

ASSESSMENT REPORT

NEWSTAN COLLIERY Transport Amendments Modification (DA 73-11-98 MOD 5)

1 BACKGROUND

Centennial Newstan Pty Ltd (Centennial) owns and operates the Newstan Colliery, an underground coal mine with associated surface infrastructure. Newstan Colliery is located near the towns of Fassifern and Toronto, within the Lake Macquarie local government area (see Figures 1 and 2).

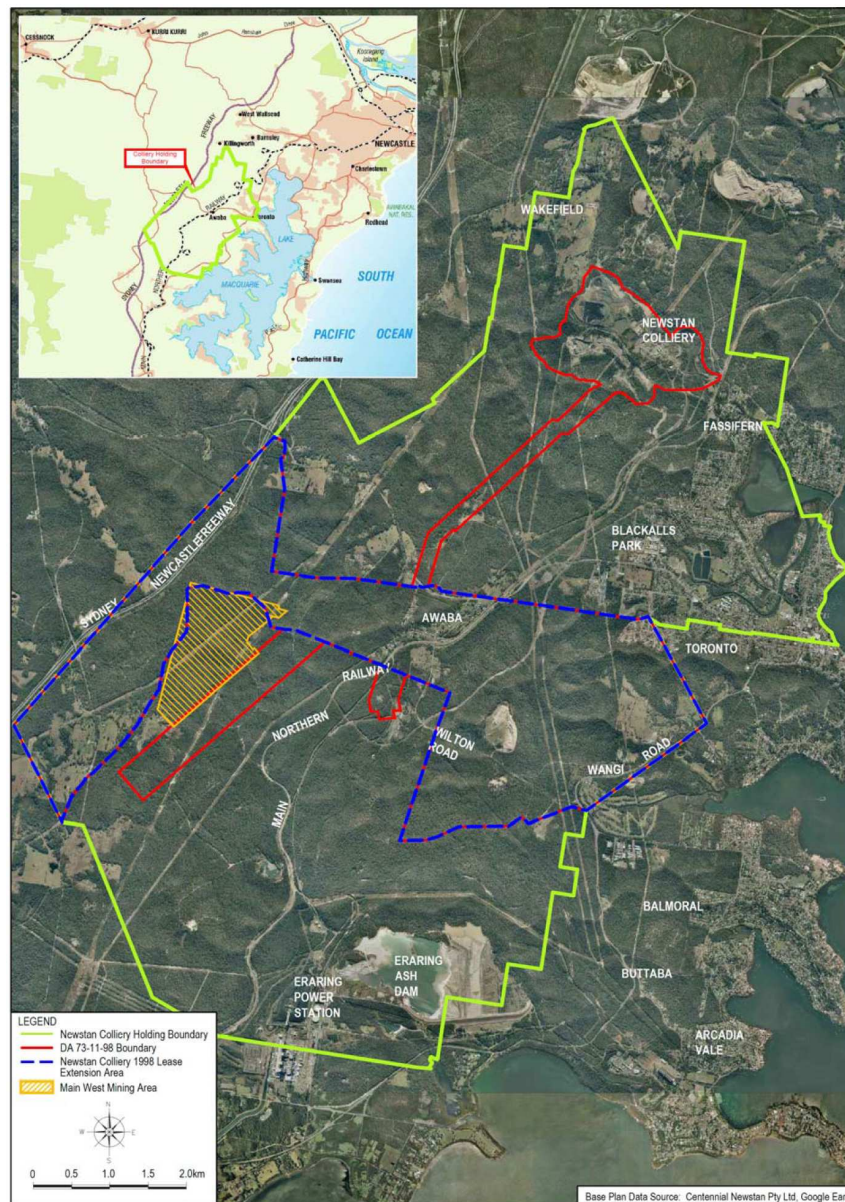


Figure 1: Newstan Colliery Locality Plan

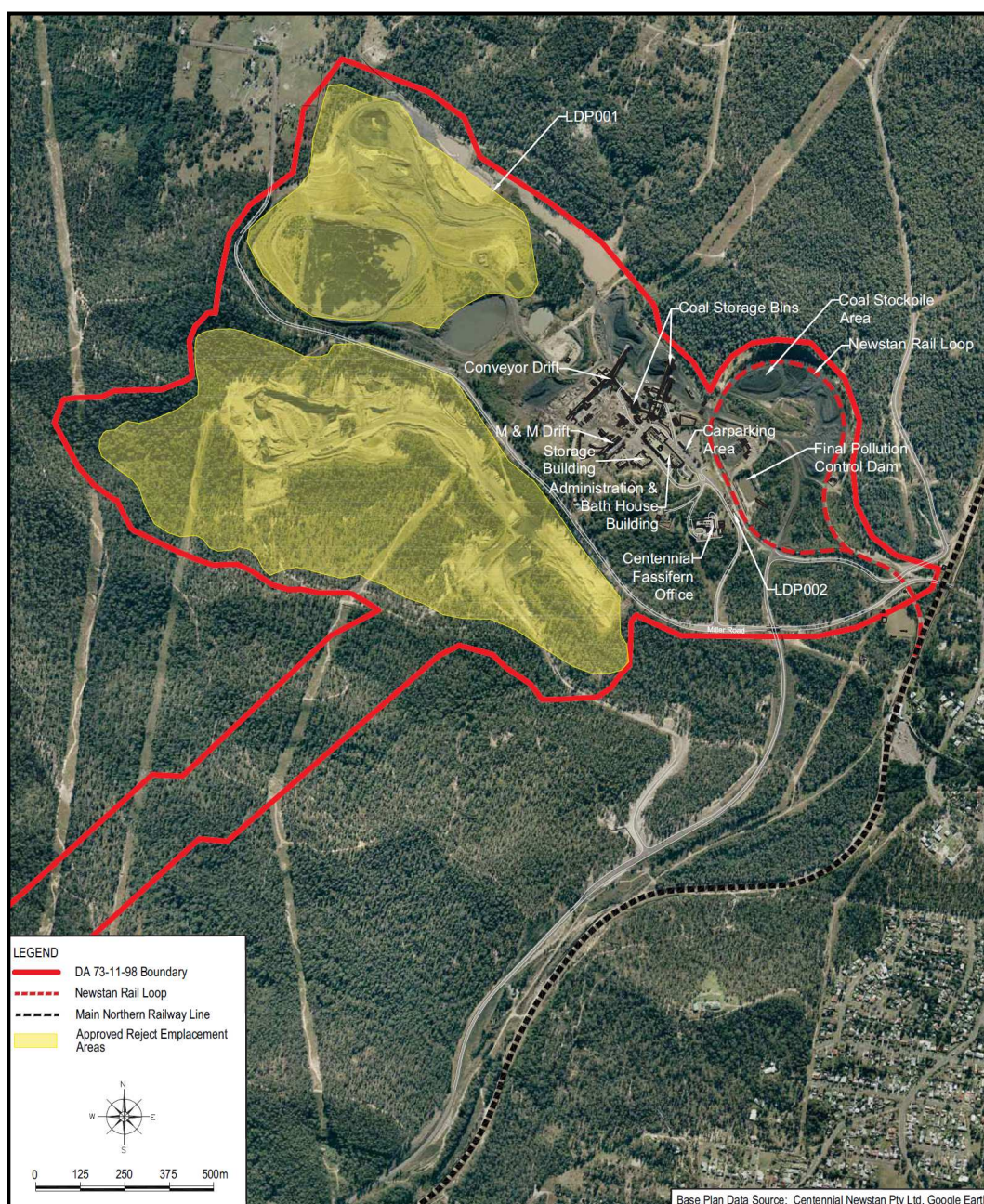


Figure 2: Newstan Colliery Surface Infrastructure

Centennial purchased Newstan Colliery, one of a number of coal mines which the company operates in the Newcastle Coalfield, in 2002. The mine produces semi-soft coking coal and thermal coal for export and domestic markets.

