

Mandalong Coal Delivery System Modification 1 - Extension of Life (DA 35-2-2004 MOD 1)

Environmental Assessment Report Section 75W of the *Environmental Planning and Assessment Act 1979*

1. BACKGROUND

Centennial Mandalong Pty Limited (Centennial) owns and operates the Mandalong Coal Delivery System (MCDS), located near Morisset, approximately 35 kilometres (km) southwest of Newcastle, in the Lake Macquarie local government area (see **Figure 1**).

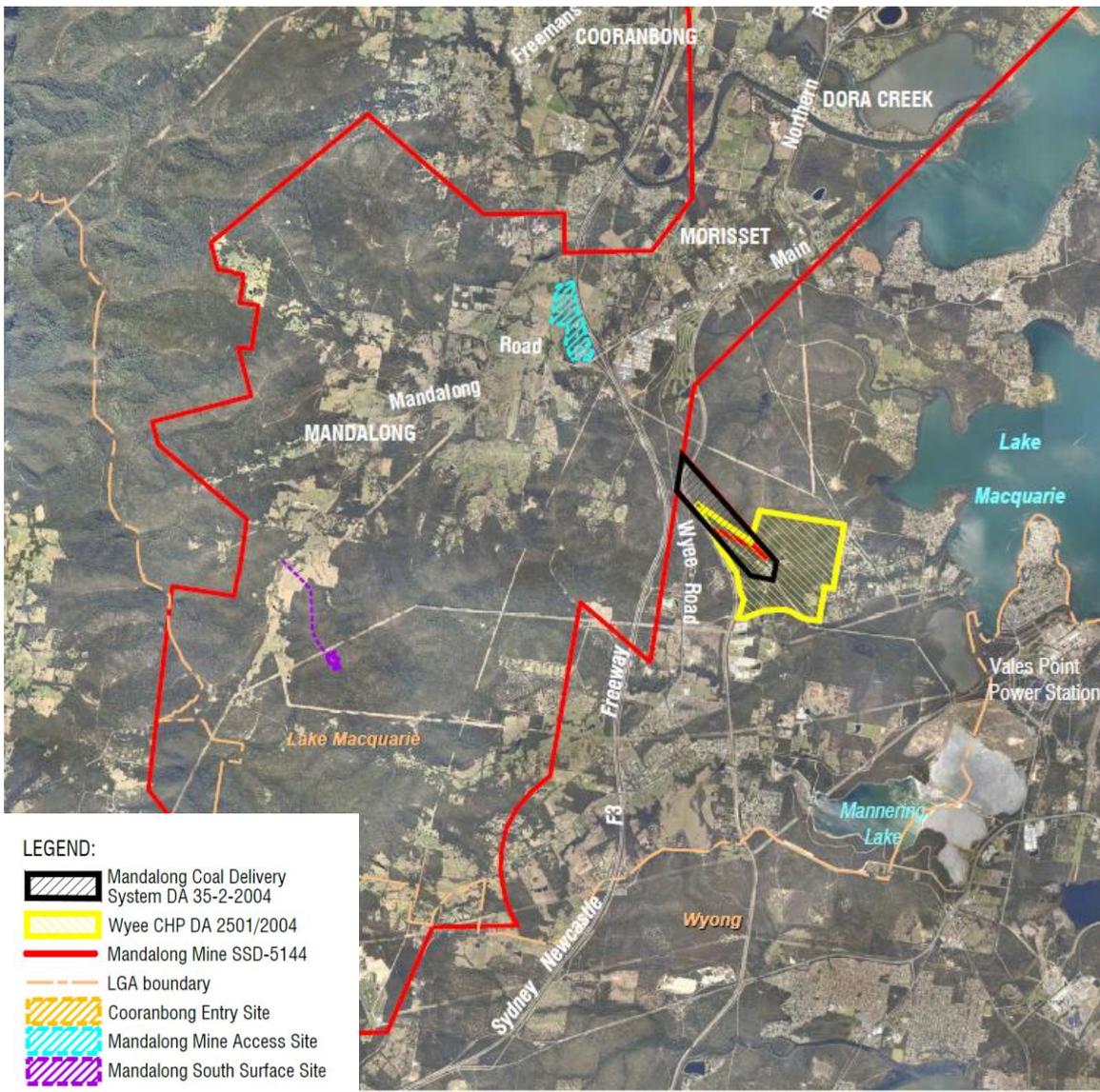


Figure 1 - Location of the Mandalong Coal Delivery System

The MCDS is one of two components of the Delta Link Project. The MCDS was approved in June 2004 under a Ministerial development consent (DA 35-2-2004) which allows for the delivery of up to 4 million tonnes per annum (Mtpa) of coal from the Mandalong Mine to the Delta Entry Site. The MCDS includes a:

- 1.8 km underground tunnel and coal conveyor from the Mandalong Mine to the Delta Entry Site; and
- box cut and portal at the Delta Entry Site.

The other component of the Delta Link Project is the Wye Coal Handling Plant (CHP) (DA 2501/2004) which was approved in June 2004 by Lake Macquarie Council. This consent allows for the construction and operation of the CHP and an associated loading facility at the Delta Entry Site, which is used to transfer coal to the Vales Point Power Station via the Wye overland conveyor. The Wye overland conveyor is regulated by a separate development consent, granted by Lake Macquarie Council in 1979.

The Delta Link Project was established to efficiently deliver coal from the Mandalong Mine to the Vales Point Power Station, without using public roads. Consequently, the two projects are interconnected. The Mandalong Mine was originally approved in 1998 under development consent DA 97/800. In October 2015, consent was granted for the Mandalong Southern Extension Project (MSEP) under SSD 5144. The MSEP involves the continuation and extension of existing mining operations.

2. PROPOSED MODIFICATION

