



Stratford Extension Project

*State Significant
Development
Modification
Assessment
(SSD 4966 MOD 2)*

January 2020

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Cover photo

Stratford Coal Mine Coal Handling and Preparation Plant (source: Stratford Coal Pty Limited)

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Executive Summary

Stratford Coal Pty Limited has lodged an application to modify the Stratford Extension Project, an existing open-cut coal mine located near Gloucester in the Mid-Coast Council local government area.

The proposed modification is in response to an approach from Council to access water stored at the mine. The modification would allow Council to collect and transport up to 25 truckloads of water a day from the mine. Council would use the water for public purposes, including for road construction projects.

The Gloucester area is currently facing severe drought conditions and water extraction from the regional river system has been heavily restricted. Therefore, Council has sought innovative ways to access water for operational purposes including through the beneficial reuse of excess water from the Stratford mine.

The proposal would require minor infrastructure to be installed at the mine, including a holding tank, water fill point and truck turning circle. These components would all be constructed on land that is already approved to be disturbed for mining purposes.

The Department has assessed the application in accordance with relevant legislation and policies. It sought advice from the Environment Protection Authority and Council on the application. The Environment Protection Authority considered that as the water would be classified as a waste product, its use would be subject to the regulatory regime provided by the *Protection of the Environment Operations Act 1997*. Council supports the application, and it advised that it would enter into a commercial arrangement with Stratford Coal to access the water, and its transport activities would be assessed under Part 5 of the *Environmental Planning and Assessment Act 1979*.

The Department's assessment has found that the proposed modification can be undertaken with minimal environmental impacts and would be able to operate in accordance with existing consent conditions for noise, air quality, biodiversity and site rehabilitation. Residual impacts would be managed under the detailed management plans in place at the mine, which would be reviewed and updated if necessary. Importantly the transportation and end use of the water by Council after it has left the site does not form part of the modification application.

Notwithstanding, the Department is satisfied that an appropriate regulatory regime exists to manage the potential impacts associated with Council's separate activities.

The Department considers that the application is in the public interest, as it would provide a beneficial use of water which is surplus to the mine's requirements, particularly given the current prolonged drought being experienced in NSW. The water would only be used by a public authority for a public purpose, and would reduce Council's reliance on town water or trucking water in from other areas.

The Department is satisfied that the proposed modification represents development which is substantially the same development as approved, would not materially increase the environmental impacts of the mine and should be approved, subject to conditions.



1. Introduction

1.1 Background

The Stratford Extension Project is an open-cut coal mining operation located near Gloucester, in the Mid-Coast Council local government area (see **Figure 1**). It is owned and operated by Stratford Coal Pty Limited (Stratford Coal), which is a wholly-owned subsidiary of Yancoal Australia Limited (Yancoal).

