



8 August 2017

Mr Howard Reed
Director, Resource Assessments
Department of Planning & Environment
GPO Box 39
Sydney NSW 2001

Dear Mr Reed

Development Consent DA 35-2-2004 – Mandalong Coal Delivery System Modification

Centennial Mandalong is seeking to modify condition 5 of Development Consent DA 35-2-2004 in order to increase the life of the Mandalong Coal Delivery System from 2021 to 2040.

The below information provides an overview of the proposed modification and seeks your formal advices.

Background

The Wyee Rail Unloader consent was granted to Elcom (now Delta Electricity) by the (then) Lake Macquarie Municipal Council on 25 November 1979. The Wyee Rail unloader consent provided for a:

- 3 kilometre rail balloon loop
- Rail facility capable of handling trains of 3200 tonnes and associated infrastructure and water management system and
- Overland conveyor for 6 kilometres from Wyee Rail unloader to Vales Point.

In 2004 Centennial Mandalong and Delta Electricity sought consent for the Delta Link Project, which included two separate, yet interrelating, components known as the Mandalong Coal Delivery System and Wyee Coal Handling Plant (CHP). These components are described in the *Delta Link Project – Statement of Environmental Effects* (Umwelt 2004). In summary:

1. **Mandalong Coal Delivery System** – The Mandalong Coal Delivery System was approved (DA 35-2-2004) by the (then) Minister for Planning and Infrastructure on 4 July 2004. This system facilitates the delivery, by conveyor, of up to 4 Mtpa of coal from the Mandalong Mine to the Wyee CHP located at the Delta Entry Site. In summary, it comprises:
 - A tunnel created by coal drivage in the Wallarah coal seam;
 - A tunnel from the coal drivage to the surface at the Delta Entry Site;
 - A box cut/portal at the Delta Entry Site; and
 - An underground coal conveyor.

Figure 1 shows the area covered by Development Consent DA 35-2-2004, and a copy of the consent is attached.

2. Wyee Coal Handling Plant - Development Consent, by modification to the Wyee Rail Unloader consent, was granted by Lake Macquarie City Council on 15 June 2004 to Delta Electricity for the Wyee CHP at the Delta Entry Site (DA 2501/2004). In summary, it comprises:

- Receipt of coal from Mandalong Mine via the Mandalong Coal Delivery System;
- A conveyor from the box cut/portal to the CHP;
- Stockpiling and sizing of the coal; and
- A coal loading facility to load coal on to the Delta Electricity's overland conveyor to Vales Point Power Station.

Figure 1 shows the area covered by Development Consent DA 2501/2004.

The two components of the Delta Link Project are approved to operate 24 hours a day, seven days a week.

Mining Lease 1553, held by Centennial Mandalong, covers the Delta Link Project and expires in September 2025.

The Delta Entry Site is covered by the Mandalong Mine Environment Protection Licence (EPL 365).

Proposed Modification and Rationale

Condition 5 of Development Consent DA 35-2-2004 for the Mandalong Coal Delivery System states:

This consent lapses 17 years after the date it commences.

The consent was issued in 2004 and therefore lapses in 2021. Centennial Mandalong is seeking to modify condition 5 in order to increase the life of the Mandalong Coal Delivery System to 31 December 2040. This would make the life of the Mandalong Coal Delivery System consistent with the life of Mandalong Mine (as currently approved under Development Consent SSD-5144) and, as a result, enable continuation of the transportation of coal from Mandalong Mine to the Wyee CHP and subsequently Vales Point Power Station.

There is no change proposed to the volume of coal permitted to be transported via the Mandalong Coal Delivery System (4 Mtpa), nor any other proposed changes.

Environmental Risks and Impact Assessments

The proposed modification to increase the life of the Mandalong Coal Delivery System does not pose any environmental risks/impacts over or above what was previously assessed and approved under DA 35-2-2004.

The proposal does not involve any construction works, changes to the operation of the underground conveyor or box cut/portal or changes to the volume of coal transported from Mandalong Mine. The one and only change is that it will now operate for an additional 23 years until 2040 (consistent with Mandalong Mine).

Once the coal reaches the surface at the Wyee CHP it falls under operations approved by the Wyee Rail Unloader Consent. The Wyee Rail Unloader consent poses no restriction on the life of the consent. On this basis, we do not believe that the proposal to increase the life of the Mandalong Coal Delivery System warrants any specialist/environmental impact assessments.

Approval Pathway

Centennial Mandalong seeks to modify condition 5 of Development Consent DA 35-2-2004 under section 96(1A) of the *Environmental Planning and Assessment Act* 1979 (EP&A Act). In addressing the requirements for a successful section 96(1A) modification, the proposal to increase the life of the Mandalong Coal Delivery System:

- 96(1A)(a) Does not appear to pose any environmental risks/impacts over or above what was previously assessed and approved under DA 35-2-2004; and
- 96(1A)(b) Will not change the nature or scale of the Mandalong Coal Delivery System as originally approved under DA 35-2-2004. It will be exactly the same development with an extended life.

The only secondary approval requirement will be the renewal of Mining Lease 1553 (in due course) to extend it past its 2025 expiry date.

Stakeholder Consultation

Centennial Mandalong will present the proposal to increase the life of the Mandalong Coal Delivery System at the next Mandalong Mine Community Consultative Committee (CCC) meeting, which is scheduled for October 2017. The Mandalong Mine CCC is independently chaired and comprises representatives from LMCC and the local community.

Centennial Mandalong will also consult with Delta Electricity in relation to the proposal and discuss the need to also modify Development Consent DA 2501/2004 to extend the life of the Wyee CHP.

We have not identified any other stakeholders and therefore no other consultation activities are proposed.

DP&E Advices

We hope that the information provided above adequately outlines the proposed modification and associated issues. We now seek the DP&E's formal advices in relation to the proposal and specifically in response to the following queries:

- Does the DP&E support the proposed section 96(1A) approval pathway?
- Given that the proposal does not pose any environmental risks/impacts over or above what was previously assessed and approved under DA 35-2-2004, does the DP&E agree that the proposal does not warrant any specialist/environmental impact assessments?
- Given the relatively benign nature of the proposed modification, including that it does not pose any environmental risks/impacts, we query whether a full Statement of Environmental Effects (SEE) is needed to accompany the application to the DP&E or whether an extended version of this letter would suffice?

If you require any additional information or have any queries please do not hesitate to contact me on 0407 207 530 or email james.wearne@centennialcoal.com.au.

Yours sincerely



James Wearne
Group Approvals Manager
Centennial Coal

Attached:

- Figure 1 – Development Consent Boundaries
- Development Consent DA 35-2-2004