The MCDS is approved to operate until 2021, in accordance with condition 5 of Schedule 2 of DA 35-2-2004. However, mining operations are approved at Mandalong Mine until 31 December 2040, under SSD 5144.

On 22 September 2017, Centennial lodged a modification application for the MCDS under section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act). This is the first modification for DA 35-2-2004. The modification seeks to extend the life of the MCDS consent to be consistent with the MSEP (31 December 2040). This would allow for the continuation of coal delivery from the Mandalong Mine to the Wye CHP and subsequently to the Vales Point Power Station.

No changes are proposed to the MCDS's rate of coal delivery or its infrastructure. A detailed description of the modification is provided in Centennial's Environmental Assessment (EA, see **Appendix A**). The layout of the Delta Link Project is depicted in **Figure 2**.

The development consents for the Wye CHP and Wye overland conveyor do not contain any restrictions on the life of their respective consents. Consequently, Centennial has not sought to modify these consents.

3. STATUTORY CONTEXT

3.1 Section 75W

DA 35-2-2004 was granted under Part 4 of the EP&A Act. In accordance with clause 8J(8) of the *Environmental Planning & Assessment Regulation 2000* (EP&A Regulation) and the transitional arrangements under Schedule 6A of the EP&A Act, the modification must be determined under the former section 75W of the EP&A Act.

The Department is satisfied that the proposal can be characterised as a modification under section 75W and may be determined accordingly.

3.2 Approval Authority

The Minister for Planning is the approval authority for the application. However, the Director, Resource Assessments may determine the application under the Minister's delegation of 16 February 2015, as there were no public objections, Lake Macquarie City Council did not object to the proposal, and no relevant political donations have been reported by Centennial.

