



ASSESSMENT REPORT

MAULES CREEK COAL MINE

Transport Modification (10_0138 MOD 3)

1 BACKGROUND

The Maules Creek Coal Mine is an operating open cut coal mine about 17 kilometres (km) north-east of the township of Boggabri in the New England / North West region of NSW. Maules Creek Coal Pty Ltd (a subsidiary company of Whitehaven Coal Limited) operates the mine on behalf of Aston Coal 2 Pty Ltd (also a subsidiary company of Whitehaven Coal Limited) and 2 other joint venture partners.

The mine was approved by the Planning Assessment Commission (the Commission) on 23 October 2012.

The approval has been modified on two occasions and allows Whitehaven to:

- produce up to 13 million tonnes per annum (Mtpa) of product coal for 21 Years;
- operate a Coal Handling and Preparation Plant (CHPP), rail spur and rail load-out facility; and
- construct ancillary infrastructure, including an overland raw water pipeline, electricity switching station and transmission line.

2 PROPOSED MODIFICATION

Whitehaven is seeking to modify Condition 63 of Schedule 3 of the Maules Creek project approval (10_0138) which requires the mine to transport the majority (90% of construction and operation employees) of its workforce using buses.

Buses were proposed for the original project to transport non-local workers, assumed to be 80% of the workforce, from accommodation villages in Narrabri and Boggabri to the mine.

The Department determined that Aston Coal 2 breached Condition 63 of the Maules Creek project approval in April 2015 and subsequently issued a Penalty Notice. In response to the breach, Whitehaven argued that, with the major construction works now complete and the majority of employees residing locally, the required shuttle bus transport rate of 90% for operational workers is no longer warranted.

On this basis, the company lodged a modification application to the project approval to reflect its contemporary transport assumptions and employment policies.

Whitehaven proposes that Condition 63 be modified to require the mine to transport 70% of waged employees using shuttle buses. Waged employees are generally equipment and infrastructure operators and maintenance teams who are employed under mining industry enterprise agreements and labour hire contractors who are under the direct supervision of Whitehaven staff.

There would be 390 waged employees at peak production, accounting for about 83% of the total workforce. The proposed changes would mean that around 220 employees of a total peak workforce of 470 would utilise the shuttle bus services on a regular basis.

The modification is described in detail in the Environmental Assessment (EA) submitted in support of the application (**see Appendix A**).

3 JUSTIFICATION FOR THE MODIFICATION

Whitehaven has made the following arguments to justify the proposed modification:

- the transport assumptions included within the original environmental assessment (EA) were determined during a period of significant expansion within the mining industry, thereby increasing the forecast demand for non-local workers at the time;
- it was anticipated that the majority of the mine employees would reside in temporary workers accommodation facilities, rather than in nearby regional centres such as Boggabri, Gunnedah and Narrabri;
- the substantial contraction of the mining industry has resulted in an increased number of workers who reside permanently in the local area;
- the economic contributions of wage expenditure in the region resulting from a locally residing workforce is far greater than what was assumed for a fly-in fly-out workforce;
- the local employment policy has been very effective, with 80% of operational employees living in local towns and surrounding rural areas; and
- applying a 90% target for use of the shuttle bus use for a predominantly locally based workforce is not reasonable, compared to a temporary workforce residing at workforce accommodation facilities.

4 STATUTORY CONTEXT

Based on its assessment, the Department is satisfied that the application can be characterised as a modification to the existing approval as the proposal would not alter the approved mining operations or materially increase the environmental impacts of the project;

Given these considerations, the Department is satisfied that the proposal is within the scope of Section 75W, and may be determined accordingly.

Under Section 75W of the *Environmental Planning and Assessment Act 1979*, the Minister for Planning is the approval authority for the modification application. However, under the Minister's delegation dated 16 February 2015, the Executive Director, Resource Assessments and Business Systems, may determine the application as nine submissions in the form of objections were received, the relevant Councils do not object to the modification, and a political disclosure statement has not been made.

5 CONSULTATION

The Department publicly exhibited the application and accompanying EA from 23 June until 7 July 2016.

