

ASSESSMENT REPORT

WILPINJONG COAL MINE

Product Optimisation Modification (MP 05_0021 MOD 6)

1 BACKGROUND

Wilpinjong Coal Pty Limited, a wholly owned subsidiary of Peabody Energy Australia Pty Limited (Peabody), operates the Wilpinjong Coal Mine (Wilpinjong), located about 40 kilometres (km) northeast of Mudgee, near the village of Wollar and the Ulan and Moolarben Coal Mines (see **Figure 1**).

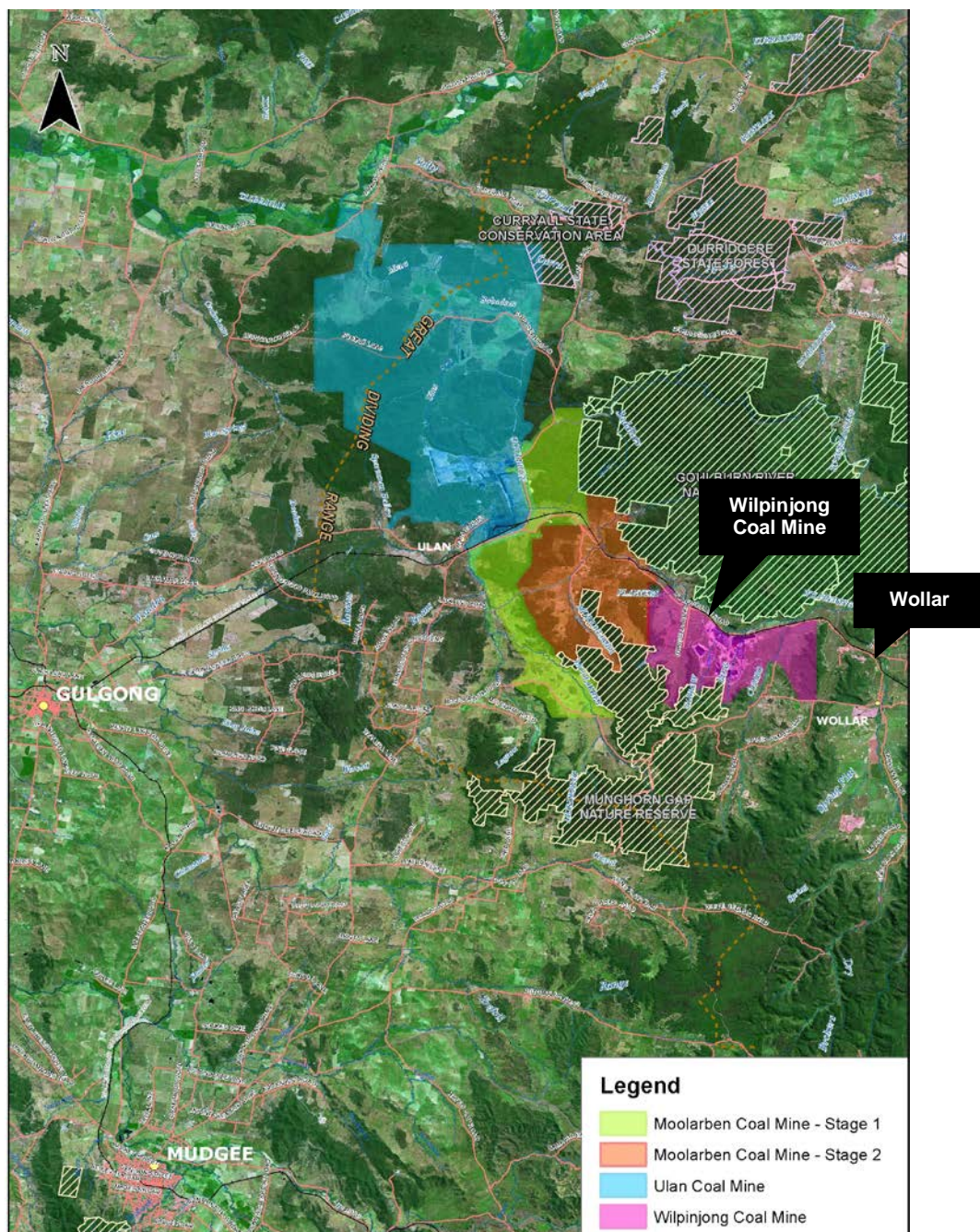


Figure 1: Regional Context

1.1 Regional Context

Along with the Ulan and Moolarben Coal Mines, Wilpinjong forms part of a large coal mining complex in the region. Combined, the mines have approval to extract up to 47 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal, process it at their coal handling and preparation plants, and rail it to domestic and export markets via the Gulgong to Sandy Hollow Railway line.