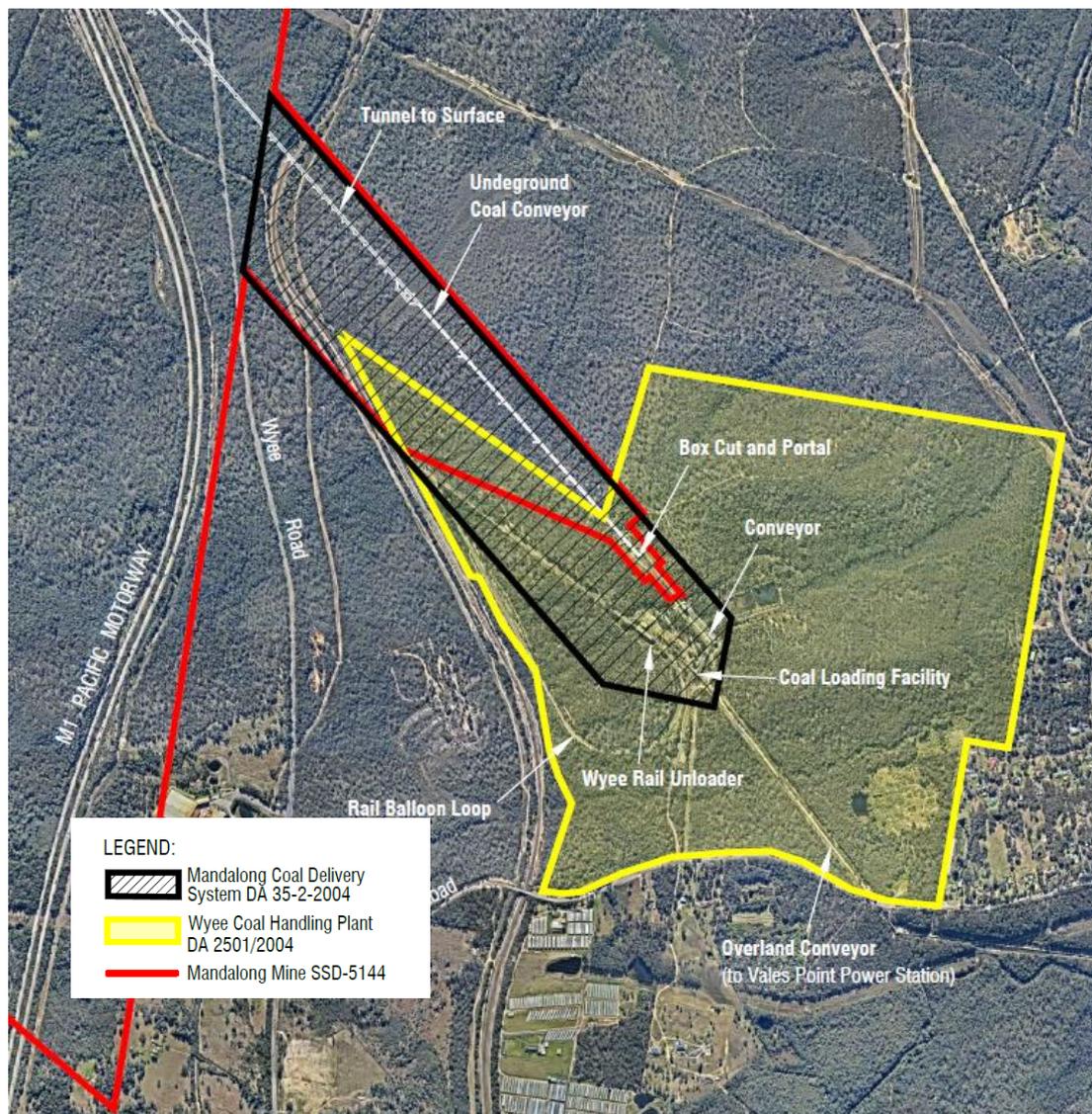


Figure 2 - Layout of the Delta Link Project

4. CONSULTATION

Due to the minor nature of the proposed modification, the Department did not undertake public exhibition. However, the modification application and the accompanying EA were made available on the Department's website. The Department is satisfied that the notification process met the requirements of the EP&A Act and the EP&A Regulation.

The Department invited **Lake Macquarie Council** (Council) and the Department's **Division of Resources and Geoscience** (DRG) to provide comment on the EA.

Council advised that due to the minor nature of the modification, they would not be providing a submission.

DRG raised no concerns regarding the proposed modification and identified that sustainable rehabilitation outcomes could be achieved as a result of the project.

No public submissions were received.