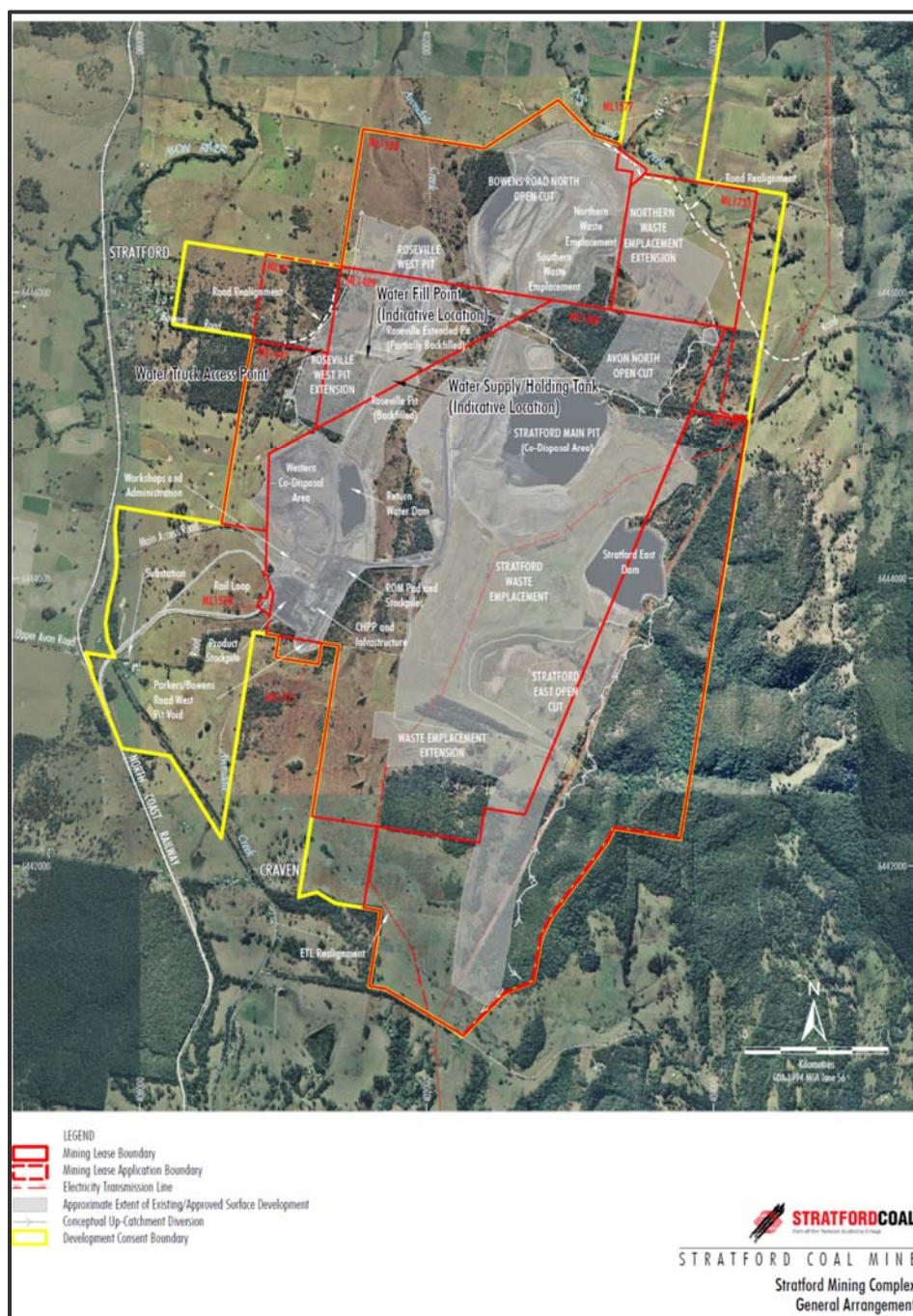


Figure 1 | Site Location

The mine has been operating since 1995 and comprises three open-cut pits, a coal handling and preparation plant (CHPP), coal stockpiles, rail transport facilities and a water management system with four major water storages on site.

The mine is located in the Gloucester Valley, close to the villages of Stratford and Craven. The Gloucester Valley is a rural area characterised by its key land-uses, which are beef and dairy farming operations, coal mining operations, large lot rural residential estates and conservation areas including the Barrington Tops National Park.

In addition to the Stratford Mine, Yancoal owns and operates the Duralie Coal Mine at Stroud, around 16 kilometres south of Stratford. The two mines are connected by a private rail line owned by Yancoal and operate as complementary operations.

Within the project area, the main surface water drainage systems are Avondale and Dog Trap Creeks and their tributaries. These creeks flow into the Avon River which feeds the Gloucester River and ultimately the Manning River. Due to current drought conditions, level 4 (severe) water restrictions are in place for water licence holders in the Mid-Coast Council region in accordance with the Water Sharing Plan for Lower North Coast Unregulated Alluvial Water Sources 2009.

1.2 Approval History

The Stratford Extension Project was approved by the former Planning Assessment Commission on 29 May 2015 under Part 4 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The development consent (SSD 4966) for the project allows the:

- extraction of up to 2.6 million tonnes per annum (Mtpa) of run-of-mine coal by open-cut mining methods, until December 2025;
- import of coal by rail from the Duralie Coal Mine;
- processing of coal from the Stratford and Duralie Coal Mines at the on-site CHPP at a rate of up to 5.6 Mtpa;
- transport of coal from the site by rail to the Port of Newcastle for export;
- operation of an onsite water management system; and
- progressive rehabilitation of the site.