As a consequence of the development of this complex, most of the land in the vicinity of Wilpinjong is now mine-owned (see **Figure 2**). The nearest settlement is the village of Wollar, which is located to the east of the mine. However, there are now only nine privately-owned residences left in the village. Population densities are generally low around the mine.

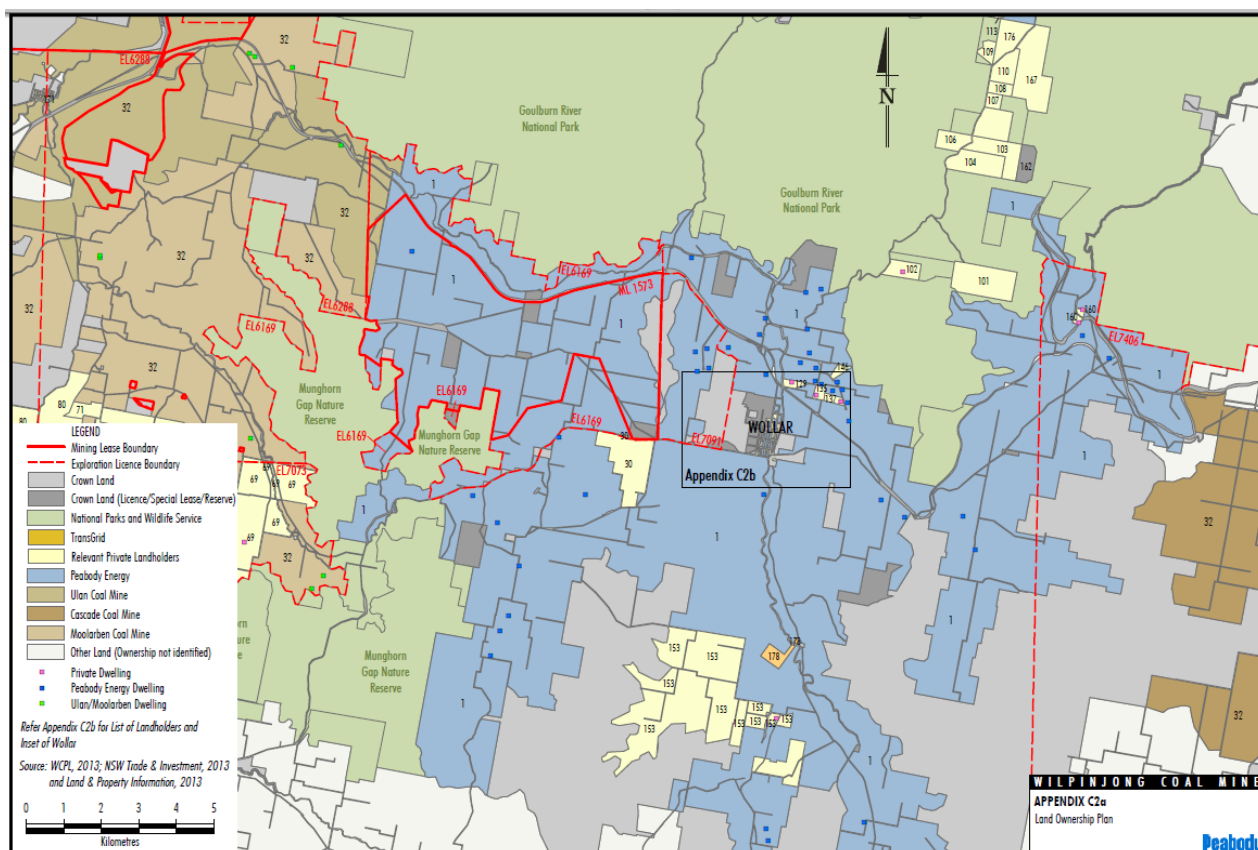


Figure 2: Land Ownership Map – Regional

1.2 Wilpinjong Coal Mine

The Wilpinjong coal mine was granted project approval in February 2006 by the then Minister for Planning following a review by an Independent Hearing and Assessment Panel. This approval allowed Peabody to extract up to 13 Mtpa of ROM coal, process it on site, and transport it to domestic and export markets by rail.

This approval has subsequently been modified on four occasions. A summary of the modifications is provided in **Table 1**. Mod 2 was lodged but subsequently withdrawn.

