



Major Development Assessment

For Decision

PURPOSE

To determine an application from Springvale Coal Pty Ltd to modify the Minister's project approval for the Lambert's Gully Coal Mine in accordance with section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

BACKGROUND

Springvale Coal Pty Ltd (Springvale Coal), a 50:50 joint venture between Centennial Coal and SK Kores Corporation, owns and operates the Lamberts Gully open cut coal mine, located in the Western Coalfields of New South Wales, approximately 25 km northwest of Lithgow (see Figure 1).

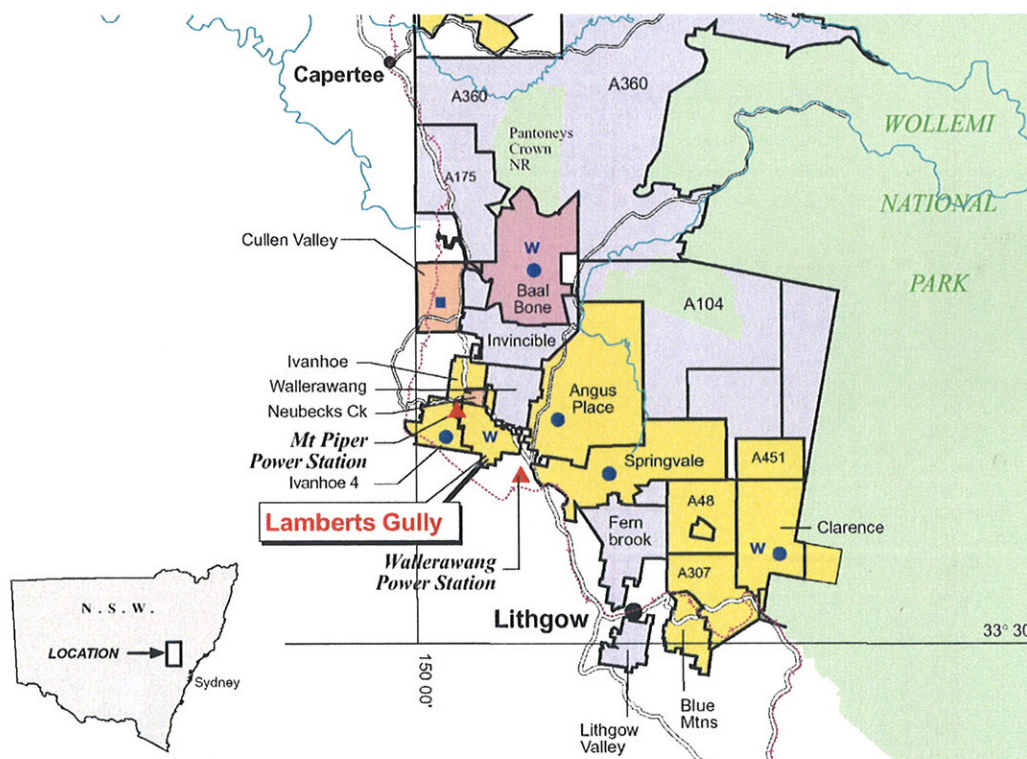


Figure 1: Location of Lambert's Gully Coal Mine

Small scale mining operations commenced at Lamberts Gully under a development consent issued by Lithgow City Council (Council) in 1998. Ministerial approval was granted on 12 May 2006 to expand operations and extract up to a total of 1.5 million tonnes (Mt) of run-of-mine coal over a 4 to 8 year duration, with a maximum permitted extraction rate of 0.4 Mt a year.

Springvale Coal's original 2006 application included the area subject to the current modification application. This area was also the subject of a concurrent application by the Council for a waste disposal facility. Springvale Coal did not anticipate the facility would affect its access to the coal resource and assessed this area when developing its environmental assessment (EA). However agreement could not be reached at that time between the Council and Springvale Coal on how to conduct their operations to the

satisfaction of both parties. Springvale Coal therefore submitted a revised EA to the Department, removing the area of overlap with Council's application.

Agreement has now been reached between Springvale Coal and the Council on a mutually beneficial arrangement whereby Springvale can extract this additional resource and in return construct the access ramp required for the now approved waste disposal facility on behalf of the Council.

PROPOSED MODIFICATION

On 6 December 2007, Springvale Coal submitted a modification application with the Department under section 75W of the *Environmental Planning & Assessment Act 1979* (EP&A Act), seeking approval to extract an additional 100,000 t of coal from the area designated for the access ramp within Council's waste disposal facility consent, and subsequently construct this ramp on behalf of the Council.

In the process, Springvale Coal also proposes to reduce the angle of an old highwall located within this area to ensure a safe gradient for the ramp, and to provide material resulting from the coal extraction process to Council for use as landfill/capping material and to Delta Electricity to assist with its management of flyash emplacement.