The mine operates under a Ministerial consent (DA 73-11-98), granted in 1999 under Part 4 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The consent has been previously modified four times. The modified consent allows:

- the extraction of up to 4 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal using longwall and bord and pillar mining methods;
- coal to be extracted from the additional Main West mining area;
- coal from the Newstan, Awaba and Mandalong mines to be transported to, and processed at, the Newstan Coal Handling and Preparation Plant (Newstan CHPP) (see Figure 3);
- product coal to be transported by rail to the Port of Newcastle for export; and
- product coal to be transported to the nearby Eraring Power Station via a private haul road (see Figure 3).

The consent is due to expire on 6 July 2020. A copy of the consent is provided in Appendix A.

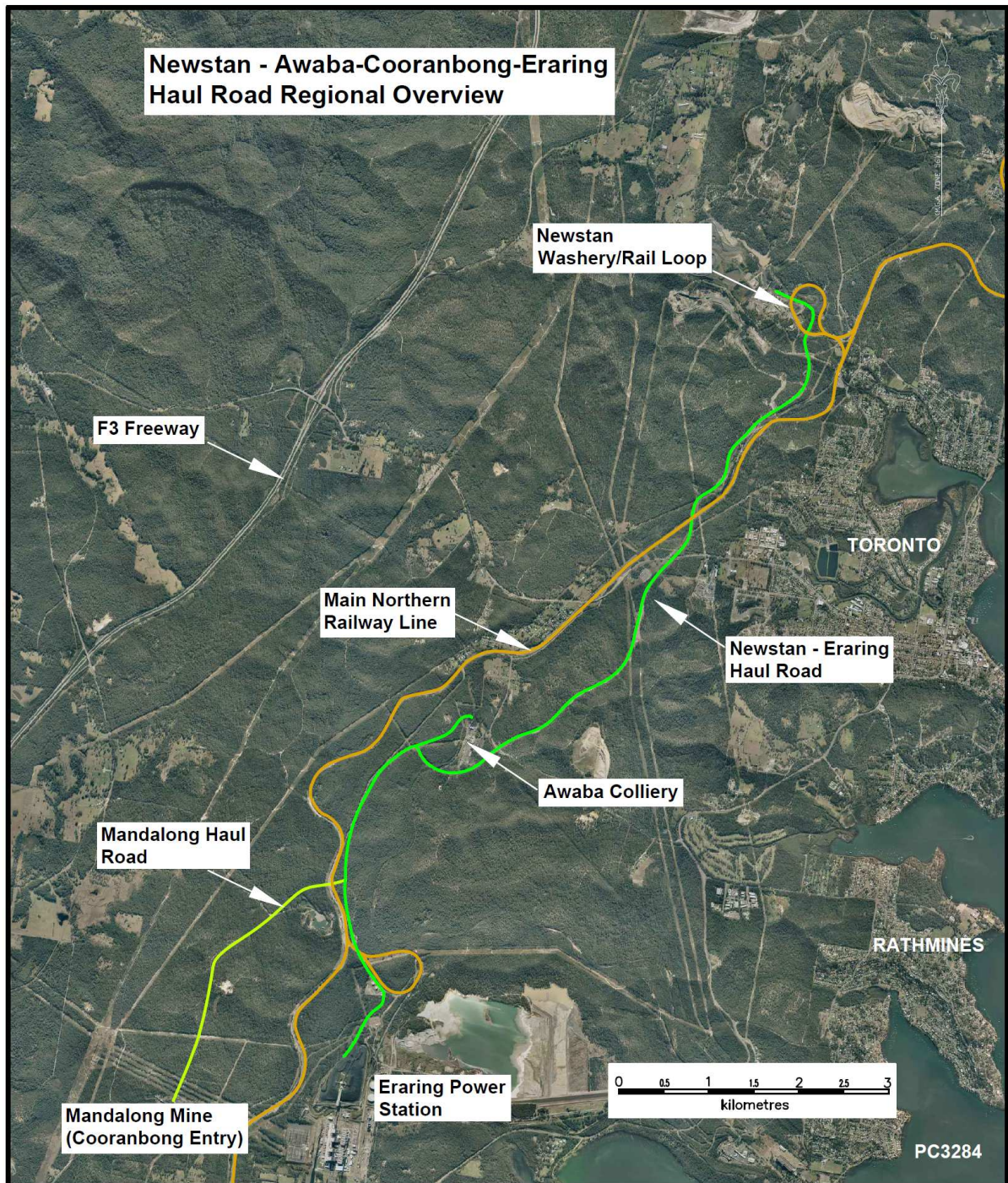


Figure 3: Private Coal Haul Roads

2 PROPOSED MODIFICATION

Centennial has lodged an application to modify the Newstan Colliery development consent under section 75W of the EP&A Act. The application seeks approval to increase the amount of coal received by road from the Mandalong Mine at Newstan Colliery's surface facilities from 2 to 4 Mtpa.

On 23 August 2012, the Planning Assessment Commission (PAC) approved a modification to Mandalong Mine's consent (DA 97/800 MOD 8) which allows Centennial to transport up to 4 Mtpa of coal from its Cooranbong Entry Site (part of Mandalong Mine) to Newstan Colliery by the use of private haul roads. However, Newstan's consent only allows it to receive 2 Mtpa of coal from the Mandalong Mine. The current modification application therefore seeks to lift this limit from 2 to 4 Mtpa.

The application also seeks approval to transport material excavated from the construction of two new ventilation shafts at the nearby Awaba Colliery to Newstan Colliery, for use as capping material for Newstan's coal rejects emplacement area. The Newstan consent already allows for the delivery of up to 880,000 tpa of coal from the Awaba Colliery to Newstan's main site at Fassifern. However, it does not specifically allow for materials other than coal to be included in this tonnage. Centennial's planned excavation of two ventilation shafts at the Awaba site will require it to manage about 30,000 tonnes of excavated material. Centennial proposes to transport this material to Newstan to be beneficially used as capping material for its coal rejects emplacement area.