Table 1: Modifications to the Project Approval

Application No and Approval Date	Description
Modification 1 (November 2007)	<ul style="list-style-type: none"> increase in maximum blasting frequency from one to two blasts per day; and change in the mine's primary access route, from Wollar Road to Wollar - Ulan Road.
Modification 3 (September 2010)	<ul style="list-style-type: none"> increase in ROM coal extraction from 13 Mtpa to 15 Mtpa; increase in average number of laden coal trains dispatched from 4 to 5 per day; and expansion in the mining fleet.
Modification 4 (August 2012)	<ul style="list-style-type: none"> increase in maximum product coal transported from the site from 12 to 12.5 Mtpa; increase in maximum number of laden coal trains leaving the site from 6 to 10 per day as well as the average number of trains from 5 to 6 per day; and installation and operation of a Reverse Osmosis (RO) plant to treat excess mine water to a suitable standard prior to discharge.

<i>Modification 5 (February 2014)</i>	<ul style="list-style-type: none"> extension of approved open cut pits from 1920 hectares (ha) to 1990 ha; increase in waste rock production from 28 million bank cubic meters (Mbcm) to 33.3 Mbcm per annum; changes to blasting frequency restrictions; improvements to the RO plant; operation of a light vehicle servicing workshop; and disposal of inert building and demolition waste.
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Since transitioning in 2013 to an owner-operated mine (rather than being operated by a mining contractor), Peabody has been implementing a continuous improvement program for operations at Wilpinjong. Peabody has been able to significantly improve materials handling and mining practices.

Components of this program were facilitated by the approval of Mod 5 which provided Peabody with capacity to maintain coal production levels despite higher than anticipated reject content in its ROM coal. Since that approval, Peabody has identified that a higher ROM coal extraction rate can be achieved with only minor additions to the mining equipment fleet (the addition of three D11 dozers and supporting equipment such as water carts). This would further provide capability for Peabody to maintain its coal production levels.

Peabody has also identified that product coal stockpiles at the end of 2013 were lower than optimum levels. Peabody maintains these levels on-site in order to meet its shipping or domestic supply demands. Higher rates of production in 2014 would allow product stocks to be increased to optimal stockpile management levels (ie in the order of 300,000 to 400,000 tonnes) at the commencement of 2015.

2 PROPOSED MODIFICATION

Peabody is seeking approval for a further modification to its existing project approval under section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The proposed modification seeks to increase the extraction rate of the mine from 15 Mtpa to 16 Mtpa of ROM coal. The proposal is also seeking a minor increase in the coal production rate from 12.5 Mtpa to 12.6 Mtpa in order to maintain optimum stockpile levels.

The proposed modification (Mod 6) is described in detail in the attached Environmental Assessment (EA) (see **Appendix A**). The key elements of the approved project and the proposed modifications are summarised and compared in **Table 2**.

Table 2: Approved Project and Proposed Modification 6

Aspect	Approved Project	Proposed Modification
<i>Mining reserves</i>	208.1 million tonnes (Mt)	No change
<i>Extraction rate</i>	Up to 15 Mtpa of ROM coal	Up to 16 Mtpa of ROM coal
<i>Product Coal</i>	12.5 Mtpa	12.6 Mtpa
<i>Product Transport</i>	12.5 Mtpa	No change
<i>Life of mine</i>	21 years (to 2027)	No change
<i>Mining methods</i>	Open cut mining of 6 existing pits	No change
<i>Total disturbance footprint</i>	1990 ha	No change
<i>Coal Processing</i>	Washing of up to 9 Mtpa of ROM coal and no beneficiation limit	Washing of up to 9.2 Mtpa of ROM coal
<i>Waste Rock Management</i>	Waste rock placed predominantly within mined-out voids	No change
<i>Waste Rock Production</i>	Up to 33.3 Mbcm per annum	Up to 34.1 Mbcm per annum
<i>Total Waste Rock</i>	386.4 Mbcm	388 Mbcm
<i>Operator Mobile Fleet 24 x 7 operation (D11 dozers)</i>	12 dozers	15 dozers (and additional day-time only supporting equipment eg water carts)
<i>Rejects disposal</i>	Coal rejects placed predominantly within mined-out voids Tailings belt press filter to be installed to allow co-disposal of tailings with coarse reject (subject to feasibility and engineering design)	No change
<i>Coal Transport</i>	Average of 6 trains (maximum of 10) per day on the Gulgong to Sandy-Hollow Railway	No change
<i>Water Supply</i>	Make-up water demand to be met from runoff from mine operational areas, recovery from tailings disposal areas, open cut dewatering, advance dewatering of pit	No change

	areas, and borefield supply. Subject to feasibility studies, recovery of water from the tailings belt press filter.	
<i>Water Management Infrastructure</i>	Mine water treated in an RO plant and discharged to Wilpinjong Creek in accordance with EPL 12425. Upgrade of the RO plant to a water treatment facility (including pre-filtration and flocculation/dosing facilities).	No change
<i>Biodiversity Offset</i>	691 ha of native vegetation and 178ha of endangered ecological communities (EECs). 357 ha of disturbed lands are to be regenerated with native vegetation.	No change
<i>Rehabilitation</i>	Rehabilitate disturbed land to 850 ha of woodland and 1070 ha of grassland. Rehabilitation of 70 ha of disturbed land to woodland or mixed woodland/pasture areas.	No change
<i>Operating hours</i>	7 days a week, 24 hours a day	No change
<i>Number of employees (operational only)</i>	Up to approximately 550 full time positions	No change