An application to modify the consent (SSD 4966 Mod 1) was made in 2017, to allow the mine to process coal from the proposed Rocky Hill Coal Project. As the Rocky Hill Coal Project was subsequently refused, SSD 4966 Mod 1 was also refused.



2. Proposed Modification

Mid-Coast Council (Council) has identified a critical need to access water resources for public uses. Due to the ongoing drought, Council has been seeking ways in which it can limit the amount of water it needs to draw from the Barrington River system for operational purposes. Council has advised the Department that in late December 2019 the Barrington River, from which it extracts water for town supply, has stopped flowing. Consequently, Council has commenced trucking in water for its construction sites, at which it currently uses an average of 150,000 litres per day.

To assist in addressing this situation, Council has approached Stratford Coal to see if it can access water which is currently stored at the Stratford Coal Mine and which is surplus to the mine's requirements. However the existing onsite water management system has not been set up to facilitate water transfers offsite, as the offsite transfer of water stored in existing mine water storages is not permitted under the consent.

On 20 December 2019, Stratford Coal lodged a modification application (SSD 4966 Mod 2) and Modification Report (see **Appendix A**) seeking approval for water stored at the mine to be made available “to a public authority for a public purpose”. To achieve this, Stratford Coal proposes to make water available to Council from its return water dam (see **Figure 1**). This dam is strategically located in an area of the mine already approved for disturbance and would require minimal changes to existing infrastructure to facilitate loading of water truck. Water in the dam is captured from the onsite coal processing system and rainwater runoff from the dam’s catchment and is topped up as necessary with water from the Main Pit. The return water dam has a general operating volume of around 314 million litres of water.

Stratford Coal would only need to make minor changes to its water management system within areas already approved for disturbance for mining purposes. This would involve construction of a 50,000 litre holding tank to feed a water fill point in an area north of return water dam. The water would be transferred to the tank using a small pipeline and the existing pumping equipment in the return water dam.

Council’s water trucks would access the site using an existing mine site access on Bowens Road. The water fill point would be located in an area where trucks could safely turn, and a turning circle would be developed to ensure trucks can safely exit the area (see **Figure 2**).

