



4 May 2015

Mr Howard Reed
NSW Department of Planning & Environment
GPO Box 39
SYDNEY NSW 2001

Dear Mr Reed

Re: Mandalong Southern Extension Project (SSD 5142) – Response to PAC Review Report

On 8 April 2015, the NSW Planning and Assessment Commission (Commission) released its review report on the Mandalong Southern Extension Project. The report identified that, subject to the recommendations outlined in the report, the Mandalong Southern Extension Project should be approved. As requested by the Department of Planning and Environment, a detailed response to the recommendations proposed by the Commission has been provided as **Attachment 1**.

As part of the review of the Commission's recommendations, concerns have been highlighted in relation to the draft conditions proposed by the Department of Planning and Environment in relation to Biodiversity Offsets and supported by the Commission. Centennial Mandalong has undertaken consultation with the NSW Office of Environment and Heritage (OEH) in relation to the Project's proposed Land Management Strategy in lieu of providing a direct offset for the Project. In correspondence from OEH dated 13 March 2015, OEH indicated support for the proposed Land Management Strategy subject to either grazing being excluded from the two proposed parcels of land or an additional parcel of land being included. Following additional work undertaken by Centennial Mandalong, Centennial Mandalong will commit to ongoing controlled grazing within the two Land Management Strategy parcels and incorporate an additional parcel of land (Lot 580//733227) within the Strategy comprising an additional 18.37 hectares. Correspondence regarding this commitment was provided to both OEH and the Department of Planning and Environment on 29 April 2015.

The Biobanking credit reports for the Mandalong South Surface Site, the 2 original parcels of land proposed as part of the Land Management Strategy and the additional parcel of land (Lot 580//733227) proposed to be included as part of the Land Management Strategy have been enclosed with this letter. The credit reports show that the three parcels of land proposed as part of the Land Management Strategy generate an overall surplus of ecological community, flora species and fauna species credits. As such, Centennial Mandalong proposes that the condition contained within the draft conditions of consent be amended to reflect the commitment in the EIS and agreed to by OEH to implement a Land Management Strategy.

Yours sincerely

James Wearne
Group Approvals Manager

Attached:

- Response to PAC report recommendations
- Plan detailing timeline and progression of longwall extraction

Enclosed:

- Biobank credit reports
Revised Economic Impact Assessment

Attachment 1 - Response to PAC report recommendations

- 1. That the Applicant provides a predicted timeline of longwall extraction, including a plan showing the progression of longwalls over the 25 year project life for inclusion in the consent.**

A plan detailing the indicative timeline of longwall extraction, including the progression of longwalls over the 25 year project life is provided as **Attachment 2**.

- 2. That appropriate monitoring of non-conventional subsidence effects should be included as a requirement in any consent and that the relevant Extraction Plan is required to contain appropriate measures to control the risks from non-conventional subsidence so as to ensure that the environmental performance criteria are not exceeded.**

Noted.

- 3. That advice is sought from the MSB about the likely extent of repairs required, prior to determination.**

Contact details for the relevant MSB representative for the Department of Planning and Environment to contact were provided on 15 April 2015.

- 4. That confirmation is sought from Transgrid that an appropriate level of consultation with the Applicant has occurred and that the proposed draft conditions are suitable.**

Centennial Mandalong has undertaken extensive consultation with TransGrid throughout the Project in regards to potential impacts on TransGrid owned Infrastructure. TransGrid have determined a section of the Transmission Line 24 (TL24) will be required to be relocated as a result of the Project and will be subject to a separate development application. In addition, TransGrid have identified a programme of works required to transmission line towers to mitigate the risk of impacts. Contact details for the relevant TransGrid representative for the Department of Planning and Environment to contact were provided on 15 April 2015.