5. ASSESSMENT

The Department has assessed the merits of the proposed modification in accordance with the relevant objects and requirements of the EP&A Act. In its assessment, the Department has considered the:

- Statement of Environmental Effects for the original development application;

- conditions of consent for the development as originally approved;
- the modification application and EA; and
- relevant environmental planning instruments, policies and guidelines.

The proposed modification seeks to extend the life of the MCDS by 23 years to coincide with the consented life of the MSEP. No changes are proposed to the system's rate of coal delivery rate or infrastructure.

The existing conditions of DA 35-2-2004 require Centennial to monitor groundwater within the underground tunnel and report annually the results of this monitoring. Prior to the construction of the MCDS, Centennial prepared a groundwater management plan, which was approved by the Department in July 2004. This plan included a program to monitor groundwater inflows associated with the construction of the MCDS tunnel. Centennial has advised that monitoring of groundwater inflows from the MCDS ceased in 2006 following completion of construction. Additionally, all water inflows into the MCDS are conveyed via in-seam pumps to a Licensed Discharge Point (LDP) at the Cooranbong Entry Site which is managed under Mandalong Mine's Water Management Plan. The Department considers that any groundwater impacts associated with the MCDS that required monitoring would have occurred during construction. The ongoing drainage of groundwater from the MCDS is now effectively managed and reported on under Mandalong Mine's consent. Consequently, the condition requiring ongoing monitoring of groundwater can be deleted.

As the MCDS is interconnected with the Mandalong Mine, the Department considers that the operating lives of these development consents should be aligned. No additional environmental impacts would be experienced as a result of the proposed modification. However, the existing minor impacts would be experienced for a longer period of time.

The proposed modification would allow for the continued transportation of coal to the Vales Point Power Station, without using public roads. As no additional construction is proposed (other than routine maintenance or replacements) and a majority of the MCDS is underground and not in close proximity to sensitive receivers, the Department considers that impacts associated with the extended life of the MCDS would be negligible.

6. RECOMMENDED CONDITIONS

The Department has drafted a recommended Notice of Modification (see **Appendix C**) and a consolidated version of the consent as it is proposed to be modified (see **Appendix D**). The Department has also taken the opportunity to:

- make some minor changes to existing conditions to reflect its current drafting standards; and
- clarify the opportunities to amalgamate environmental monitoring, management and reporting with Mandalong Mine and other nearby Centennial mining projects.

The Department considers that the project can continue to be managed appropriately through the existing and amended conditions of consent.

Centennial has reviewed and accepted the recommended conditions.

7. CONCLUSION

The Department has assessed the modification application and EA in accordance with the relevant requirements of the EP&A Act. The Department has carefully considered the proposal's potential impacts on the natural and cultural environment and on nearby residents.

The Department notes that the proposed modification would allow for the ongoing use of existing infrastructure which is an efficient mode of coal transport that does not impact on public roads. The Department is satisfied that the proposed modification would not result in additional environmental impacts above those originally approved and that the MCDS could continue to be appropriately managed under existing and/or updated conditions of consent. The Department is therefore satisfied that the proposed modification is in the public interest and should be approved, subject to conditions.

8. RECOMMENDATION

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

- **consider** the findings and recommendations of this report;
- **determine** that the modification request falls within the scope of section 75W of the EP&A Act;
- **approve** the modification application DA 35-2-2004 (Mod 1), subject to conditions; and
- **sign** the attached notice of modification (**Appendix C**).

Recommended by:



16.10.17

Genevieve Seed
Senior Planning Officer
Resource Assessments

Recommended by:



16.10.17

Megan Dawson
Team Leader
Resource Assessments

9. DECISION

Approved by:



Howard Reed
Director
Resource Assessments
as delegate of the Minister for Planning

APPENDIX A: ENVIRONMENTAL ASSESSMENT

See: http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=8773

APPENDIX B: SUBMISSIONS

See: http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=8773

APPENDIX C: NOTICE OF MODIFICATION

APPENDIX D: CONSOLIDATED CONSENT
