[S03/02777]
[Y04/1879]

INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES

Office of Sustainable Development Assessment and Approvals

For Decision

PURPOSE

To determine the Development Application (DA 35-2-2004) from Centennial Mandalong Pty Limited (the Applicant) for the construction and use of the Mandalong Coal Delivery System component of the Delta Link Project.

BACKGROUND

On 12 October 1998, following a Commission of Inquiry (COI), the Minister approved the Mandalong coal mine, adjacent to the F3 Freeway at Morisset in the Lake Macquarie local government area (LGA).

Under this consent, the Applicant is allowed to produce up to 4 million tonnes of coal a year for up to 21 years, and transport this coal to:

- the Newstan coal loader by haul road for export; or
- the Eraring Power Station by conveyor.

The applicant plans to commence longwall mining operations in January 2005. The Applicant recently secured a contract to supply the Vales Pont Power Station up to 1.8 million tonnes of coal a year for the next 17 years.

At this stage, the Applicant is not specifically allowed to transfer coal to the Vales Point Power Station. However, it could do this by circuitously hauling coal to the Newstan coal loader, "exporting" this coal to the Wyee coal unloader, and then transporting this coal to the Vales Point Power Station by conveyor. However, this would be extremely inefficient.

Consequently, the Applicant is seeking approval for an underground coal delivery system that would allow it to transport the coal directly from the Mandalong coal mine to the Wyee coal unloader and then on to the Vales Point Power Station.

This system is called the Delta Link Project.

PROPOSED DEVELOPMENT

The Delta Link Project has two distinct components (see attached Figures 1, 2 & 3):

- the construction and use of the Mandalong coal delivery system, which would link the Mandalong coal mine to the Wyee coal unloader by an underground tunnel; and
- the upgrade of the Wyee coal unloader to enable it to receive, stockpile, and size coal from the Mandalong coal mine before transporting it to the Vales Point Power Station by conveyor.

Centennial Coal decided to seek separate approval for each component. Subsequently, it has lodged a development application (DA) with the Department, seeking approval for the construction and use of the Mandalong coal delivery system, and a section 96(2) application with Lake Macquarie City Council for the upgrade of the Wyee Coal unloader (see Figure 2).

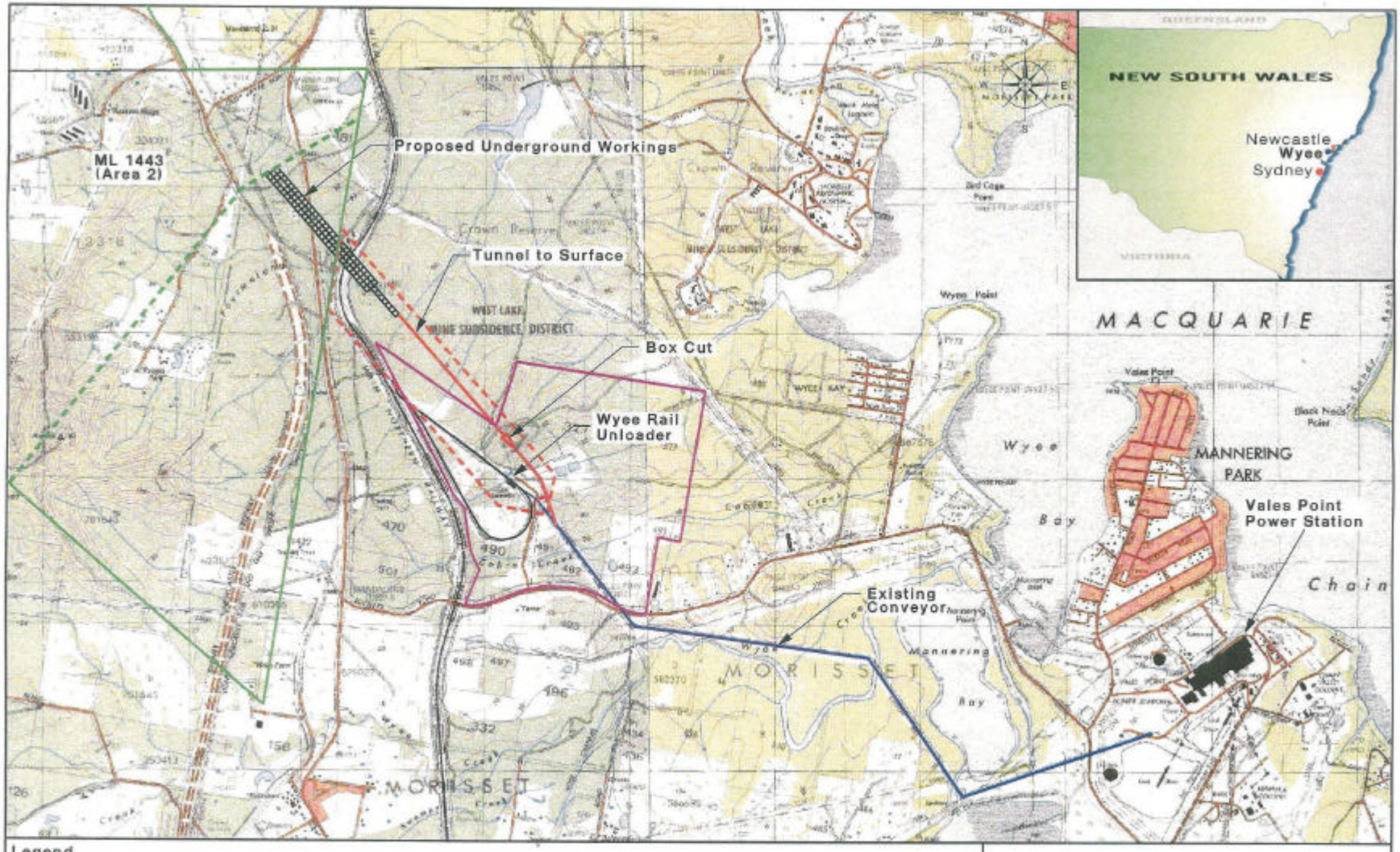
The Mandalong coal delivery system which has a capital value of $15 million, and is expected to employ 40 construction workers involves:

- establishing a box cut/portal at the Wyee coal unloader site (100 metres long, and 50-100 metres wide);
- constructing a tunnel (around 1,135 metres long) from the box cut/portal to the Mandalong coal mine;
- installing a coal conveyor; and
- using the conveyor to transport up to 4 million tonnes of coal each year from the Mandalong coal mine to the Wyee coal unloader.

It involves minimal surface disturbance as most of the proposed development in the DA is either underground or below the topsoil.

The upgrade of the Wyee coal unloader, which was approved by Lake Macquarie City Council on 15 June 2004 subject to conditions (refer to Appendix A) involves:

- site preparation;
- using the spoil from the construction for construction purposes;
- installing a conveyor, stockpile area and size unit; and
- handling coal from the Mandalong coal mine and transferring it to the Vales Point Power Station.


ML 1443
(Area 2)
Proposed Underground Workings
Tunnel to Surface
Box Cut
Wyee Rail
Unloader
Existing
Conveyor
MACQUARIE
MANNERING
PARK
Vales Point
Power Station
MORISSET
NEW SOUTH WALES
Newcastle
Wyee
Sydney
Legend
Proposed Conveyor
Proposed Underground Workings
Existing Conveyor
Existing Consent Boundary
Mining Lease Boundary 1443
Mining Lease Application 232
0
0.5
1.0
2.0km
Umwelt (Australia) Pty Limited
Source: LPI NSW, 2000
FIGURE 1
Locality Plan
A4 Scale 1:35 000
Ref No.:R03_V1/1765_054.dgn

