

ASSESSMENT REPORT

MANDALONG COAL MINE ADMINISTRATIVE AMENDMENT MODIFICATION (DA 97/800 – MOD 9)

1 BACKGROUND

Centennial Mandalong Pty Limited (Centennial) owns and operates the Mandalong underground coal mine near Morisset in the Lake Macquarie local government area. The mine was approved in 1998, following a Commission of Inquiry, by the then Minister for Urban Affairs and Planning. The development (DA97/800) consent has since been modified on eight occasions.

On 2 May 2012, Centennial lodged a modification application (DA 97/800 – MOD 8) to allow an altered pattern of coal distribution from the Cooranbong Entry Site at the mine. This application was approved by the Planning Assessment Commission (PAC) on 23 August 2012. The consent, as modified, allows Centennial to extract up to 6 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal from its underground workings using longwall mining methods. This coal is then able to be transferred by underground conveyor to either the Cooranbong Entry Site or the Delta Entry Site, with a maximum of 4 Mtpa being able to be delivered to either of these sites, depending on contractual demands.

Transfer of coal to the Delta Entry Site (for delivery by underground conveyor to the Vales Point Power Station) is controlled under a separate consent (DA 35-2-2004), and is not material for the present purpose. Only transfer of coal to the Cooranbong Entry Site is controlled under DA 97/800. Of the 4 Mtpa of coal that may be sent to the Cooranbong Entry Site, the entire 4 Mtpa can be delivered to either the Newstan Colliery by private haul road, before it is railed to export or domestic markets, or directly to the Eraring Power Station by conveyor.

2 PROPOSED MODIFICATION

Since MOD 8 was approved, it has been noted that the intent of the modification is not adequately reflected in the conditions of consent, which has the effect of limiting Centennial's ability to act on MOD 8. The consent does not reflect the MOD 8 application as approved by the PAC, which was to increase the tonnage of product coal permitted to be transported from the Cooranbong Entry site to both the Eraring Power Station and Newstan Colliery from 2 to 4 Mtpa for each destination.

Centennial therefore seeks an administrative amendment to the Mandalong Mine development consent, to correct the mis-description. All other aspects of the approved mining operations would stay the same.

The application seeks approval to modify the conditions as follows:

Limits of Approval

14. The Applicant shall not:

- a) extract more than 6 million tonnes of run-of-mine (ROM) coal a **calendar year** from the site;
- b) transport more than 4 million tonnes of ROM coal a **calendar year from the Cooranbong Entry Site for delivery to either Eraring Power Station by overland conveyor or to Newstan Colliery by private haul road.** ~~site to the Mines Services site (former Cooranbong Colliery);~~
- c) ~~transport more than 2 million tonnes of product coal a year to Eraring Power Station by overland conveyor plus up to an additional 400,000 tonnes of ROM coal between 20 November 2009 and 1 March 2010; or~~
- d) ~~transport more than 2 million tonnes of product coal a year to Newstan Colliery by private haul roads.~~

Note: Under consent DA 35-2-2004 the Applicant is permitted to transport up to 4 million tonnes of ROM coal a year from the site by underground conveyor to the Delta Entry site (Wyee Coal Handling Plant).

Modification

The development consent for the Mandalong Mine (DA 97/800) was granted under section 101 of the EP&A Act. Clause 8J(8) of the *Environmental Planning and Assessment Regulation 2000* requires modifications of such development consents to be carried out under the now repealed section 75W of the EP&A Act. Despite its repeal, the effect of section 75W is continued for such consents by clause 12 in schedule 6A of the Act.

The Department is satisfied that it is appropriate to characterise the proposed changes as a modification to the existing development consent. The proposed modification involves no changes to the total tonnage of coal produced by the mine, mining methods, employment or environmental standards applicable to the site.

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 CONSULTATION

Under section 75W of the EP&A Act, the Department is not required to exhibit the modification application or to undertake consultation. Given its minor and administrative nature, the Department did not exhibit or undertake consultation. However, it made the application publicly available on its website.

No submissions were received, either from agencies or the general public.

4 ASSESSMENT

All potential impacts of the planned increase in coal transported to either destination were assessed in MOD 8 and were considered at that time to be acceptable by the Department and the PAC. These impacts remain acceptable.

The current modification application is purely administrative, and seeks only to give complete effect to the intent of MOD 8.

5 RECOMMENDED CONDITIONS

The Department has drafted a Notice of Modification (see Appendix A) for the proposal, as well as a consolidated consent instrument, as it is proposed to be modified (see Appendix B).

6 CONCLUSION

The Department has assessed the merits of the proposed modification in accordance with the requirements of the EP&A Act. The proposed modification is purely administrative in nature and seeks to correct a mis-description in the consent. Therefore the Department is satisfied that the proposed modification should be approved.

7 RECOMMENDATION

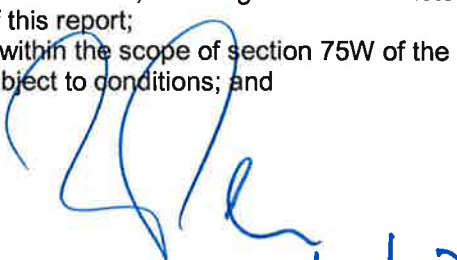
It is **RECOMMENDED** that the Planning Assessment Commission, as delegate of the Minister:

- **considers** the findings and recommendations of this report;
- **determines** that the proposed modification falls within the scope of section 75W of the EP&A Act;
- **approves** the application under section 75W, subject to conditions; and
- **signs** the Notice of Modification in Appendix A.



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11.2.13



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