During the public exhibition period, the Department:

- advertised the exhibition of the application in the Narrabri North West Courier and Gunnedah Namoi Valley Independent;
- made the application and accompanying documentation available on its website, at the Nature Conservation Council and at Narrabri and Gunnedah Shire Councils; and
- consulted with key government agencies.

The Department received 12 submissions including 3 from government agencies, 3 from special interest groups and 6 from the general public. Of the six public submissions, most were from landholders in the immediate vicinity of the mine or located along known transport routes used by the mine workforce.

A summary of the type of submissions received is shown in **Table 1**.

Table 1: Summary of Submissions

Submitters	Number	Objection / Support
Agency:	3	1 Support, 2 Comment
- Narrabri Shire Council - Gunnedah Shire Council - Roads and Maritime Service		
Special Interest groups:	3	All object
- Maules Creek Community Council - Maules Creek Country Women's Association (CWA) - WANDO Conservation and Cultural Centre		
Community	6	
Approx. distance from Boggabri Mine:		
<5 km	3	All object
5 - 50 km	2	Both object
>50 km	1	Object
TOTAL	12	9 object

To supplement the formal exhibition process, Whitehaven consulted with a range of stakeholders regarding the proposed changes prior to lodging the modification application, including the Roads and Maritime Service (RMS), Narrabri and Gunnedah Shire Councils and the Maules Creek Community Consultative Committee. Consultation undertaken by Whitehaven is summarised in Section 1.3 of the EA.

Full copies of all submissions are included in **Appendix B**.

5.1 Agencies

None of the agencies objected to the proposed modification.

The **RMS** supported the modification application following additional consultation with Whitehaven, which resulted in changes to the wording of the proposed condition. RMS also reviewed the adequacy of traffic and fatigue management measures employed by the mine and has confirmed their suitability for managing traffic related hazards.

The **Gunnedah Shire Council** advised that Council did not have any issues to raise in regard to the modification application.

The **Narrabri Shire Council** resolved to support the modification application.

5.2 Public and Special Interest Group Submissions

The Department has summarised the key issues raised in these submissions in **Table 2** and considered these issues further in **Section 6**.

Table 2: Summary of key issues raised in submissions

Issue
Compliance and Conditioning - There was no consideration of the Director-General's Requirements issued for the original project. - The application is an admission of an ongoing breach and that Whitehaven has not taken action to comply with the current shuttle bus condition. - Including the word 'target' within the proposed condition would mean that transport requirements are not strictly enforceable.

Issue

- **Assessment Assumptions and Justifications**

- The mine is seeking to reduce employee transport requirements.
- Whitehaven's argument of a locally residing workforce does not consider workers who leave the area on weekends.

- **Fatigue and Driver Safety**

- Fatigue management not adequately addressed.
- There would be a significant increase in traffic and motor vehicle accidents.
- Recommendation to use the Boggabri Coal haul road and intersection off the Kamilaroi Highway onto the existing haul road and to reduce the speed limit on Therribri Road to 80 km/hr.

- **Biodiversity**

- Increased traffic through biodiversity offset areas located along the mine access road resulting in additional impacts on fauna.

5.3 Response to Submissions

Whitehaven has provided a response to the issues raised in the submissions (see **Appendix C**). The Department has considered this response in its assessment of the merits of the modification.

6 ASSESSMENT

In assessing the merits of the modification application, the Department has considered the:

- current conditions of approval;
- the modification application and EA;
- submissions and response to submissions;
- relevant environmental planning instruments, policies and guidelines; and
- the requirements of the EP&A Act.

6.1 Traffic ImpactsRoad Network Capacity

GTA Consultants undertook a traffic assessment for the proposed modification which assumed that of the 390 wages employees, 270 would travel by shuttle bus with 130 mine workers using the shuttle bus for work on any given day (70% of waged employees). Traffic generated by the mine would therefore be 70 shuttle bus trips and 416 light vehicle trips each day, a reduction from 136 shuttle bus trips and an increase from 284 light vehicle trips.