The construction and use of the ventilation shafts is an approved component of Newstan's consent, even though their location is within the Awaba Colliery surface facilities precinct. These shafts will provide the means to efficiently ventilate the Newstan mine workings within the West Borehole Seam which are located substantially below Awaba Colliery's workings in the Fassifern Seam. Awaba has exhausted the mineable coal reserves in the Fassifern Seam and has been placed on care and maintenance. Awaba's surface facilities' precinct is likely to be used in the future as a component of expanded surface facilities to service other extensions to Newstan mine within deeper coal seams. However, approval for any future change in use is not part of this modification application.

The proposed modification is summarised in Table 1 and is described in full in the *Newstan Colliery Mod 5 Environmental Assessment* (the EA, see Appendix B), dated September 2012.

Table 1: Summary of Newstan Modification 5

Aspect	Current operations	Proposed operations
<i>Mining Area and Method</i>	Mining within the approved development consent boundary (see Figure 1), by longwall and bord and pillar extraction methods.	No change.
<i>Approved Coal Production Rate</i>	Up to 4 Mtpa of ROM coal.	No change.
<i>Approved Coal Processing Rate</i>	Up to 4 Mtpa of ROM coal.	No change.
<i>Development Life</i>	Approval to operate the mine until 2020.	No change.
<i>Coal Processing</i>	The Newstan CHPP processes coal from Newstan and Mandalong mines (and, previously also received coal from Awaba).	No change.
<i>Coal Receipt</i>	- Up to 2 Mtpa of coal from Mandalong mine. - Up to 0.88 Mtpa of coal from Awaba mine.	- Up to 4 Mtpa of coal from Mandalong mine. - Receipt of about 30,000 tonnes of non-coal excavated material from the Awaba mine site.
<i>Coal Dispatch</i>	- Product coal is transported by rail to the Port of Newcastle. - Product coal is delivered to Eraring Power Station by trucks, using a private haul road.	No change.
<i>Minewater Management</i>	Minewater is stored in underground workings and discharged under the mine's existing Environmental Protection Licence (EPL).	No change.
<i>Employment</i>	Maximum of 320 full-time employees at full capacity.	No change.
<i>Hours of Operation</i>	24 hours per day, 7 days per week.	No change.