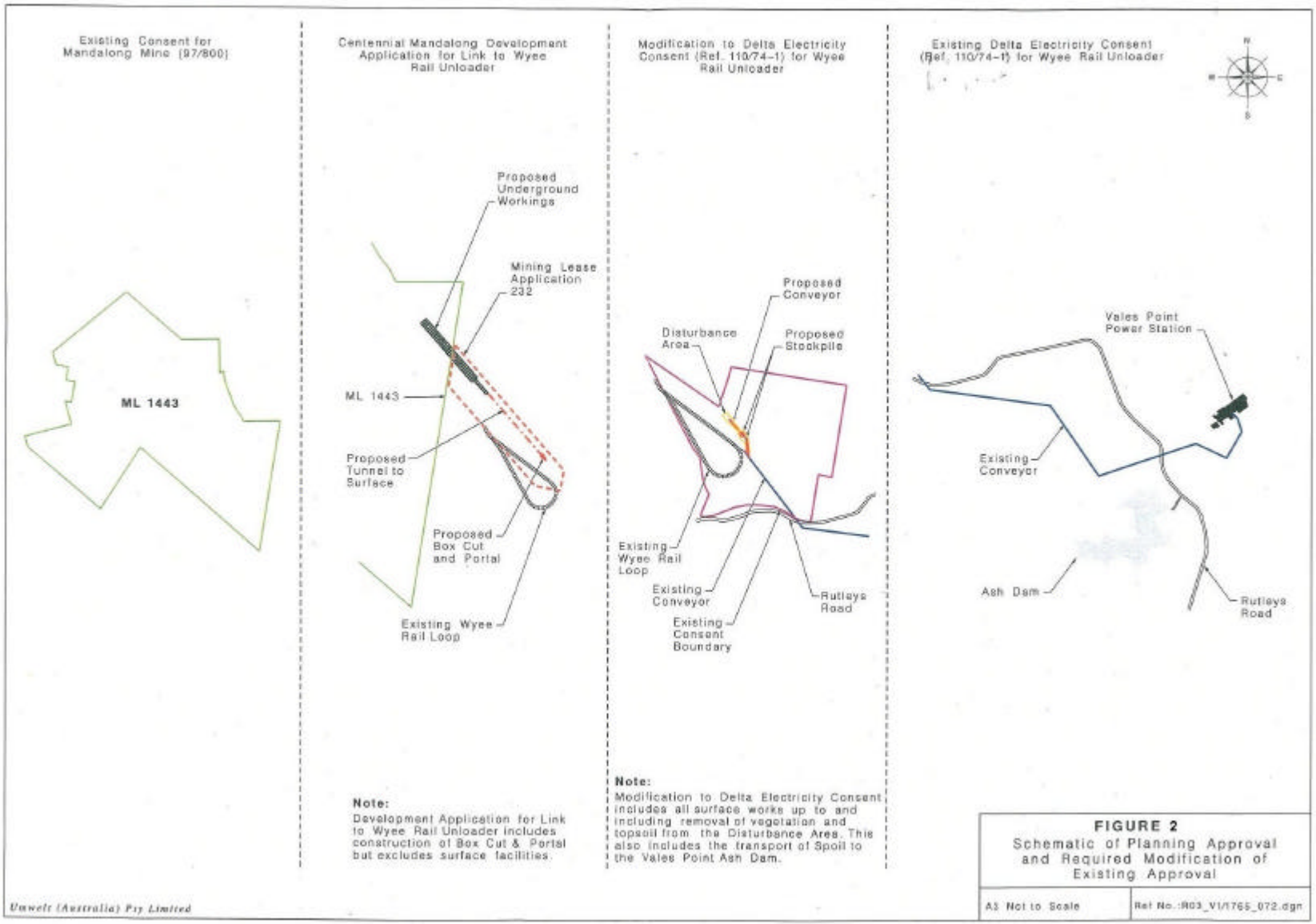

Existing Consent for Mandalong Mine (97/800)
ML 1443
Centennial Mandalong Development Application for Link to Wyee Rail Unloader
Proposed Underground Workings
Mining Lease Application 232
ML 1443
Proposed Tunnel to Surface
Proposed Box Cut and Portal
Existing Wyee Rail Loop
Note:
Development Application for Link to Wyee Rail Unloader includes construction of Box Cut & Portal but excludes surface facilities.
Modification to Delta Electricity Consent (Ref. 110/74-1) for Wyee Rail Unloader
Proposed Conveyor
Disturbance Area
Proposed Stockpile
Existing Wyee Rail Loop
Existing Conveyor
Existing Consent Boundary
Rutleys Road
Note:
Modification to Delta Electricity Consent includes all surface works up to and including removal of vegetation and topsoil from the Disturbance Area. This also includes the transport of Spoil to the Vales Point Ash Dam.
Existing Delta Electricity Consent (Ref. 110/74-1) for Wyee Rail Unloader
Vales Point Power Station
Existing Conveyor
Ash Dam
Rutleys Road
FIGURE 2
Schematic of Planning Approval and Required Modification of Existing Approval
A3 Not to Scale
Ref No.:R03_V1/1765_072.dgn
Umwelt (Australia) Pty Limited

FIGURE 3
Proposed Modifications to Wyee Rail Unloader

A4 Scale 1:4000 | Ref No.:R03_V1/1765_057.dgn

STATUTORY CONTEXT

The Mandalong coal delivery system is classified as State significant, integrated and non-designated development.

