, *B.Sc. (Hons)* of R.W. Corkery & Co Pty. Limited. Internal review of this document was provided by Mr Rob Corkery, *M.Appl.Sc., B.Appl.Sc (Hons)*, Principal of the same company.



Table 1.2
Approvals Process for a Major Project and Centennial's Indicative Timetable

Stage	Activity	Indicative Timetable
1.	⇒ DA 504-00 confirmed as an approval by the Minister for Planning is prepared to consider a modification under s75W of the EP&A Act.	Completed - 14 June 2007
2.	⇒ The Department of Planning issues the Director-General's Requirements for the Project.	Completed - 4 July 2007
3.	⇒ Clarence Colliery undertakes consultation with Lithgow City Council, Blue Mountains City Council, the RTA and the DECC.	Completed – 9 March 2009
4.	⇒ Centennial writes to the Department of Planning lodging its Application to modify DA 504-00.	May 2009
5.	⇒ An <i>Environmental Assessment</i> is provided to the Department of Planning for consideration and assessment of adequacy by the Department and other government agencies (prior to it being placed on public exhibition).	May 2009
	⇒ The <i>Environmental Assessment</i> is either lodged as provided to the Department of Planning for adequacy assessment (see (5) above) (without alteration) or with modifications reflecting the comments provided by the Department of Planning. The Department of Planning will place all documents on public exhibition and notify neighbours and other stakeholders about the proposed modification and the exhibition period.	July 2009
6.	⇒ Review of the <i>Environmental Assessment</i> during the exhibition period by the community and government agencies.	July 2009
7.	⇒ The Department of Planning requests from Centennial, a response / clarification of issues raised in the submissions from government agencies and the community.	August 2009
8.	⇒ Centennial provides a response to the issues raised and, if necessary, a revised Statement of Commitments and preferred project report.	August / September 2009
9.	⇒ The Department of Planning prepares its assessment report based on all documentation submitted by Clarence Colliery, government agencies and the community. At any time throughout the assessment process, the Minister may refer Clarence Colliery's application to the Planning Assessment Commission.	September / October 2009
10.	⇒ Determination by the Minister for Planning.	October / November 2009

On behalf of Centennial, Ms Nicole Van den Berg (*B.Env.Sc.*), Environmental Superintendent at Clarence Colliery, provided information on the proposed modification. Community consultation was coordinated by Ms Van den Berg with assistance from Centennial representatives, as required.

Strong emphasis has been placed upon a multi-disciplinary team approach to the design of the proposed modification and impact assessment. The following specialist consultancies (and the principal authors) were involved in the design and assessment of the proposed modification from a very early stage.

- Traffic Assessment: FJF Group Pty Ltd:
(*Mr Frank Foley – (B.Eng.(Mech) Hons.)*).
- Noise Assessment: Heggies Pty Ltd:
(*Mr Dick Godson – B.Sc. (Eng), MSc (Eng)*).
- Air Quality Assessment: Heggies Pty Ltd:
(*Mr Ronan Kellaghan – B.Sc, HDip, M.Sc*).
- *Economic Impact Statement: Mark Sargent Enterprises, t/a Aigis Group*
Mark Saragent (MBA, MMktg (Ncle) GAICD)



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