The modification area is depicted in Figure 2 below, showing:

- the east/northeast boundary of the approved 31.4 hectare (ha) Lambert's Gully consent area (green edge), almost entirely abutting Council's consent area (red edge);
- the conceptual design of Council's approved waste disposal facility, indicating the proposed route of the access ramp and the old highwall to be 'battered'; and
- the proposed 4.6 ha area of disturbance containing the additional coal resource, overlaying the access ramp.

STATUTORY CONTEXT

Consent Authority

The Minister was the consent authority for the original project application, 06_0017, and is consequently the consent authority for this application. On 7 June 2007, the Minister delegated his powers and functions as an approval authority to modify project approvals under section 75W of the EP&A Act in particular circumstances to the Executive Director, Major Project Assessment. Consequently, the Executive Director may determine the application under delegated authority.

Section 75W

Under section 75W(2) of the EP&A Act, a proponent may request the Minister to modify the Minister's approval for a project. Under section 75W(3), the Director-General may notify the proponent of environmental assessment requirements for the proposed modification. The Department considers the proposal involves a minor change to the project and consequently did not issue environmental assessment requirements.

CONSULTATION

Under section 75W, the Minister is not required to undertake consultation on modification applications. However, the Department consulted the Department of Environment and Climate Change (DECC), Department of Primary Industries (DPI) and Lithgow City Council. These agencies were largely supportive of the proposal, although Council stressed the need for Springvale Coal to uphold its commitment to carry out works on the access ramp in accordance with Council's plans, and DPI advised that a revised Mining

Operations Plan, including updated rehabilitation plans, would need to be submitted for its approval prior to the commencement of mining in the access ramp area.