Permissibility

The proposed development is permissible, with consent, under clause 22 of the Special Provisions (Part III) of the *Lake Macquarie Local Environmental Plan 1984*. The proposal is also permissible under the Savings and Transitional provisions of the current *Lake Macquarie Local Environmental Plan 2004.*

State Significant Development

The proposal is classified as State significant development under section 76A(7) of the *Environmental Planning & Assessment Act 1979* (*EP&A Act*), because it involves coal mining-related development associated with a development approval previously given by the Minister on, or from, 4 June 1987.

Integrated Development

The proposal in classified as integrated development under section 91 of the *EP&A Act*, because it requires additional approvals under the:

- *Protection of the Environment Operations Act 1997; and*
- *Water Act1912.*

Non-designated Development

The proposal is classified as designated development under section 77A of the *EP&A Act* and Schedule 3 of the *Environmental Planning & Assessment Regulation (EP&A Regulation)* because it is a "*coal work"* that would handle more than 5,000 tonnes of coal a day.

However, under clause 35 of Part 2 of Schedule 3 of the *EP&A Regulation "…development involving alterations or additions to development (whether existing or approved) is not designated, if, in the opinion of the consent authority, the alterations or additions do not significantly increase the environmental impacts of the total development (that is, the development together with the alterations or additions) compared with the existing or approved development."*

The Applicant submitted a detailed submission to the Department, which argued that the proposal is an addition to the Mandalong coal mine that would not significantly increase the environmental impacts of the total development. The Department assessed this submission, and is satisfied that the proposal constitutes an addition to the Mandalong coal mine, that would have minimal environmental impacts, and would therefore not significantly increase the environmental impacts of the approved Mandalong coal mine. The Department's subsequent consideration of the DA supports this conclusion.

Consequently, the Department is satisfied that the proposal for the purposes of the EP&A Act does not constitute designated development.

Environmental Planning Instruments

The following environmental planning instruments and policies are relevant to the proposal:

- *State Environmental Planning Policy No. 11 – Traffic Generating Developments;*
- *State Environmental Planning Policy No. 33 – Hazardous and Offensive Development;*
- *State Environmental Planning Policy No. 44 – Koala Habitat;*
- *Hunter Regional Environmental Plan 1989;*
- *Hunter Regional Environmental Plan 1989 (Heritage);*
- *Lake Macquarie Local Environmental Plan 1984; and*
- *Lake Macquarie Local Environmental Plan 2004.*

The Department is satisfied that the proposal is consistent with, and satisfies the relevant requirements of the applicable environmental planning instruments.

CONSULTATION

The Department exhibited the DA and SEE from 27 February 2004 to 1 April 2004. During the exhibition period, the Department received 6 submissions on the proposal: 5 from Government agencies (NSW Agriculture, Department of Mineral Resources, Wyong Council, Roads and Traffic Authority and the Department of Environment and Conservation) and one from the community.

One submission supported the proposal, whereas three other submissions noted that there were no concerns about the potential impacts of the proposal. However, one submission raised concerns regarding potential impacts of the proposal on the F3 Freeway.

The RTA requested further information in respect of potential blasting impacts on the F3 Freeway, as the proposed access tunnel would pass under the Freeway. Clarification of the predicted level of ground vibration in the vicinity of the F3 Freeway was provided to the RTA by the Applicant.

ASSESSMENT

The Department has undertaken a comprehensive assessment of the proposal. Key issues are as follows:

Erosion and Sediment Control

The construction of the box cut/portal could cause erosion and result in the discharge of sediments from the site. To prevent these potential impacts, the Applicant is proposing to implement a range of erosion and sediment controls, in accordance with the Department of Housing's "*Managing Urban Stormwater: Soils and construction Manual".*

The Department is generally satisfied that these controls would be adequate, but recommends that the Applicant be required to prepare, and implement, a detailed Erosion and Sediment Control Plan for the development before it starts any of the proposed construction works.

