

ASSESSMENT REPORT

NEWSTAN COLLIERY Boundary Adjustment Modification (DA 73-11-98 MOD 6)

1 BACKGROUND

Centennial Newstan Pty Ltd, a subsidiary of Centennial Coal Company Ltd (Centennial), owns and operates the Newstan Colliery (Newstan), an underground coal mine located approximately 25 kilometres (km) southwest of Newcastle, within the Lake Macquarie local government area (see Figure 1). Newstan is located on the western edge of Lake Macquarie. Toronto, Blackalls Park and Fassifern urban areas lie to the east. Wakefield lies to the north and Dora Creek to the south.



Figure 1: Location of the Newstan Colliery

Mining has taken place in both the upper seams (Great Northern and Fassifern) and the lower seams (West Borehole, Borehole, Young Wallsend and Yard Seams) using a combination of bord and pillar, pillar extraction and longwall mining. Newstan produces thermal coal for export and domestic markets, along with smaller quantities of semi-soft coking coal for export. Coal is currently being extracted from the West Borehole Seam in an area known as the Main West Mining Area (MWMA) by bord and pillar methods (see Figure 2).

Centennial was granted development consent (DA 73-11-98) for the Newstan Life Extension Area on 14 May 1999 by the then Minister for Urban Affairs and Planning under Part 4 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). This approval enabled mining to continue within the existing mining areas as well as allowing expansion of the mine. The approved Newstan Colliery Life Extension Area filled a major gap in approved coal extraction between the Newstan Colliery and the neighbouring Awaba Colliery lease areas.

This development consent has since been modified on five occasions:

- 2007, to allow for one additional longwall panel outside of the existing approved mining area and relocation of approved ventilation shafts, fans and associated service corridors;
- 2009, to facilitate road transport of coal from Mandalong Mine to Newstan for washing;
- 2010, to transport and wash 880,000 tonnes per annum of coal from Awaba Colliery, to accept coarse reject material from Mandalong Mine and to establish a 30,000 tonne emergency coal stockpile at the Newstan Colliery Services Site (NCSS);
- 2010, to allow first workings extraction of 3.2 million tonnes (Mt) of run-of-mine (ROM) coal from the MWMA and to restrict mining operations within 100 m of TransGrid Tension Tower 18; and
- 2012, to increase the amount of coal received by road from Mandalong Mine at the NCSS from 2 to 4 million tonnes per annum (Mtpa) and to allow transport of coal and coarse reject material from Awaba Colliery to Newstan.

The development consent is currently due to expire on 6 July 2020.

2 PROPOSED MODIFICATION

Centennial is seeking to modify its development consent under section 75W of the EP&A Act to make some minor adjustments to the development consent boundary for the MWMA.

As part of Mod 4, Centennial was granted approval to extract 3.2 Mt of ROM coal from the MWMA, which lay outside of the previous development consent boundary. However the boundary which was sought and approved for the MWMA did not fully align with Newstan's previous consent boundary. Consequently, there are small four areas (Areas 1, 2, 3 and 4) currently excluded from the Newstan's existing consented area (see Figures 2 and 3).

These four areas have a combined surface area of 14.7 hectares (ha) and currently act (in part) as a barrier to the extraction of the available coal resource. Centennial is therefore seeking to adjust its approved consent boundary and the boundary of the MWMA to encompass the four excluded areas.

Centennial proposes that bord and pillar extraction would be undertaken in Areas 1 and 2 on the western margin of the approved MWMA, enabling the extraction of an additional 60,000 tonnes. The overall production level would not exceed the existing consent limit of 4 Mtpa. Areas 3 and 4 (which have already been extracted under continuing use rights) are proposed to be consolidated to ensure all workings around the MWMA are regulated under the existing development consent. No other changes to existing operations are sought. A summary of the proposed modification is outlined in Table 1. The proposed modification is set out in full in Centennial's environmental assessment (see Appendix A).