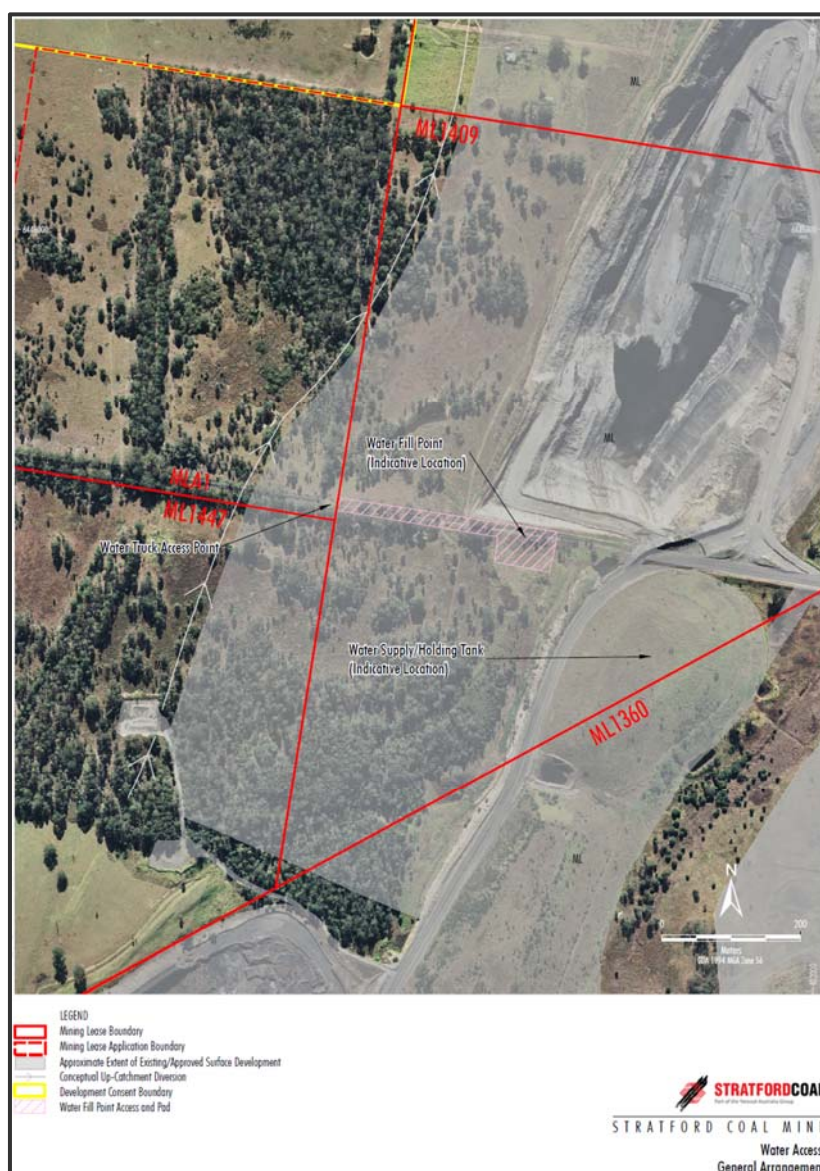


Figure 2 | Proposed holding tank and fill point indicative locations

Stratford Coal has requested that the number of water trucks accessing the site is limited to a maximum of 25 trucks per day. To limit the potential noise, air quality and traffic impacts of the proposed modification on the local community, Stratford Coal has also committed to restrict Council's access to the holding tank to 7.00 am to 6.00 pm from Monday to Saturday only.

The operation of the water trucks would be the responsibility of Council. Council would be responsible for managing interactions with the local road network, transporting the water offsite and its eventual use.

Council has advised that the water would be principally used for dust suppression at Council's road construction sites. Council has also expressed interest in using the water to give to local farmers, to limit the amount of water they extract from the river system. The end use of the water does not form part of the modification application. However, as the water would be classified as a liquid waste, the transport and end use of the water would be subject to relevant controls and regulatory processes, including under the *Protection of the Environment Operations Act 1997* (POEO Act), and Council would be responsible for ensuring that it has appropriate licences or exemptions for any intended future use of this water.

Overall the proposed modification would allow surplus water at the mine to be used by Council for beneficial purposes. The proposed modification only deals with making water available to Council for public uses and would not affect any of the approved operations of the mine, including the mine life, mining operations, coal processing and transportation rates.



3. Statutory Context

3.1 Scope of Modification

The Stratford Extension Project was originally approved by the former Planning Assessment Commission, as delegate of the then Minister for Planning, on 29 May 2015 under Section 89E (now Section 4.38) of the EP&A Act. Therefore, any modification to this consent must be made under Section 4.55 of the EP&A Act.

The Department has reviewed the scope of the modification application and considers that the application can be characterised as a modification involving minimal environmental impacts as it:

- would not materially change the environmental impacts of the project as approved;
- is substantially the same development as originally approved; and
- would not involve any further disturbance outside the already approved disturbance areas for the project.

3.2 Substantially the Same Development

The Department is satisfied that the project as modified would be substantially the same development as approved, and that the proposal should be characterised as a modification to the development consent, as:

- the changes to site infrastructure are minimal and all works would be located on land already approved to be disturbed;
- there would be no change to the life of operations;
- coal extraction, processing and transportation limits would remain unchanged; and
- the impacts of the development as modified would be similar to the impacts of the approved development (see **Section 5**).

3.3 Consent Authority

The Minister for Planning and Public Spaces (Minister) is the consent authority for the modification application under Section 4.5(a) of the EP&A Act. However, under the Minister's delegation dated 11 October 2017, the Director - Resource Assessments, may determine the application, as:

- Mid-Coast Council did not object to the proposal;
- Stratford Coal did not report any political donations; and
- no public submissions in objection were received.