3 STATUTORY CONTEXT

3.1 Legislative Framework

Although Part 3A of the EP&A Act has been repealed, the savings and transitional provisions in Schedule 6A of the Act define the Wilpinjong project approval as a “transitional Part 3A project” and require that any modification application is assessed under the former section 75W of the Act.

The Department is satisfied that the proposed modification is within the scope of section 75W. In this regard, the Department notes that:

- the proposed increase in extraction rate is relatively minor and is expected to be short-lived;
- there would be no change to the approved annual production rate;
- there are no proposed changes to the mine’s footprint;
- the nature and intensity of operations would remain much the same;
- the approved life of the mine would not be extended; and
- the environmental impacts associated with the proposed modification would be limited, and could largely be managed under existing conditions of approval.

3.2 Approval Authority

The Minister for Planning was the approval authority for the original project application, and is consequently the approval authority for this modification application.

However, under the Minister’s delegation of 14 September 2011, the Planning Assessment Commission (PAC) must determine the modification application because over 25 submissions by way of objections have been lodged and Peabody has made a previous statement declaring reportable political donations.

4 CONSULTATION

The Department:

- publicly exhibited the EA from 27th June to 18th July 2014:
 - on the Department’s website;
 - at the Department’s Information Centre;
 - at the Mid-Western Regional Council’s offices; and
 - at the Nature Conservation Council of NSW’s offices;
- referred the EA to relevant State agencies and Mid-Western Regional Council for comment; and
- advertised public exhibition of the EA in the Mudgee Weekly and Mudgee Guardian newspapers.

During and after the exhibition period, the Department received a total of 82 submissions (**Appendix B**) on the proposal, including:

- 6 from public authorities;
- 6 from community organisations and businesses (ie special interest groups); and
- 70 from the general public.

The Department notes that two additional submissions (one from a resident and one from a community group) were received after the exhibition period, in response to Peabody's RTS (see **Section 4.2**). Both of these submitters also made submissions during the exhibition period.

None of the public authorities objected to the proposal, citing its minor nature. However, **Mid-Western Regional Council** (Council) did raise some concerns, primarily on behalf of community members. These concerns were over:

- noise impacts and the accuracy of noise monitoring undertaken around the mine site;
- impacts of dust within the village of Wollar; and
- odour impacts resulting from the spontaneous combustion of carbonaceous materials at the mine site.

Council was also concerned that cumulative impacts of the project had not been fully considered, particularly with regard to impacts on local services and facilities. This matter was also raised in a number of other submissions.

In relation to the 70 public submissions, 15 supported the proposal and 55 opposed it. Of the 55 opposing the proposal:

- 7 were from residents of Wollar village and its surrounds (including 1 from the Barigan Valley located some 20 kilometres away from the mine);
- 11 were located well beyond the direct impacts of the mine but still within the same region (Mudgee, Gulgong, Merriwa and Kandos); and
- 37 were from various locations a significant distance away from the mine, including a number of submissions from Katoomba and Newcastle (both over 100 km away from the mine).

One community group submission did not object to the proposal but stated concerns regarding noise, spontaneous combustion and socio-economic impacts of the existing mine and their potential exacerbation by the proposal. Four community group submissions objected to the proposal and cited similar concerns. All issues raised in these five special interest group submissions were consistent with issues raised in public submissions and are discussed further in **Section 4.1**. One submission was received on behalf of a business supporting the proposal.

4.1 Issues Raised in Submissions

Objectors raised a broad range of concerns about the proposal. The key environmental issues raised in submissions in objection were noise impacts, air quality and dust emissions, and spontaneous combustion and associated odour. These concerns are addressed in detail in **Section 5** below.

Many of the concerns raised were directed towards the ongoing operation of the mine rather than to the specifics of the proposed modification. These concerns included:

- that the proposal was not adequately justified;
- criticisms of the proposal's assessment, suggesting that previous assessments of the environmental impacts of the mine's operations had underestimated its actual impacts;
- a perceived piecemeal approach to project development and the significance of the coal resource;
- suggestions that the proposal would have adverse impacts on the health and amenity of the surrounding population, and that Peabody was non-compliant with its existing project approval;
- that the proposal would exacerbate the socio-economic impacts of mining in the region, which had already resulted in significant impacts on Wollar village, including the loss of long-term residents and the range of services provided by local stores and businesses; and
- safety concerns associated with speeding traffic.