Table 1: Summary of the proposed modification

Aspect	Approved operations	Proposed operations
<i>Mining Area</i>	• Colliery Holding Boundary – 6,815 ha. • Consolidated Consent Boundary – 2,203 ha. • MWMA – 152 ha.	• Colliery Holding boundary – No change. • Consolidated Consent Boundary – 2,218 ha. • MWMA – 167 ha.
<i>Mine Plan and Mining Method In the MWMA</i>	• First workings (ie bord and pillar) mining using continuous miners to create long-term stable pillars.	• Areas 1 and 2 would be included in the MWMA with bord and pillar mining undertaken. • Areas 3 and 4 are already extracted.
<i>Approved Coal Production Rate</i>	• Up to 4 Mtpa of ROM coal, including 1 Mtpa from the MWMA.	• 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 6 July 2020.	• No change.
<i>Coal Processing</i>	• Newstan Coal Handling Processing Plant processes coal from Newstan, Awaba and Mandalong mines.	• No change.
<i>Coal Receipt</i>	• Up to 4 Mtpa of coal from the Cooranbong Entry Site and 0.88 Mtpa of ROM coal from Awaba Colliery by truck, using a private haul road.	• No change.
<i>Coal Dispatch</i>	• Up to 3 Mtpa of product coal through Newstan Colliery rail loading facilities by rail to the Port of Newcastle. • Up to 2 Mtpa of product coal by truck to the Eraring Power Station using a private haul road. • Short-term coal haulage to Vales Point Power Station as required.	• No change.
<i>Minewater Management</i>	• Minewater is stored in underground workings and discharged under the mine's existing Environmental Protection Licence.	• No change.
<i>Employment</i>	• Maximum of 320 full-time employees at full production.	• 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 Planning Assessment Commission 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 consent. 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 for the approved development. Consequently, the Department is satisfied that the proposed modification is within the scope of section 75W of the EP&A Act.