3 STATUTORY CONTEXT

3.1 Approval Authority

Under section 75W of the EP&A Act, the Minister for Planning and Infrastructure is the approval authority for this modification application. However, under the Minister's delegation of 14 September 2011, the PAC must determine the modification application, since Centennial has made reportable political donations.

3.2 Modification

The Department has considered the nature of the proposed modification and is satisfied that it can be characterised as a modification to the original development. In this respect, the Department notes that there would be no change to the approved mining methods, no increase in coal production, no change

to processing or transportation systems, and the resulting environmental impacts would be substantially the same as the approved development.

Consequently, the Department is satisfied that the proposed modification is within the scope of section 75W of the EP&A Act.

4 CONSULTATION

Under Section 75W of the EP&A Act, the Department is not required to notify or exhibit the application. Given the minor nature of the proposed modifications and their minimal environmental impact, the Department has not undertaken any public consultation for the proposal. However, the Department consulted directly with the following key government agencies:

- Office of Environment and Heritage (**OEH**);
- Environment Protection Authority (**EPA**);
- Division of Resources and Energy (**DRE**) of the Department of Trade and Investment, Regional Infrastructure and Services; and
- Lake Macquarie City Council (**Council**).

A summary of the issues raised during the consultation process is provided below. Full copies of the submissions are provided in Appendix C.

OEH noted that, since no additional land clearing is proposed under the modification, there would be no additional impacts to either Aboriginal cultural heritage or biodiversity values. OEH considered that these issues are adequately addressed by existing conditions of consent and consequently did not recommend any additional conditions.

EPA questioned whether the transfer of excavated material from the proposed ventilation shafts at the Awaba Colliery surface facilities area would trigger waste scheduling under the *Protection of the Environment Operations Act 1997*. Centennial responded that the excavated material would be Virgin Excavated Natural Material (VENM) and not classified as a waste. However, it has undertaken to test the material to confirm this status prior to transport to Newstan's coal rejects emplacement area.

DRE stated that no changes to current operations or environmental management at Newstan were anticipated as a result of the proposal.

Council indicated that it would not be providing a submission. However, in its submission on Mandalong Mine's modification to transport up to 4 Mtpa of coal to Newstan (DA 97/800 MOD 8), Council identified the need to adjust the coal receipt limits that apply at Newstan and advocated for this to be addressed at that time.

5 ASSESSMENT

The environmental, social and economic impacts and benefits of increasing the amount of coal able to be transported from Mandalong Mine's Cooranbong Entry Site by private haul road to Newstan Colliery (from 2 Mtpa to 4 Mtpa) were addressed during assessment of Modification 8 for the Mandalong Mine (DA 97/800 MOD 8). This modification was approved by the PAC on 23 August 2012 and the increase approved. However, Centennial is unable to act on this approval as Newstan Colliery's consent also requires modification to allow this additional coal to be received on site.

Under the Newstan consent, Centennial can only process a maximum of 4 Mtpa of ROM coal, whether this coal is produced from Newstan's mining operations, or imported from the Mandalong Mine or Awaba Mine (until that mine recently exhausted its mineable reserves). Centennial is fully aware of this limitation and has indicated that it will operate in accordance with this limit. Accordingly, while the amount of coal able to be received at Newstan from Mandalong is a maximum of 4 Mtpa of ROM coal, this would be reduced in practice by the amount of ROM coal extracted from Newstan's underground operations. Centennial has framed its application to seek approval to receive up to 4 Mtpa to provide it with maximum flexibility in its future coal logistics management.