While these matters are not directly related to the environmental impacts of the modification application, they are nonetheless also addressed in **Section 5**. The number of times that each issue was raised in all 59 submissions in objection is shown in **Figure 3**.

The 16 submissions supporting the proposal generally cited continuing employment and socio-economic benefits as the key reasons why it should be approved.

4.2 Response to Submissions

Peabody provided a formal response to the issues raised in submissions (see **Appendix C**), which was published on the Department's website.

Two submissions responding to Peabody's Response to Submissions were received and were also considered by the Department in its assessment.

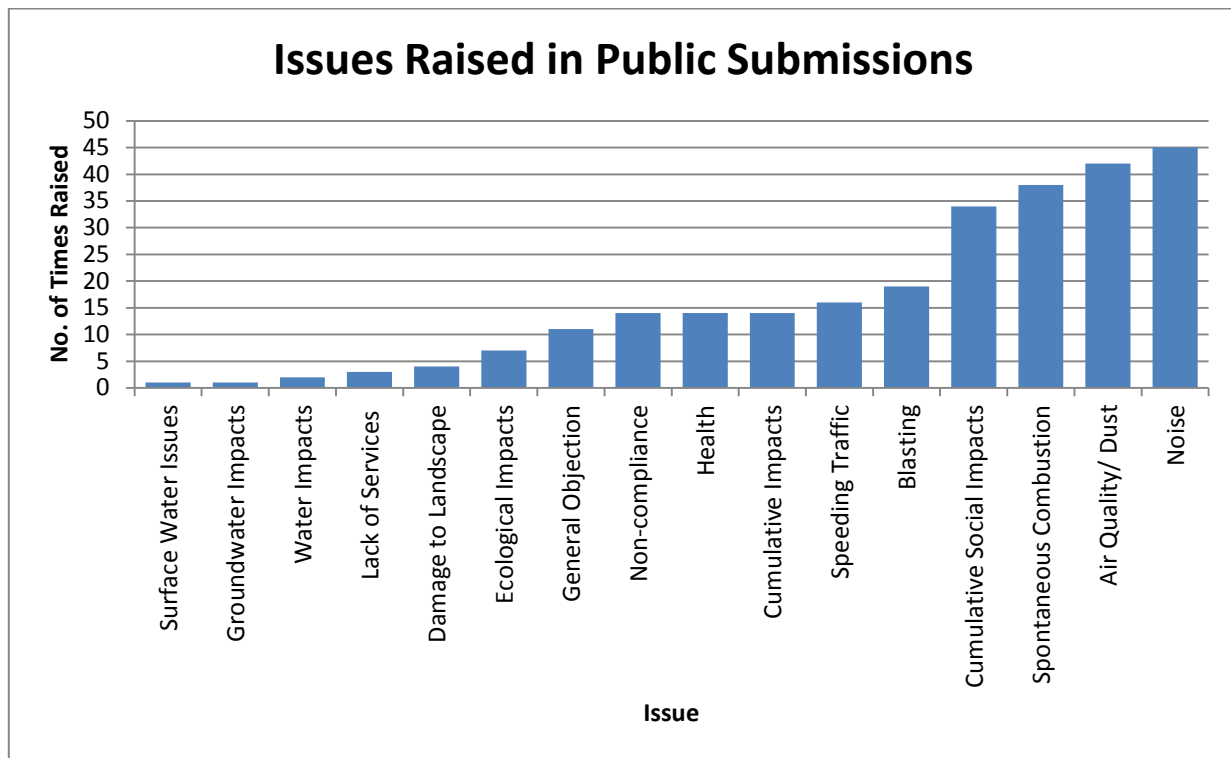


Figure 3: Key Issues Raised in Public Submissions in Objection

5 ASSESSMENT

Based on its assessment of the EA, submissions from agencies and the public, and Peabody's Response to Submissions, the Department considers that the key environmental issues relating to the proposed modification are noise impacts, air quality and dust emissions, and spontaneous combustion and associated odour.

5.1 Noise

Operational Noise

The minor intensification of mining operations (increase in waste rock production, ROM coal extraction and coal washing) and additional mobile fleet equipment would potentially increase the noise levels experienced by nearby receivers.

To assess the noise impacts of the proposal, Peabody engaged acoustic specialists SLR Consulting Pty Ltd to carry out a noise impact assessment (NIA). The assessment includes conservative predictions based on worst-case scenarios, including noise-enhancing weather conditions such as temperature inversions which are a common feature of the area during the Night period in Winter.