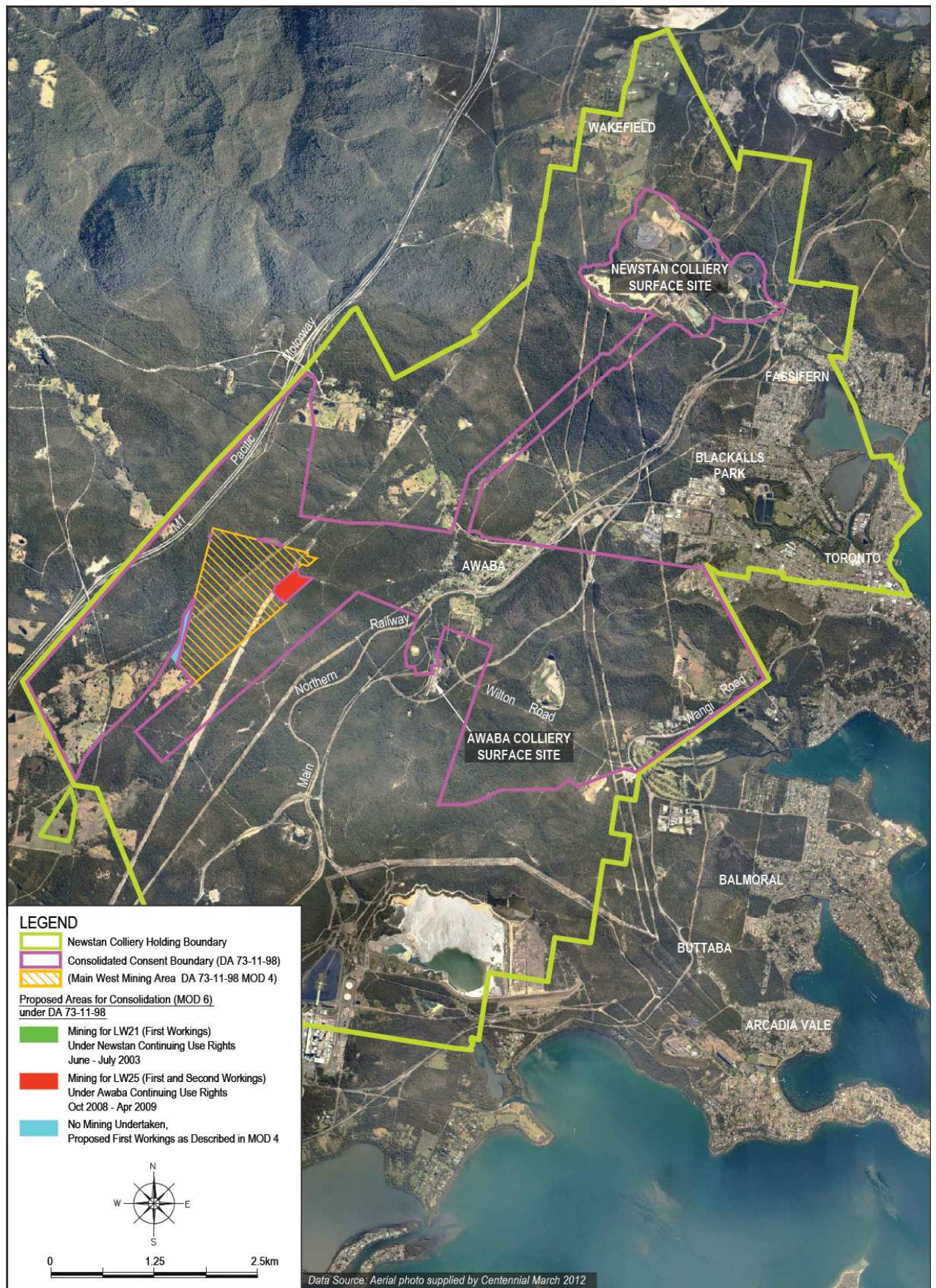


Figure 2: Location of the Main West Mining Area

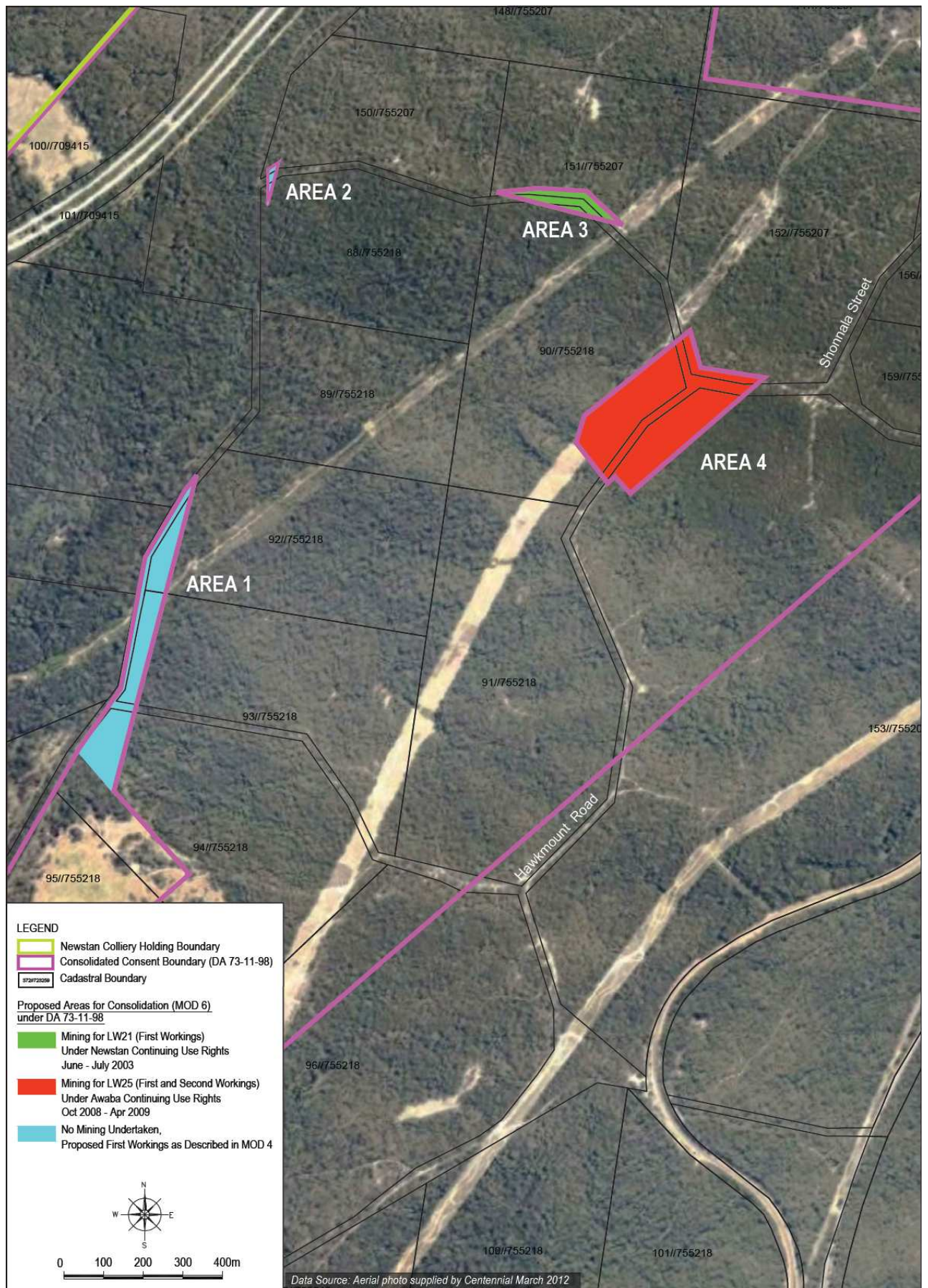


Figure 3: Location of Areas 1, 2, 3 and 4 adjacent to the MWMA

4 CONSULTATION

Under Section 75W of the EP&A Act, the Department is not required to notify or exhibit the modification 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 agencies:

- Division of Resources and Energy (DRE) of the Department of Trade and Investment, Regional Infrastructure and Services;
- Lake Macquarie City Council (Council); and
- Transgrid.