The Department does not consider that the transportation of up to 4 Mtpa from Mandalong to Newstan needs to be considered further. The impact of handling and processing up to 4 Mtpa of coal

on the Newstan site and the subsequent dispatch of product coal and disposal of coal rejects have also been fully considered prior to the grant of the Newstan development consent (DA 73-11-98).

The proposed transportation of 30,000 tonnes of material excavated from the construction of two approved ventilation shafts at the Awaba Colliery surface facilities site is also a matter of very minor consequence when compared to approved activities. Approval exists under the Newstan Colliery consent to accept up to 880,000 tpa of ROM coal from the Awaba site.

The material to be excavated from the ventilation shafts will be mostly conglomerate rock, similar in nature to road base gravel. It will also include minor tonnages of coal and other sedimentary rocks such as shales and mudstones. Centennial has undertaken to confirm the status of this material as VENM, prior to its transportation to Newstan's coal rejects emplacement area. The environmental impact of transporting this excavated material by truck on a private haul road will be effectively the same as transporting coal on the same road. As coal transportation ceased from Awaba Mine with the cessation of coal mining in March 2012, the proposal to transport about 30,000 tonnes of excavated material will be well within the approved impacts associated with the road transport of coal, representing about 3% of the approved tonnage. Since all loads would be covered and the haul road is regularly watered, any dust related impacts associated with the activity would be negligible.

Once this material is received at Newstan it would be utilised as inert capping material for the coal rejects emplacement area. The excavated material would have largely the same geological origin as the rock currently used as capping material. Centennial considers that it is better to use this material beneficially as capping material on the Newstan coal rejects emplacement area, rather than to simply store it in a longterm stockpile at the Awaba surface facilities.

Minor amounts of coal would be recovered during excavation of the ventilation shafts, as the upper coal seams are penetrated to provide access to the West Borehole Seam. However, Centennial would deliver this coal to the ROM stockpile on the Newstan site for processing. This would ensure that the material delivered to the emplacement area generally qualifies as VENM.

6 CONCLUSION

The Department has assessed the application in accordance with the relevant requirements of the EP&A Act. The Department's assessment has found that the proposed modification would cause no additional environmental impacts to those previously approved. Overall, the Department considers the proposed modifications to Newstan Colliery's operations to be of negligible impact and largely of an administrative nature.

The proposed modification would bring the Newstan, Mandalong and Awaba consents into alignment for these matters. Approval would provide a regulatory framework which provides maximum flexibility in either production of ROM coal at Newstan or receipt of an equivalent amount of ROM coal from Mandalong Mine. Consequently, the Department believes the modification is in the public interest and should be approved.

The recommended Notice of Modification is a simple amendment to conditions which permits Centennial's proposed modification to be carried out. Centennial has reviewed and agreed to these conditions.

7 RECOMMENDATION

It is RECOMMENDED that the Planning Assessment Commission exercise the powers and functions delegated to it in the Minister for Planning and Infrastructure's Instrument of Delegation, dated 14 September 2011, and:

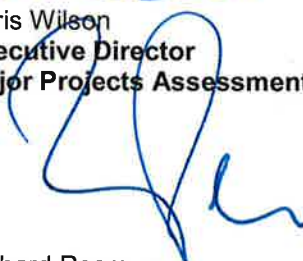
- **consider** the findings and recommendations of this report;
- **determine** that the proposed modification is within the scope of section 75W of the EP&A Act;
- **approve** the modification application, subject to conditions, under section 75W of the EP&A Act; and
- **sign** the attached notice of modification (Tagged A).


Howard Reed
Manager Mining Projects

9.11.12

 9.11.12

Chris Wilson
Executive Director
Major Projects Assessment

 12/11/12
Richard Pearson
Deputy Director-General
Development Assessment and Systems Performance

**APPENDIX A: EXISTING CONSENT (DA 73-11-98),
AS PREVIOUSLY MODIFIED**

APPENDIX B: ENVIRONMENTAL ASSESSMENT

APPENDIX C: SUBMISSIONS

APPENDIX D: NOTICE OF MODIFICATION