3.4 Mandatory Matters for Consideration

In accordance with Section 4.15(1) and Section 4.55(3) of the EP&A Act, the following must be considered in granting the modification application as relevant to the application:

- environmental planning instruments or proposed instruments;
- any planning agreement;
- *Environmental Planning and Assessment Regulation 2000* (EP&A Regulation);
- likely impacts of the modification application, including environmental impacts on both the natural and built environments, and social and economic impacts;
- suitability of the site;
- any submissions;
- the public interest; and
- the reasons for granting approval for the original application.

The Department has considered the relevance of these considerations for the modification application below.

Environmental planning instruments or proposed instruments

A number of environmental planning instruments apply to the modification, including:

- *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007*;
- State Environmental Planning Policy No. 33 (Hazardous and Offensive Development);
- State Environmental Planning Policy (Infrastructure) 2007;
- State Environmental Planning Policy (State and Regional Development) 2011 (SRD SEPP);
- State Environmental Planning Policy No. 55 (Remediation of Land); and
- Gloucester Local Environment Plan 2010.

The Department has considered the proposed modification against the relevant provisions of these instruments. The Department considers that the proposed modification can be carried out in a manner that is generally consistent with the aims, objectives and provisions of these instruments.

Planning agreements

There are no planning agreements between Stratford Coal and Council. However, under its conditions of consent, Stratford Coal is required to make annual payments to Council to cover the provision of infrastructure and services generated by the development. It also pays Council annually for any required maintenance of sections of the Bucketts Way.

EP&A Regulation

The Department has considered the EP&A Regulation and has consulted with the Environment Protection Authority (EPA) on the proposed modification. There are no additional considerations relevant to the modification application in the EP&A Regulation.

Likely impacts of the modification application

The likely impacts of the proposed modification are considered in **Section 5**.

Suitability of the site

The proposed modification would be undertaken on an established mine site and on an area of the site which is approved to be disturbed for mining purposes. Therefore the Department considers that any

changes would not affect the suitability of the site as a coal mining operation and that this modification application would not result in significant changes that would alter the conclusions made as part of the original assessment.

Submissions

The Department made the application material available on its website and sought comment from Council and Environment Protection Authority, as discussed further in **Section 4**. No submissions on the modification were received from the general public or special interest groups.

Public Interest

The consideration of the public interest is provided in **Section 6**.

The reasons for granting the consent for the original application

In determining the original Stratford Extension Project application, the Planning Assessment Commission concluded that the benefits of the project outweighed the impacts, and imposed a range of strict conditions to appropriately manage the impacts. The Department has considered the proposed modification against the reasons the Commission provided in determining the project and considers that the proposed modification would allow further public benefit to be realised at local and regional levels.



4. Engagement

4.1 Department's Engagement

Clause 117(3B) of the Environmental Planning and Assessment Regulation 2000 (EP&A Regulation) specifies that the notification requirements of the EP&A Regulation do not apply to State significant development. As the proposal involves a minor change to site activities and is proposed on an approved disturbance area, the application was not formally notified or advertised.

However, the modification application and accompanying Modification Report were made publicly available on the Department's website on 6 January 2020 and the Department sought comments from Council and Environment Protection Authority as relevant regulatory authorities (see **Appendix B**).

4.2 Summary of Advice

Council advised that it supports the proposed modification, as it would provide an urgent source of water for it to use for public purposes, as the Water Supply Authority for Gloucester. It also advised that it would enter into a commercial agreement with Stratford Coal for the transfer of the water.

Council commented that it would manage its truck movements in accordance with a safe work protocol as part of the commercial agreement with the mine. It would also adhere to the restrictions proposed by Stratford Coal in terms of site access and operating times.

Environment Protection Authority reviewed the Modification Report and did not object to the proposed modification. It advised Council that the water would be classified as a liquid waste, and its use may be subject to the controls, restrictions and exemptions under the POEO Act 1997.