DRE and Council had no objection to the proposed modification. No response was received from Transgrid. Copies of submissions received are included in Appendix B.

5 ASSESSMENT

A summary of the Department's assessment of the proposed modification is provided below.

<i>Issue</i>	<i>Description of Issue</i>	<i>Consideration</i>
<i>Subsidence</i>	• The MWMA may be subject to subsidence.	• Mining within the MWMA is limited to first workings mining methods, leaving long term stable pillars in order to minimise the potential for subsidence impacts and hazards. • Potential subsidence impacts were assessed in 2011 before approval of this mining within the MWMA. As a result of using bord and pillar mining methods, vertical subsidence would be less than 20 millimetres. This is below the limit of measureable subsidence and would result in negligible surface impacts. • Subsidence impacts would be managed under approved Subsidence Management Plans. • There would be no change to the approved mining methods or the coal seam being mined.
<i>Subsidence impacts on Infrastructure</i>	• Two 330kV TransGrid powerlines traverse parts of Areas 1 and 4. • One AusGrid suspension tower is located in Area 4. • No tension towers (ie angle towers) exist within the application areas, however TransGrid's tension tower 24/92TL Tower 20E is located 56m from the edge of Area 1.	• Area 4 is not proposed to be mined as part of the proposed modification. • Tension Tower 24/92TL Tower 20E is not located above former colliery workings and no mine workings would take place under the tower.
<i>Water</i>	• The application areas lie across the catchment feeding into Lords Creek. • Three ephemeral tributaries lie above Area 1. There are no watercourses above Area 2.	• Recent mining adjacent to the application areas has not resulted in a reduction in groundwater levels. • No change to existing surface discharge limits would be required. • The only potential impacts to groundwater and surface water would

		be those associated with the minimal amount of predicted subsidence. • Water management, monitoring and reporting would continue to be implemented. • Any potential impacts would be managed under the existing approval. • No additional management or mitigation measures are required.
<i>Biodiversity</i>	• Within the application areas one vegetation community was found to be an Endangered Ecological Community listed under the <i>Threatened Species Conservation Act 1995</i>. • No known threatened flora or fauna species were identified within the PAA.	• No vegetation clearing or habitat modification is proposed. • The only potential impacts to biodiversity would be those associated with minimal subsidence. • Impacts associated with the proposed modification would be managed through the approved mining methods and relevant management plans. • No additional mitigation measures are required.
<i>Aboriginal Heritage</i>	• There are no known Aboriginal heritage sites situated within the application areas.	• The only potential impacts to Aboriginal heritage would be those associated with minimal subsidence. • Aboriginal heritage would continue to be managed in accordance with Centennial's Aboriginal Cultural Heritage Management Plan. • No additional mitigation measures are required.

6 CONCLUSION

The Department has assessed the application in accordance with the relevant requirements of the EP&A Act. It considers that the proposed modification is largely of an administrative nature, would have minimal environmental impacts beyond those already approved, and that any potential impacts would be able to be managed under existing conditions of consent.

The proposed modification would enable the boundary of the consent area to be more accurately aligned with the actual extent of the MWMA, through the inclusion of four small areas originally excluded from the approved mining area. This would ensure that these areas do not act as barriers to the extraction of the available coal resource.

The proposed modification would not result in any changes to the approved life of mine, mining method, coal production, coal handling, coal transportation, water management or reject management.

The Department believes the modification is in the public interest and should be approved.

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 (Appendix C).

Howard Reed

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23.12.13



Chris Wilson
Executive Director
Major Projects Assessment

23.12.13

David Kitto **23/12/13**

David Kitto
Director Mining Projects

APPENDIX A: ENVIRONMENTAL ASSESSMENT

(See attached CD)

APPENDIX B: SUBMISSIONS

APPENDIX C: NOTICE OF MODIFICATION

APPENDIX D: CONSOLIDATED CONSENT