- 5. That a rigorous set of performance measures is included in any consent. Rigorous in this context means able to be measured or assessed in a scientifically and legally sound manner and be capable of enforcement. These performance measures must be supported by:**

- I. a requirement that the Extraction Plan for each longwall contains revised subsidence predictions based on experience from previous mining on the site and that these revised predictions will not allow the performance criteria to be exceeded; and**
- II. a requirement that the Extraction Plan for each longwall contains:**
 - a) appropriate triggers to warn of the development of an increasing risk of exceedance of the performance criteria (e.g. the subsidence predictions themselves and/or other relevant subsidence-related measurements);**
 - b) specific action plans to respond to increased risk of exceedance that will ensure the criteria are not exceeded (e.g. cessation of mining, narrowing the longwall, altering seam height, etc.); and**
 - c) an assessment of remediation measures that may be required if exceedance does occur and the capacity to implement the measures.**

Noted.

- 6. That, prior to determination, the groundwater monitoring program is amended to incorporate the recommendations outlined in Section 6 of the report entitled Groundwater Quality response to Submissions Support (Australian Groundwater and Environmental Consultants Pty Ltd, September 2014).**

As detailed in the Statement of Commitments for the Project, Centennial Mandalong has committed to update the existing Groundwater Monitoring and Management Plan within six months following development consent. The monitoring programme will incorporate the recommendations outlined in Section 6 of the report titled Groundwater Quality response to Submissions Support (Australian Groundwater and Environmental Consultants Pty Ltd, September 2014).

- 7. That, prior to determination, the Applicant is required to undertake a detailed assessment of the impact of the proposed site discharge at LPD001 both in terms of water quality and quantity on the receiving waters of Muddy Creek as part of the current project. Alternatively, in the absence of such an assessment, any consent should be conditioned to comply with the existing EPL and should require that any additional discharge, over and above the existing approved discharge, be treated to ensure nil additional impact.**

The Mandalong Southern Extension Project does not include the discharges from LDP001 at the Cooranbong Entry Site however an assessment of impacts associated with discharges was provided in the Environmental Impact Statement and subsequent assessment documentation. A detailed assessment of the impact of discharges from LPD001, both in terms of water quality and quantity, on the receiving waters has been included in the Northern Coal Logistics Project Environmental Impact Statement and subsequent supporting documentation which is currently being assessed by the Department of Planning and Environment. These documents are available on both the Centennial Coal website and the Department of Planning and Environment website. Until Northern Coal Logistics is approved, Centennial Mandalong will continue to operate under the existing EPL.

- 8. That the haul and access road are designed in a way that does not result in adverse flooding impacts for adjoining properties.**

Noted.

- 9. That the proposed draft condition relating to the Water Management Plan expressly includes mitigation measures to address tunnel erosion.**

Noted.

- 10. That an additional condition of consent be included in Schedule 3 that requires the MSSS access road be designed such that it does not impact on any existing Biconvex Paperbark trees particularly in the location of the proposed Morans Creek crossing.**

Noted.

- 11. That alternative noise mitigation and management measures are considered for exceptional cases during construction.**

The Noise Impact Assessment has predicted the worst case noise limits for the construction period with all equipment operating at the same time (see Section 10.12.4 of the EIS). A number of measures have been proposed to be implemented to mitigate the impacts to residents during the construction phase of the Project which are detailed in Section 13 of the Noise Impact Assessment. This includes consideration, in negotiation

with potentially affected residences, the installation of temporary noise barriers in close proximity to residences to further reduce noise impacts from construction activities. Centennial Mandalong will however also commit to include in the Construction Management Plan consideration of installing double glazing, subsidising residents to relocate during noisy periods and consideration of existing medical conditions in exceptional circumstances.

Centennial Mandalong have considered all reasonable and feasible noise mitigation measures in the Noise Impact Assessment to minimise impacts to potentially affected landholders. Further consultation with potentially affected landholders will be undertaken prior to and during the construction phase of the Project as detailed in Section 13 of the Noise Impact Assessment. It should also be noted that the location of the proposed MSSS was chosen with input from neighbours who would potentially be affected by the site (noise, visual etc.). Therefore, while some noise may be experienced when constructing the access road and site preparation, the chosen site has the least impact to the community.