5. Assessment

5.1 Water Management

Water Supply Need

The modification seeks to address three key matters. First, it would respond to a critical requirement for water in the Gloucester area, which is currently experiencing severe drought conditions, with high level restrictions on extractions from the river system currently in place. Council has therefore approached Stratford Coal to access the surplus water stored at the mine as an alternative to using potable water.

Secondly, it would allow the beneficial re-use of a product that is surplus to requirements and would otherwise not be used. The Department acknowledges that there is a critical need for Council to access alternative water sources for operational purposes. The Department considers that the proposal is a straightforward, feasible and cost-effective way of urgently satisfying Council's need for water in the short-term and notes that Council will enter into a commercial arrangement with the mine to facilitate the water transfer.

Thirdly, the proposal would contribute to water security in the local area, as it would reduce Council's requirement to extract water for operational purposes from the river system and would reduce its reliance on water trucked in from other areas.

Water Transfer Infrastructure

In terms of impacts to the water management system, the installation of the water holding tank and fill point would not affect the overall operation of the mine water system. All components would remain with the catchment of the mine water system, which would be operated to ensure water is not discharged offsite.

The general operation of the water transfer system would be managed under the mine's Water Management Plan, which would be updated as required under the conditions of consent.

Water Quality

Monitoring data shows that the water in the return water dam has an average salinity of around 4,000 $\mu\text{S}/\text{cm}$, which would be suitable for public uses such as road construction projects without necessitating the needing for additional treatment. The Department and EPA are satisfied that the water could be used for this purpose and note that these construction projects would be subject to separate regulatory controls for managing the potential impacts of this water use on receiving environments.

The Department notes that Stratford Coal has other water storages on site that have been monitored as containing water with lower average salinity levels, and as such it may be possible for Stratford Coal to utilise its existing water management system to provide Council with a range of water qualities that may be utilised for a range of beneficial public uses.

Regulation of End Use

The Department recognises that the modification relates to the provision of access for Council trucks to enter the site, the installation of infrastructure and permission for Council to transfer water from the site.

However, the haulage and use of the water does not form part of this proposal and that Council would be responsible for ensuring the transportation and end use of the water meets relevant regulatory requirements. Council is likely to undertake an assessment under Part 5 of the EP&A Act for the impacts resulting from its transportation activities.

As the water would be classified as a waste product under the POEO Act, the Department notes that it would be Council's responsibility to ensure that appropriate controls are in place so that the end use of the water does not result in pollution of receiving environments. Council would also need to consider the need for any further approvals or licences, along with any relevant instruments, policies and guidelines, should it seek to use the water for public purposes other than road construction activities.

5.2 Other Issues

The Department's assessment of other issues is summarised in **Table 1**:

Table 1 | Summary of Assessment

Issue	Findings	Recommendation
Traffic	<ul style="list-style-type: none"> Trucks would be managed onsite in accordance with Stratford's existing operating and safety procedures and under a safe work operating procedure as part of a commercial agreement between Stratford and Council. The water fill point and truck turning circle would be constructed to allow trucks to safely turn. Bowens Road is of a sufficient standard to handle Council's water trucks. Council would be responsible for managing truck operations and interactions on the public road network. 	<ul style="list-style-type: none"> Permit the construction of a turning circle to allow trucks to enter and leave the site in a forward direction. No additional conditions required to manage traffic impacts.
Noise	<ul style="list-style-type: none"> Construction of the holding tank, fill point and turning circle would be undertaken in accordance with the <i>Interim Construction Noise Guideline</i>. Water trucking activities would be limited to daytime hours on Monday-Saturday only, to mitigate the noise impacts of the modification. Noise associated with the operation of the tank and the presence of water trucks on site would be subject to the noise criteria in the mine's existing development consent. The Noise Management Plan for the site would manage residual noise impacts from the proposed activity. 	<ul style="list-style-type: none"> No additional conditions of consent are required to manage noise impacts.
Air Quality	<ul style="list-style-type: none"> The proposed modification is located around 1.5 km from the nearest residential receiver. Construction would be undertaken using standard construction procedures, including the appropriate dust suppression controls. Existing roads would be used at the site, which would be maintained and watered as necessary to limit air quality impacts. Air quality impacts associated with construction activities and the presence of water trucks on site would not materially change the level of impacts associated with approved activities on site and would be subject to the air quality criteria in the mine's existing development consent. 	<ul style="list-style-type: none"> No additional conditions of consent are required to manage air quality impacts.