The Department is satisfied that the NIA has been carried out in accordance with the relevant noise impact assessment guideline, the *NSW Industrial Noise Policy* (INP), and represents a comprehensive assessment of the potential impacts of the proposal.

The NIA concluded that the augmentation of the mobile fleet would result in sound power levels increased by up to 0.6 dBA in the Day and 0.3 dBA during the Evening and Night periods, which would be indiscernible to residential receivers. While noise modelling predictions demonstrate that three privately owned residences in the vicinity of the mine (129, 135 and 137) would have the potential to experience noise levels above the Project Specific Noise Levels (PSNLs), these results are consistent with previous noise assessments and would not exceed the existing noise criteria specified in the project approval. Peabody has since acquired two of the three residences (129 and 135). The remaining residence (137) already has (and would continue to have) noise mitigation rights under the project approval.

The Department notes that Peabody has developed a real-time noise management system to minimise the noise impacts of the mine's operations on surrounding areas, particularly during adverse weather conditions. Use of this system has resulted in the stand-down of equipment in order to ensure that the mine remains compliant with its existing noise criteria. During the second half of 2013, a total of 43 excavator and associated machinery hours were lost as a direct result of applying this system. The Department believes this system is consistent with best practice in the mining industry.

Noise Modelling Accuracy & Non-Compliance

A number of submissions claimed that the noise impacts of the mine had been underestimated in the original environmental impact statement, and that there have been regular exceedances of the noise limits in the project approval (first issued in February 2006). The Department notes that similar claims have been raised consistently during the life of the mine.

In consultation with the EPA, the Department has undertaken a number of investigations over the last several years to determine whether or not claims can be substantiated. Regular attended noise monitoring shows that the mine's noise emissions are in line with predicted noise levels. They also show that the mine has been complying with the noise limits in its project approval during the 2013 reporting period and up to April in the 2014 reporting period.

Nonetheless, there have been a number of complaints about the noise impacts of the mine's operations over the last year. In the Department's view, these complaints are generally due to the relative change in noise levels from the particularly quiet background levels that existed prior to mining, rather than the actual noise levels now being experienced. These generally remain below the lowest possible operational noise limits applicable under the INP at individual industrial premises (such as mines) in a rural area (ie 35 dBA), and significantly below the INP's recommended noise amenity criteria for rural areas.

In response to the findings of noise compliance, some submissions have suggested that noise monitoring equipment deployed around the site is either inaccurate or else located so as to be unrepresentative of the noise levels being experienced at residences. A similar concern was raised by Council, which requested that revised noise modelling be undertaken using independent noise monitoring results carried out by the EPA, rather than by Peabody's consultants.

In response, the EPA advised the Department that it had already undertaken a considerable amount of noise monitoring in the Wollar area since Wilpinjong commenced operations. This included the use of unattended monitors established at a number of residences for many months and attended monitoring whereby EPA officers visited Wollar village and other locations in the area (including around Ulan and Moolarben Coal Mines) in the night and early hours of the morning. This included night-time attended noise monitoring on 24 occasions in 2013 (and continuing work in 2014). So far, independent noise monitoring undertaken by the EPA has not detected any exceedance of the applicable noise limits.

Peabody has also committed to calibrating its noise monitoring equipment to ensure that it is accurate and reassessing monitoring locations to ensure that they are representative of noise levels experienced by nearby receptors. These activities are currently being undertaken in consultation with the Department's Compliance Branch.

Some submissions cited Peabody's acquisition of land as evidence that the noise emissions were inaccurately modelled in earlier assessments. Peabody (and its predecessor, Excel Coal Ltd) has acquired several properties surrounding the mine at the request of various landowners, even though it was not required to do so under conditions of approval. The Department has been and remains supportive of this proactive approach.

Conclusion

The Department considers that the noise impacts of the proposal are minimal and that the existing conditions of approval, including use of Wilpinjong's effective real-time noise management system, would continue to adequately manage the noise impacts of the mine.

5.2 Air Quality & Dust

The proposed modification would increase the intensity of mining activities at the site for some years, potentially leading to a corresponding increase in dust emissions. On this basis, objectors raised concerns that the proposal would exacerbate their existing concerns over air quality impacts.

To measure the air quality impacts of the proposal, Peabody engaged air quality specialists Todoroski Air Sciences Pty Ltd to undertake an air quality impact assessment (AQIA) of the proposal. The AQIA included modelling of dust concentrations and deposition rates undertaken in accordance with the EPA-approved CALPUFF/CALMET modelling system for two years (2018 and 2021), representative of the worst-case scenario for nearby receivers. The Department is satisfied that the AQIA has been carried out in accordance with the relevant requirements, and represents a comprehensive assessment of the potential impacts of the proposal.