12. That the Applicants Economic Analysis is updated, prior to determination, to reflect the current economic climate, including a comprehensive sensitivity analysis to address a range of scenarios.

The Economic Impact Assessment of the Project has been updated to take into consideration:

- a) material submitted by The Australia Institute (TAI) in relation to Economic Impact Assessments of other recent Centennial Coal major project applications;
- b) material contained in the peer review of these submissions undertaken by the Centre for International Economics (CIE) and a subsequent meeting with representatives from CIE and the Department of Planning and Environment; and
- c) advice contained in a previous correspondence with the Department of Planning and Environment in relation to matters to be considered in resubmitting EIAs for other Centennial projects.

The revised Economic Impact Assessment has been enclosed and is considered to meet the Government's agreed methodology for the preparation of cost benefit analysis for Environmental Impact Statements.

13. That a peer review of the updated economic assessment is provided prior to determination.

As detailed above, the Economic Impact Assessment has been revised taking into consideration advice and feedback from the Centre for International Economics provided as part of the peer review undertaken of Economic Impact Assessments for other Centennial projects and the Department of Planning and Environment.

14. That the staging of the \$500,000 community fund should be reviewed and amended to reflect that the impacts on the Mandalong community that would occur early in the construction period. This may involve the provision of funds early in the project life for community infrastructure, such as the development of a formed, shared pathway adjacent to Mandalong Road within the town of Mandalong for general purpose use including horse riding, cycling and pedestrians.

Impacts on the Mandalong Community have been considered in the Environmental Impact Statement and are considered to be negligible. The Mandalong Southern Extension Project does not trigger a Voluntary Planning Agreement however Centennial Mandalong has committed to contribute to improving local amenities and services in the Mandalong and Morisset communities through contributions to a fund managed by the Lake Macquarie Foundation. The fund has already been established and is supported by the Lake Macquarie City Council.

As the Mandalong community utilises the facilities at Morisset and the mine extends from Dora Creek through to Mandalong, it is appropriate that the fund is available to both the Morisset and Mandalong communities.

As detailed in the Statement of Commitments, the Lake Macquarie Foundation will distribute the income from the fund to worthy community organisations in the Morisset and Mandalong areas after consultation with a representative from each of the Morisset and Mandalong communities. The Lake Macquarie Foundation is independent of Centennial Mandalong and Lake Macquarie City Council and Centennial Mandalong has no control over how the funds are to be distributed.

15. That consideration is given to the amenity and safety of local residents along Mandalong Road, particularly during construction. This may involve:

- I. the Applicant consulting further with local residents about potential mitigation and management measures;**
- II. providing a shared pathway adjacent to Mandalong Road for general purpose use including horse riding, cycling and pedestrians; and**
- III. ensuring scheduled deliveries and construction vehicle movements occur outside of school bus run periods.**

It was concluded in the Traffic Impact Assessment that the road network around the MSSS is of suitable standard to cater for the increase in traffic volumes likely to occur as a result of the Project and that the Project will not adversely impact on the safety or efficiency of the local road network. Centennial Mandalong will continue to consult with the local residents during the construction period and will consider construction vehicle movements when the school bus operates along Mandalong Road as part of the traffic management strategies within the Construction Management Plan.

16. That clarification is sought about the number of Aboriginal sites located within the Southern Extension Area to ensure that there are no additional impacts on items of Aboriginal heritage.

There are 150 registered Aboriginal heritage sites within the Mandalong Southern Extension Area. 13 sites have identified as likely to be impacted, 15 sites have been identified as possibly impacted with the remaining 122 sites identified as being unlikely or very unlikely to be impacted.

Attachment 2 – Indicative Timeline and Progression of Longwalls