The assessment shows that the surrounding road network and key intersections would continue to operate at the highest level of service (LOS A) during peak morning and evening shift changes, with only one road section, the Kamilaroi Highway south of the Rangari Road intersection, at LOS B. LOS A and B are considered to be "good" levels of service, and indicates that there would be minimal effect on traffic flows as a result of the modification.

Importantly, RMS, Gunnedah Shire Council and Narrabri Shire Council were satisfied with the assessment on road and intersection performance and no upgrades to the existing road network were requested or identified as being required as a result of the increased traffic.

The Department also notes that road maintenance provisions for the road network surrounding the mine is already in place through a Voluntary Planning Agreement with Narrabri Shire Council.

Consequently, the Department is satisfied that the road network has sufficient capacity for the increased traffic as a result of the modification.

Road Safety

Submitters highlighted that the proposed changes may result in increased fatigue related road accidents for workers and other road users.

It is important to highlight that Whitehaven is not changing its commitment to provide the shuttle bus service free of charge to its full workforce, meaning that all employees at the mine who feel tired can still use the shuttle bus service to travel between the mine and their home.

For those mine workers who do not use the shuttle bus service, Whitehaven is already implementing other measures to control fatigue, such as, as a Fatigue Management Policy, toolbox talks, mine inductions, training, individual fatigue assessments and a general health and wellness initiative. These measures are consistent with recognised fatigue control measures by the RMS and recommended by NSW Mine Safety Advisory Council.

Overall, the Department considers that subject to the mitigation the proposed modification would not result in any significant impacts on the capacity or safety of the local and classified road network.

6.2 Traffic Noise

The noise impact assessment (NIA) predicts that the incremental noise would decrease by 1dB (LAeq, 1hour) at Receiver 264 located along Therribri Road.

While the total number of vehicles is increasing, the NIA determined that noise levels from shuttle buses are higher than from light vehicles, such that the reduction in the number of buses during the peak travel periods slightly reduces overall noise levels.

Notwithstanding, the assessment found that Receiver 264 would experience road noise levels up to 55 dBA (LAeq, 1hour) between 6am and 7am, which exceeds the *Road Noise Policy* local road criteria of 50 dBA (LAeq, 1hour) for night-time noise.

The original EA predicted that road traffic would comply with this noise criterion at this receptor. This is because the original noise assessment assumed fewer larger buses would be used to transport the operational workforce to the mine site.

The Department therefore recommends that Receiver 264 be afforded mitigation rights for noise. Extending these rights to Receiver 264 would allow suitable noise mitigation measures (such as screens, window glazing, fixture sealing, etc) to be installed at the residence to minimise the road noise impacts of the project, if requested by the owner of the residence.

The Department also notes that Whitehaven consulted directly with the owner of this residence regarding the modification and the owner has raised no concerns or complaints with regard to traffic noise.

Overall, the Department is satisfied that the incremental road noise impacts would be minor and that Receiver 264 can be adequately protected with the provision of noise mitigation rights.

6.3 Transport Limits

The Department accepts Whitehaven's arguments about how the circumstances have changed since the original approval was granted, and considers that the substantial increase in the number of employees residing in the local area instead of in mining accommodation camps is a positive outcome from a social and economic perspective. It allows mine workers to integrate and contribute to the local community, and is something that is strongly encouraged by local councils in the region.

It is also important to note that Maules Creek is the only mine in NSW where a specific shuttle bus transport target has been applied as a condition of approval for mining operations. While some mines are required through conditions of approval to transport temporary construction employees using shuttle buses, operational mine worker transport is generally regulated through fatigue management and road safety mitigation measures stipulated in approved Traffic Management Plans.

This allows mine's to operate with sufficient flexibility to reflect changing market conditions, and allows permanent mine workers to choose to reside within local communities rather than in mining camps.

In this context, and given that the proposed changes would not result in any material impacts on the road network, the Department agrees that it would not be reasonable to maintain the current requirement in the project approval for 90% of employees to use a shuttle bus service.