The modelling found that receptors subject to air quality impacts in exceedance of the relevant air quality criteria were limited to mine-owned properties. All privately-owned receptors would receive dust emissions comfortably below these criteria. The EPA did not raise any concerns with these findings.

The Department notes that there have been ongoing complaints regarding the mine's air quality impacts in the area for a number of years. In most cases, these complaints have related to amenity issues associated with dust deposition or the visibility of dust from the mine site and equipment. Monitoring results have consistently shown that Wilpinjong has been operating in compliance with the EPA's recommended air quality criteria at all private receptors, as included in the project approval.

The Department is satisfied that the risk to air quality resulting from the proposal is minimal and considers the existing conditions of approval are adequate to manage the air quality impacts of the mine.

5.3 Spontaneous Combustion

Spontaneous combustion (sponcom) occurs when a substance (such as silage, hay, compost or some types of coal) ignites as a result of the rapid oxidation of its own constituents, without heat or ignition from any external source. Sponcom events have occurred at Wilpinjong in some coal stockpiles and also in some waste dumps (due to the presence of coaly wastes and other carbonaceous material). Sponcom generally leads to quite small fires, but these are commonly associated with significant emissions of smoke and gaseous hydrocarbons, potentially causing offensive odours downwind.

Some submissions raised concerns over the odour impacts resulting from previous sponcom events at Wilpinjong and the potential for the proposal to increase their occurrence, due to the handling of greater amounts of materials at the site. Odours are sometimes perceptible on Wollar Road, near the site's access road. Some residents of Wollar (located nearly 7 km east of Wilpinjong's pit top facilities) also have complained about offensive odours carried on light breezes.

However, according to the RTS, no significant sponcom events (eg in the coal stockpiles) have occurred at the mine since 2012. Peabody has attributed perceptible odours since then to isolated heating events, which it considers to be potential precursors to actual sponcom events.

Where particular coal seams or coaly wastes are prone to sponcom, the most common means of dealing with them is by burying the at-risk material at some depth within a waste emplacement, and then compacting the cover material to isolate the at-risk material from atmospheric oxygen. Unfortunately, the sponcom risks associated with some coal seams and coaly wastes were not well identified prior to mining commencing at Wilpinjong, and some waste stockpiles were constructed without the necessary characterisation and waste compartmentalisation. Peabody has committed to remove and replace these wastes, thereby isolating the potentially combustible material, and preventing further sponcom or heating. Such rehandling of wastes may lead to some temporary heating or emission of odours, notwithstanding that it is a preventative measure to avoid ongoing heating and the risk of combustion events. Peabody has also implemented the rapid recovery and processing of ROM coal stockpiles carrying a significant risk of sponcom and is investigating further preventative options such as using thermal imaging solutions.

The Department is generally satisfied with the efforts recently undertaken and now proposed by Peabody to address sponcom problems at Wilpinjong. Nonetheless, it considers that Peabody's proposals to deal with the existing problems and to prevent future problems should be set out clearly within a dedicated management plan (which is not currently required under the project approval).

The Department is therefore recommending that Peabody is required to prepare and implement a Spontaneous Combustion Management Plan. The plan would require the identification and characterisation of all coal seams and coaly interburden carrying any risk of sponcom and provide ongoing management, emplacement and monitoring requirements for all coal, coaly wastes, coal stockpiles or existing waste emplacements at risk of sponcom.

5.4 Other Issues

Other residual issues associated with the proposal are examined in **Table 3** below.

Table 3: Assessment of Other Issues

Issue	Impacts and Consideration	Conclusion / Recommendation
<i>Blasting</i>	<ul style="list-style-type: none"> Concerns over blasting impacts were raised in nearly one third of public submissions which objected to the proposal. However, the proposal does not involve any proposed change to blasting at the mine. A review of blast compliance at the mine has indicated that there have been no exceedances of the relevant ground vibration and airblast limits during either 2013 or 2014. The Department is satisfied that blasting impacts are being appropriately managed at the mine. 	No changes to existing conditions of approval.