Biodiversity	<ul style="list-style-type: none"> • The location of the holding tanks and water fill point is proposed on land already approved to be disturbed by mining operations. • While two trees may be required to be removed to facilitate the proposal, the Department is satisfied that the proposal has been designed to minimize impacts to biodiversity. • Under the relevant provisions of the <i>Biodiversity Conservation (Savings and Transitional) Regulation 2017</i>, the Department is satisfied that the proposed modification would not increase the impacts on biodiversity values at the site. <ul style="list-style-type: none"> • No additional conditions of consent are required to manage biodiversity impacts.
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5.3 Recommended Conditions

The Department has recommended conditions of consent which:

- allow the mine to make water available “to a public authority for a public purpose”;
- restrict the water transportation to a maximum rate of 25 truckloads a day; and
- restrict Council’s access to the water fill point to 7.00 am to 6.00 pm, Monday to Saturday only.

The Department has prepared a Notice of Modification (see **Appendix C**) and Consolidated Consent (see **Appendix D**) containing the proposed changes to conditions. Stratford Coal has reviewed the recommended conditions and has not raised any objections.



6. Evaluation

The Department has assessed the merits of the proposed modification and has considered the potential environmental, social and economic impacts in accordance with the requirements of the EP&A Act, and in consultation with relevant government agencies including the Environment Protection Authority and Mid-Coast Council.

Stratford Coal has sought approval to modify the development consent for the Stratford Coal Mine to facilitate access to water stored at the mine by Mid-Coast Council.

The application has been made in response to a request from Council for access to water supplies, for use principally on its local construction projects. The Department acknowledges that Council has a critical need to find alternative water supplies that can be utilised for public uses.

In assessing the merits of the application, the Department has found:

- that the proposed modification can be undertaken with minimal environmental impacts and within the limits of the existing consent conditions for noise, air quality, biodiversity and site rehabilitation;
- construction of additional infrastructure is limited to the installation of a water holding tank, a small pipeline and a truck turning circle, and is therefore very minor in the context of the overall operations;
- the proposal would take place on land already approved for mining disturbance; and
- any residual impacts would be strictly controlled in accordance with the detailed management plans in place at the mine, which would be reviewed and updated as necessary.

The Department considers that the application is in the public interest, as it would provide a beneficial use of water which is surplus to the mine's requirements, particularly given the current prolonged drought being experienced in NSW. The water would be used by a public authority for a public purpose, and would reduce Council's reliance on town water or trucking water in from other areas.

The Department is therefore satisfied that the proposed modification represents development which is substantially the same development as approved, would not materially increase the environmental impacts of the mine and should be approved, subject to the conditions in the recommended Notice of Modification (see **Appendix E**).



7. Recommendation

It is recommended that the Director, Resource Assessments, as delegate of the Minister for Planning and Public Spaces:

- **considers** the findings and recommendations of this report;
- **determines** that the application SSD 4966 MOD 2 falls within the scope of section 4.55(1A) the EP&A Act;
- **accepts and adopts** all of the findings and recommendations in this report as the reasons for making the decision to grant consent to the application;
- **modifies** the consent SSD 4966;
- **signs** the attached approval of the modification (**Appendix E**).

Recommended by:

13.1.20

Paul Freeman
Team Leader
Resource Assessments



8. Determination

The recommendation is **Adopted** / Not adopted by:

13/01/2020

Matthew Spratt
Director
Resource Assessments



Appendices

Appendix A – Modification Report

<https://www.planningportal.nsw.gov.au/major-projects/project/26591>

Appendix B – EPA and Council Advice

<https://www.planningportal.nsw.gov.au/major-projects/project/26591>

Appendix C – Consolidated Consent

<https://www.planningportal.nsw.gov.au/major-projects/project/26591>

Appendix D – Notice of Modification

<https://www.planningportal.nsw.gov.au/major-projects/project/26591>