The Department also considers that the mine should be regulated in a similar manner to other mines in NSW. In other words, the Department considers that a specific shuttle bus requirement should be removed from the project approval, and the commitments for using shuttle bus transportation for its workforce and other road safety measures be incorporated into a revised Traffic Management Plan.

The Department notes that the approved TMP already includes a ranges of measures to manage and mitigate traffic impacts, including:

- a code of conduct for heavy vehicle drivers;
- a program for road upgrades and implementation of outcomes from a road safety audit in the original EA;
- nominated heavy vehicles transport routes;
- measures to minimise interaction with school buses and dust impacts from unsealed roads; and
- a monitoring program.

In addition, the Department has recommended the TMP be revised and strengthened to include:

- a code of conduct for light vehicle drivers;
- performance criteria, measures and indicators for shuttle bus utilisation and car-pooling; and
- measures for managing road safety and workforce fatigue.

The Department notes that the revised management plan would need to be prepared in consultation with relevant road authorities (Councils and RMS) within 3 months (in accordance with condition 5 of schedule 5 of the Maules Creek project approval), and that the commitments in the plan would be legally enforceable under the project approval for the mine.

6.4 Biodiversity

Some submitters raised concerns about potential impacts on fauna from increased traffic, particularly as sections of the mine access road traverse biodiversity corridors/ offset areas.

While the Department acknowledges the additional traffic may marginally increase the risk of fauna fatalities on the road, it considers any increase in risk would not be significant and that the existing measures implemented by Whitehaven to minimise this risk are reasonable.

In this regard, there are lower speed limits on the mine access road, staff are given awareness training, and road verges are maintained to increase visibility and reduce habitat adjacent to the road reserves. There is also generally good visibility on the mine access road that would allow drivers to see and potentially avoid fauna in the vicinity.

With these measures in place, the Department considers that the proposed changes would not significantly increase impacts on biodiversity.

7 RECOMMENDED CONDITIONS

The Department has prepared a Notice of Modification (see **Appendix D**) for the proposed modification as well as a consolidated version of the project approval as modified (see **Appendix E**).

In summary, the proposed amendments to the conditions include:

- removal of Condition 63;
- provision of noise mitigation rights to Receiver 264;
- additional requirements to the Traffic Management Plan to incorporate:
 - a code of conduct for light vehicle drivers;
 - inclusion of performance criteria, measures and indicators for shuttle bus utilisation by waged employees;
 - measures to manage road safety and fatigue; and

- various administrative updates to conditions that reflect contemporary practice, including updating the names of relevant government agencies and clarifying the procedures around how management plans can be updated on a progressive basis.

The Department considers that the recommended conditions reflect contemporary practice and provide a sound basis for managing the traffic impacts of the project.

8 CONCLUSION

The Department has assessed the merits of the proposed modification in accordance with the relevant requirements of the EP&A Act, including the objects of the Act and the principles of ecologically sustainable development.

The Department acknowledges the concerns raised in submissions, but is satisfied that:

- the road network has sufficient capacity to maintain a high level of service without the need for road upgrades;
- road safety and fatigue management would continue to be appropriately managed through the revision and implementation of a revised Traffic Management Plan, in consultation with RMS and the local Councils; and
- Whitehaven would still be required to utilise a shuttle bus service for its waged employees generally in accordance with its commitments in the modification EA.

Consequently, the Department considers that the proposed modification should be approved, but that the specific shuttle utilisation target should be removed and this aspect of the mine's operations be regulated through a revised Traffic Management Plan, in line with all other mines in NSW.

9 RECOMMENDATION

It is RECOMMENDED that the A/Executive Director, Resource Assessments and Business Systems, as delegate of the Minister:

- **considers** the findings and recommendations of this report;
- **determines** that the 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 D**.



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APPENDIX A: ENVIRONMENTAL ASSESSMENT

See Department's website

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=7705

APPENDIX B: SUBMISSIONS

See Department's website

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=7705

APPENDIX C: RESPONSE TO SUBMISSIONS

See Department's website

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=7705

APPENDIX D: NOTICE OF MODIFICATION

APPENDIX E: CONSOLIDATED PROJECT APPROVAL