Issue	Impacts and Consideration	Conclusion / Recommendation
<i>Impacts to Services and Facilities</i>	<ul style="list-style-type: none"> ▪ In recent years, Peabody has acquired several properties close to the mine at the request of the landowners, even though it was not required to do so under the conditions of approval. ▪ This practice has led to a reduction in the number of residences in the area and has correspondingly led to a reduction in available services and facilities in the area. This has been an ongoing issue for the remaining residents of the area, particularly in the village of Wollar, and this concern has been reflected in submissions received. ▪ While the Department does not consider the reduction in residences, services and facilities to be a desirable outcome for the area, it notes that the property acquisitions have led to a substantial buffer around the mine, and given many people living close to the mine the opportunity to move away. 	No changes to existing conditions of approval.
<i>Impacts on Residences in Barigan Valley</i>	<ul style="list-style-type: none"> ▪ Objections have also been received from residents in the Barigan Valley, who requested that their properties are acquired due to the adverse impacts of the mine on residences and agricultural operations in the valley. These concerns have also been raised on previous occasions. ▪ The Department does not consider it reasonable to require Peabody to acquire property in the valley, located over 20 km south of the mine, when all predictive modelling and actual monitoring results carried out either in or close to the valley have indicated that air, noise and blasting levels are well below the relevant criteria. 	No changes to existing conditions of approval.
<i>Speeding Traffic</i>	<ul style="list-style-type: none"> ▪ A number of submissions raised safety concerns over the mine-related traffic speeding in the village of Wollar. As the proposal would not generate additional traffic, these concerns relate to existing operations rather than the proposed modification. The Department's approval does not (and could not) impose speed limits on mine-related traffic in Wollar which are different to those applying to residents and other travelers. Mine-related vehicles should abide by the relevant road regulations, as with any other road user. 	No changes to existing conditions of approval.
<i>Piecemeal Approach & Significance of Resource</i>	<ul style="list-style-type: none"> ▪ Some submissions raised concerns about a perceived 'piecemeal' approach by Peabody to the development of the Wilpinjong, via a series of modifications. This included claims that suggested that there has been an overestimation of the significance of the resource at Wilpinjong and/or that previous environmental assessments for the project have been inadequate. Objectors attributed the number of modification applications for the project as evidence of these claims. ▪ The Department notes that Wilpinjong was a 'greenfields' mine proposal in 2005. In the early years of the mine, there were a number of significant operational issues (eg the sponcom issues described above). Since acquiring the mine, Peabody has made a concerted effort to improve its management and operational efficiency. ▪ The Department also accepts that uncertainties are inherent in any predictive modelling, including efforts to evaluate the amount or significance of subterranean mineral resources. It also does not consider inaccuracies in modelling the significance of a mining resource to be of any benefit to a mining company. ▪ The Department accepts that the current modification application is part of Wilpinjong's continuous improvement program which is aimed to improve the efficiency of the mine, and strengthen its economic future. Finally, the Department is bound to consider all applications on their merits. 	No changes to existing conditions of approval.

6 RECOMMENDED CONDITIONS

The Department has prepared a notice of modification (see **Appendix D**) for the proposal, and provided a consolidated version of the project approval, as it would be modified, in **Appendix E**.

The Department's assessment has found that the environmental impact of the proposal is relatively minor, and amounts to an incremental change to the existing impacts. The Department has not proposed any substantive recommendations to amend the existing project approval except for the management of sponcom events at the site, which relates primarily to previous and current mining activities rather than

the proposed modification *per se*. The Department has also updated the project approval to reflect changes to Government agency names and relevant administrative changes.

Peabody has reviewed and accepted the Department's proposed conditions.

7 CONCLUSION

The proposed modification is relatively minor in nature. It is expected to lead to incremental increases in noise and dust emissions. However, these emissions will remain within the criteria already set in Wilpinjong's project approval.

The Department considers that most issues raised in submissions in objection actually relate to the ongoing operations of the mine rather than the modification proposal *per se*. Impacts on the local community have been substantially diminished since the mine first commenced operations, primarily because of Peabody's active program of land acquisition in nearby rural areas and the village of Wollar.

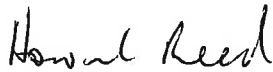
The Department considers the existing conditions of approval are generally adequate to manage or mitigate the impacts of the proposal. However, the Department has proposed a strengthening of the current conditions addressing sponcom, to require a substantive, stand-alone management plan to codify the identification and characterisation of carbonaceous materials which may be prone to sponcom, and to require appropriate monitoring and management of materials and sites which have the capacity to generate sponcom events.

The Department believes the proposal is in the public interest, and should be approved subject to the recommended conditions.

8 RECOMMENDATION

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

- **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 D**).

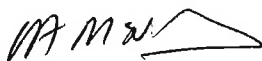


Howard Reed
Manager Mining Projects

3.10.14



David Kitto
A/Executive Director
Resource Assessments



Carolyn McNally
Secretary

8.10.14

APPENDIX A - ENVIRONMENTAL ASSESSMENT

APPENDIX B - SUBMISSIONS

APPENDIX C - RESPONSE TO SUBMISSIONS

See the Department's website at:

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=6305

APPENDIX D
NOTICE OF MODIFICATION

APPENDIX E
CONSOLIDATED PROJECT APPROVAL