Groundwater

Douglas Partners has conducted a geotechnical assessment of the proposal (see Appendix 3 of the SEE). This assessment concludes that the construction of the tunnel is likely to induce groundwater seepage from the rock fractures along the tunnel, however, these seepages are expected to be small, and will ebb after the tunnel has been constructed.

The Department accepts this assessment, but recommends that the Applicant should be required to monitor the potential groundwater impacts of the proposal.

Noise

The construction of the box cut and underground tunnel has the potential to generate adverse noise. Richard Heggie Associates on behalf of the Applicant conducted a noise and blasting impact assessment of the proposal (see Appendix 4 of the SEE). The assessment determined that the construction noise levels are predicted to meet relevant requirements for a construction period of greater than 26 weeks at all residential receiver locations.

Noise generated by the night-time removal of spoil was also modelled. This resulted in the Applicant recommending that equipment with a sound power level of less than 107 dB(A) L_{Aeq} be used to ensure that noise levels no greater than 30dBA are experienced at the nearest residences. The Applicant also proposes to use an acoustic absorbent for partial lining of the portal opening resulting in a reduction in the noise generated from the portal.

Subsequently, the Applicant's assessment concluded that night-time spoil removal from the drift portal may occur provided correct equipment is used and management guidelines are set and adhered to.

The Department is satisfied that through proper management the Applicant can ensure noise levels will not adversely affect residential receivers. The Department has recommended a consent condition which sets impact assessment criteria for construction noise levels from the proposal.

Blasting

The Applicant considers that noise and vibration levels resulting from the blasting of the box cut and tunnel will met relevant standards beyond a 1000 metre radius provided the maximum instantaneous charge of the blasts are limited to 65 kg. There are no sensitive receptors within the 1,000 metre radius. The Department of Environment and Conservation has provided its General Terms of Approval for the proposal which include blasting criteria. These have been incorporated into the consent conditions.

The RTA indicated that a ground vibration limit of less than 10 mm/sec peak particle vibration (ppv) is required to protect the F3 Freeway infrastructure. The maximum predicted ppv during blasts undertaken during the construction of the tunnel is 3.95 mm/sec. This is well within the RTA criteria and no damage to the F3 Freeway is predicted.

Notwithstanding, the Department has set a vibration limit on the blasting activities to ensure that vibration from blasting activities does not damage the F3 Freeway.

The Department considers that the inclusion of noise and blasting impact assessment criteria in the recommended consent conditions will ensure appropriate management of noise and blasting issues.

Transport Impacts

Construction traffic will utilise the existing sealed roads to access the site. Due to the remoteness of the site to other activities, construction traffic will not adversely impact on surrounding areas.

Once operational, there are likely to be less than 5 additional return vehicle trips on Rutleys Road per day. Consequently, there will be no significant impact on traffic flows or the amenity of the local road network.

Other Impacts

The Department is satisfied that all other residual impacts associated with the proposal can either be mitigated or managed.

SECTION 79C CONSIDERATIONS

Section 79C of the *EP&A Act* sets out the matters that a consent authority must take into consideration when it determines a DA.

The Department has assessed the proposal against these matters, and is satisfied that:

- The proposal is generally consistent with the provisions of the relevant planning instruments;
- The potential impacts of the proposal can either be mitigated or managed; and
- The proposal is generally in the public interest.

CONCLUSION

The Department has assessed the DA and SEE and is satisfied that the proposal should be approved. The proposal is consistent with the State Government's policy of utilising non-public road methods for the transportation of coal, provides an efficient mode of coal transport between the Mandalong Mine and the Wyee Coal Loader, and will have minimal environmental impact. Residual impacts can be effectively managed through the recommended Conditions of Consent for the proposal which will:

- prevent, minimise and/or offset adverse environmental impacts;
- set standards and performance measures to monitor environmental performance;
- require regular monitoring and reporting; and
- provide for the ongoing environmental management of the development.

The Department has consulted with the Applicant in relation to the draft recommended conditions of consent which has no objection.

RECOMMENDATION:

It is therefore RECOMMENDED that the Minister:

1. Approve DA No. 35-2-2004, subject to the recommended conditions attached and tagged A; and
2. Sign the attached instrument of consent (tagged A).

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Sam Haddad
Deputy Director-General

Hon Diane Beamer MP
Minister Assisting the
Minister for Infrastructure and Planning
(Planning Administration)