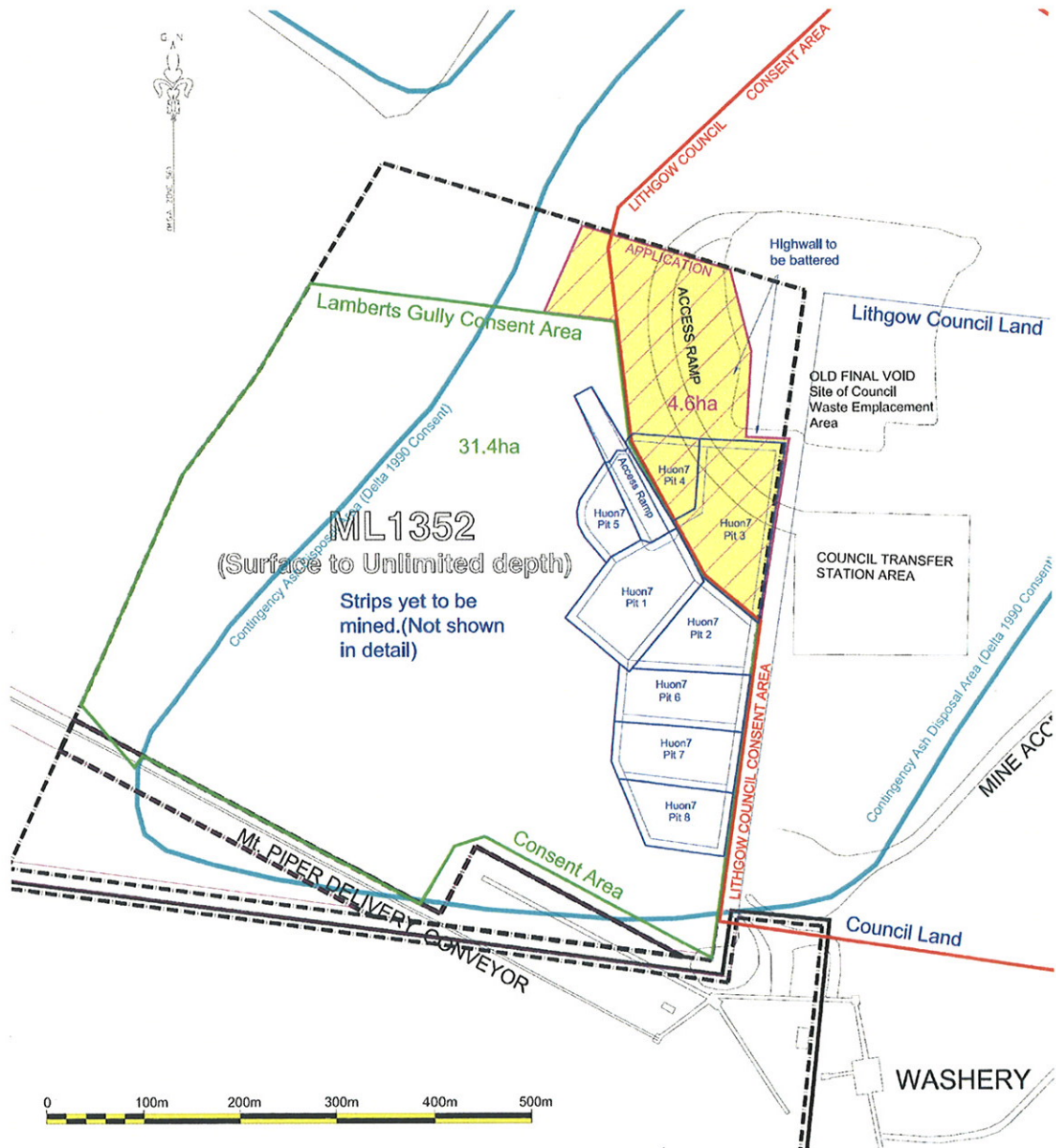


Figure 2: Modification footprint (in yellow) showing relationship with existing consent boundaries.

CONSIDERATION OF ISSUES

The subject site was previously assessed within the EA for the original project application. Potential impacts assessed at that time included impacts on residential amenity (due to noise, dust and blasting), flora and fauna, soil and groundwater, and Aboriginal and European heritage. Rather than undertake another formal EA, Springvale Coal has resubmitted the relevant sections of the original EA, and accompanied this with supporting information to establish the updated context surrounding the access ramp construction. Given the small scale of the modification in comparison with the approved development, the Department is satisfied that this approach provides a sufficiently detailed assessment of the potential impacts of the proposal.

The majority of the site has already been heavily modified from its original state, and is largely devoid of vegetation, save for a small, isolated patch of regrowth (less than 1 ha). The nearest residential receiver to currently approved mining operations is in the village of Blackmans Flat, located approximately 1 km directly east.

The noise and blasting assessment in the original EA modelled the expected impacts based on a mining plan where activities would progress over the site in 13 distinct stages, with mining intensity for each stage never exceeding a rate of 3 open-cut strips, or blocks, at a time. The results for all stages predicted results within DECC consent criteria at all receivers. This includes the subject site (nominally stage 12 of the mining plan), which lies to the north of the eastern extent of the boundary for approved operations, so is no closer to these receivers.

Springvale Coal is proposing to realign its current operations with this original plan, eliminating the possibility of generating cumulative impacts in excess of the modelled scenarios. The mine would also continue to be bound by the maximum extraction rate of 0.4 Mt a year under the existing project approval.

The Department is confident that the ramp construction itself is unlikely to exacerbate any of the other impacts identified in the original EA, or generate any unique or additional impacts. It therefore considers the proposed modification would cause no discernible change to the environmental impacts of the mine, and would not materially change the development for which consent was granted.

Both Springvale Coal and Council view this proposal as a win-win scenario because it would allow Springvale Coal to access approximately 100,000 t of coal that would otherwise remain sterilised, and simultaneously relieve Council (and subsequently rate payers) of the financial burden of constructing the ramp.

The Department is also satisfied that the proposal is in the public interest, given that it would extend the production and employment capacity of the mine by an estimated 4-6 months, as well as provide significant savings to Council and the community for the construction of its waste disposal facility.

RECOMMENDATION

The Department is satisfied that the existing consent conditions, together with conditions attached to licenses issued by other government agencies, would be generally adequate to manage the potential impacts of the proposal. However it has adopted Council's recommendation for an additional condition requiring Springvale Coal to adhere to the design and construction plans for the access ramp specified by Council.

In summary, the Department considers the potential impacts of the proposed modification to be minor, and is satisfied that these impacts can be suitably managed with some minor adjustments to the mine's existing management plans.

6. CONCLUSION

The Department has assessed the merits of the proposal in accordance with the requirements in the EP&A Act.

This assessment has found that the potential impacts of the proposal would be generally consistent with the impacts of the approved mining operations, and that there would be no discernible change to the existing impacts on surrounding residential areas such as the village of Blackman's Flat.

It has also found that the proposal offers several benefits, as it would extract up to 115,000 tonnes of coal that would otherwise be sterilised, extend the life of the mining operations by up to 6 months, and relieve Council (and consequently rate payers) of the financial burden of constructing the new access ramp to the proposed landfill. ✓

Consequently the Department is satisfied that the proposal is in the public interest, and should be approved subject to some additional conditions.

7. RECOMMENDATION

It is RECOMMENDED that the Executive Director:

- approve the proposed modification under Section 75W of the EP&A Act and the Minister's delegation of 7 June 2007; and
- sign the attached notice of modification.

 1/9/08

David Kitto
Director
Major Development Assessment

 3.9.08

Chris Wilson
Executive Director
Major Project Assessment