Trade & Investment
Resources & Energy

OUT13/15731

Mr Clay Preshaw
A/Team Leader
Mining Projects
Department of Planning and Infrastructure
GPO Box 39
SYDNEY NSW 2001

Dear Mr Preshaw

Wallarah 2 Coal Project (SSD 4974)
Environmental Impact Statement Review

I refer to your email of 22 April 2013 regarding Wyong Areas Coal Joint Venture Group's application to develop the Wallarah 2 Coal Mine.

NSW Trade & Investment, Regional Infrastructure & Services, Division of Resources & Energy (DRE) has reviewed the *Wallarah 2 Coal Project Environmental Impact Statement* (EIS) dated April 2013 and provides the following comments which are directed at specific areas of DRE responsibility for this proposal.

MINING TITLE

As coal is a prescribed mineral under the *Mining Act 1992*, the proponent is required to hold appropriate mining titles from DRE in order to mine this mineral. DRE understands the proposed mining activities for the Wallarah 2 Coal Project are within Mining Lease Applications 342, 343, 346 and 350 previously submitted to DRE.

Under the *Mining Act 1992*, mining and rehabilitation are regulated by conditions included in the mining lease, including requirements for the submission of a Mining Operations Plan (MOP) and a Subsidence Management Plan (SMP) prior to the commencement of operations, and subsequent Annual Environmental Management Reports (AEMR).

REHABILITATION AND MINE CLOSURE

DRE notes that whilst the EIS outlines rehabilitation and final landform strategies and objectives for the project, the detail is very limited. The EIS has identified general rehabilitation objectives that may be considered satisfactory to achieve a safe, stable and non-polluting final landform. However, the EIS should provide an adequate description of the project's functional domains including rehabilitation areas and infrastructure areas. Specific performance objectives for each domain were not satisfactorily described. Decommissioning activities were outlined although only limited detail on completion criteria was provided.

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Whilst a broad foundation of rehabilitation planning has been developed in the EIS, DRE requires functional domains to be identified, incorporating specific domain objectives and closure criteria to be incorporated into the planning approval, if granted.

RECOMMENDED CONDITIONS OF APPROVAL

DRE recommends that the following conditions be incorporated into the planning approval, if granted:

Rehabilitation Plan

The Proponent must prepare and implement a Rehabilitation Plan to the satisfaction of the Director General of Department of Trade & Investment, Regional Infrastructure & Services. The Rehabilitation Plan must:

a. be prepared in accordance with DRE guidelines and in consultation with relevant agencies and stakeholders;

b. be submitted and approved by the Director General of Department of Trade & Investment, Regional Infrastructure & Services prior to the commencement of activities;

c. address all aspects of rehabilitation and mine closure, including final landuse assessment, rehabilitation objectives, domain objectives, completion criteria and rehabilitation monitoring.

The Proponent should liaise with DRE in developing the above documents for their proposed operation.

SUBSIDENCE

The EIS presents a generally clear identification of the potential subsidence issues that may arise from the proposed longwall mining.

Major subsidence risks identified in the EIS which may affect the feasibility of the proposed mine layout are:

Structures affected by flooding

Subsidence arising from the proposed mining may affect flood prone low lying areas in the Dooralong, Little Jilliby and Yarramalong Valleys as well the Hue Hue Creek catchment.

The proponent has designed the mine layout with consideration for potential subsidence impacts to low lying flood prone areas. Notwithstanding this, it is noted the EIS identifies a number of residential dwellings and public infrastructure that may potentially be adversely affected by flooding as a result of subsidence.

The proponent proposes a number of mitigation and management measures, generic in nature, for flood affected structures.

There is a need to consider flexibility in mine layout design, to respond to any unexpected impacts or difficulties in implementing the proposed mitigation and management measures.

Residential structures
In addition to flood impacts it is expected that subsidence arising from the proposed mining will affect residential structures.

The site of the proposed mining is entirely within the Hue Hue and Wyong Mine Subsidence Districts (MSD). The proponent has designed the mine layout in an attempt to limit subsidence movements in the Hue Hue MSD to within the limits ascribed to this MSD. No such design limits have been ascribed and applied to the Wyong MSD.

The EIS indicates 245 houses in the project area may be affected by the proposed mining of which it is expected that 43 will be damaged to a degree that requires repair, including a number that may be substantially damaged.

Damage to residential structures due to subsidence may also create public safety risks where there may be difficulties in implementing management measures, e.g. relocation of residents.

The proponent proposes to develop property subsidence management plans post approval to manage subsidence impacts to individual properties.

Similar to flood impacts, there is a need to consider flexibility in mine layout design, to address unexpected impacts or potential difficulties in implementing the aforementioned property subsidence management plans.

High voltage transmission lines
Two 330kV transmission lines owned by Transgrid which are an important part of the electricity supply network traverse the project site. The two lines include a number of suspension and tension towers. Of particular concern to the infrastructure owner are two high angled turn towers (21-44-T and 22-52-T). This is a major feasibility issue that should be addressed at the project approval stage.

The infrastructure owner has indicated it may not be feasible to undermine the two towers in question based on the subsidence predictions and current technology. If coal barriers are required to protect the towers due to their location a substantial volume of coal would need to be sterilised. The amount of coal sterilised by barriers necessary to protect the towers in question may significantly exceed the proponent's estimate in the EIS (refer to Fig. 5.6, p.100 of subsidence predictions). It follows that the viability of a significant proportion of the proposed mine layout may be questionable.

Notwithstanding the above, the two towers in question would not be affected in the first 20 years of mining. The proponent proposes a technical committee be

formed including the infrastructure owner and Mine Subsidence Board to investigate alternatives to sterilising coal, including new technologies.

Based on DRE experience and understanding of currently available technology there appears at this stage to be only two possible strategies to manage potential impacts on transmission lines:

- Modifying the mine layout, which could involve major changes; or
- Re-routing the transmission lines

Regardless of the final adopted strategy there is a need for adequate time for planning, design and implementation of such strategies. It is recommended that this issue to be addressed in the project approval.

Should you have any enquires regarding this matter please contact Julie Moloney, Principal Adviser, Industry Coordination on (02) 4931 6549.

Yours sincerely

Adrian Delany 21.6.13
Acting Director, Industry Coordination