



28 August 2019

Mr. Stephen O'Donoghue
Director Resource & Energy Assessments
Department of Planning Industry and Environment
GPO Box 39
SYDNEY NSW 2001

Dear Mr O'Donoghue

RE: Clarence Colliery MOD 5 Response to Submissions

Set out below is Centennial Clarence's Response to Submissions (RTS) following public exhibition of the DA504_00 Mod 5 Statement of Environmental Effects (SEE). A formal response to matters raised has been requested by the Department of Planning, Industry and Environment (DPIE) in correspondence dated 29 July 2019.

Centennial Clarence lodged an application and supporting SEE to modify DA 504_00 Mod 5 pursuant to Section 4.55(2) of the NSW *Environmental Planning and Assessment Act 1979*. The application is seeking approval to increase personnel by 100 full time equivalent employees, which will include mine workers, coal handling and preparation staff, professional support staff, apprentices and contractors.

The public exhibition of the application and supporting SEE ended on 24 July 2019. DPIE received four submissions from state government agencies, one from local government and one public submission. **Attachment 1** summarises each submission (Section 1) and responds to matters raised (Section 2).

Should DPIE have any queries regarding this RTS letter report, I can be contacted on my mobile 0407 207 530 or via email at james.wearne@centennialcoal.com.au.

Yours sincerely

James Wearne
Group Approvals Manager

Attached:

- Attachment 1: Summary and Response to Submissions

Attachment 1: Summary and Response to Submissions

1. Submissions Summary

1.1. Summary of Government Agency and Local Government Submissions

Raised By	Summary of Issue
Division of Resources and Geoscience	The Division supports the modification as the productive operation and recovery of resource of the Clarence Colliery is a key component of supporting coal supply to the Mount Piper Power Station.
Environment Protection Authority	The NSW Effluent Irrigation Guidelines (DEC 2004) state that "as a general guide, for low strength effluents, uncontrolled releases may be permitted in 50 percent of years". It is unclear why the objective of restricting overflows to an average of once per year is being referred to as it is inconsistent with DEC (2004).
	It is recommended that a condition of consent requires that wet weather overflows are restricted to once every two years on average (as a minimum requirement) and that managed overflows will not occur once every year. This is subject to a discharge impact assessment that further considers potential risks to the Wollangambe River catchment.
	The location of the overflow point is not clearly assessed e.g. whether the overflow from the wet weather storage discharge is to the Wollangambe River catchment.
	If the discharge is to the high conservation value Wollangambe River catchment then additional impact assessment and mitigation would be appropriate e.g. a greater requirement than a standard 1 in 2 year on average overflow frequency from the wet weather storages.
	It is recommended that as a condition of approval that a discharge impact assessment is conducted to consider and implement all practical measures to achieve greater protection of the Wollangambe River catchment based on an aim of no change in water quality in the waters of the protected area.
	It is recommended that, as a condition of approval, that a representative monitoring program is developed and implemented to consider any potential increased risk of discharges from Dam 2 due to irrigating of effluent in REA catchments.
	Based on results of the representative monitoring program, where necessary, all practical measures should be considered and implemented to address any water pollution risk and to determine any ongoing monitoring requirements or other licence conditions.
	It is recommended that irrigation occurs on vegetation in the REAs to stabilise soil and surfaces so that water and nutrients are sustainably used.
	The current disposal area appears to be relatively small (0.4 ha) compared to the

Raised By	Summary of Issue
	<p>area that may have been needed for sustainable effluent irrigation under the existing operation. It is recommended that appropriate ongoing monitoring at this 0.4 ha site is conducted to manage the long- term sustainability for continued irrigation and to determine any mitigation options for any over-loading from previous irrigation.</p> <p>No effluent is to be disposed of in the Wollangambe River Catchment.</p>
Lithgow City Council	<p>Council considers the Environmental Assessment adequately highlights the relevant issues, and has no objection to the project subject to Council's original conditions remaining on the consent.</p> <p>Council may like the opportunity to enter into a Voluntary Planning Agreement per employee to go towards community facilities and services. Council has a Section 94A Contributions plan which imposes a 1% Contribution on all development over \$200,000. As there is no valuation costs associated with the development, a Voluntary Planning Agreement should be considered.</p>
Resource Regulator	<p>Clarence Colliery MOD5 has been classified as Integrated Development pursuant to the Environmental Planning and Assessment Act 1979 (EP&A Act) and therefore requires both development consent under the EP&A Act as well as the granting of a Mining Lease under the Mining Act 1992.</p> <p>The Resources Regulator advises that there are no matters for consideration in relation to the Clarence Colliery MOD5 that appear to affect rehabilitation of the project site.</p>
Roads and Maritime Services	Roads and Maritime does not object to the proposal, however reserves the right to review actual traffic generation resulting from the modification in the future and a subsequent development application may be required if the land use deviates significantly from that approved under this proposal.
WaterNSW	<p>WaterNSW notes that the proposed work for this modification is conducted outside Sydney Drinking Water Catchment. Therefore, WaterNSW do not have any further comments.</p> <p>It is requested that WaterNSW remain as a stakeholder for the proposal and any updates to relevant plans. WaterNSW would appreciate having further opportunity to comment on the project as the assessment progresses.</p>

1.2. Summary of Public Submissions

Raised By	Summary of Issue
*NAME WITHHELD	Traffic flow along Chifley Road to and from Clarence Colliery - This is already a dangerous route due to the extended traffic flow of heavy vehicles as other transport. The road is in need of major upgrades to cope with current usage without the deemed increase in traffic usage.

Raised By	Summary of Issue
	Potential increase in collisions with wild animals due to increase in traffic flow.
	With the increase of workforce comes the increase in coal extraction. This will cause environmental damage to the surrounding National Park and Residential area.
	Police patrols are already not adequate for the traffic currently using Chifley Road. It is unsafe to travel in the area with the number of drivers flaunting the law, I have personally avoided a number of collisions because of unsafe drivers, many have been current traffic entering and departing Clarence Colliery.
	Potential decrease in value and the appeal of living in the Clarence area due to the increase in activities of Clarence Colliery.

2. Response to Submissions

2.1. Government Agency and Local Government Submissions

2.1.1. Division of Resources and Geoscience

Submission matter: The Division supports the modification as the productive operation and recovery of resource of the Clarence Colliery is a key component of supporting coal supply to the Mount Piper Power Station.

Response: Noted

2.1.2. Environment Protection Authority

Submission matter: The NSW Effluent Irrigation Guidelines (DEC 2004) state that "as a general guide, for low strength effluents, uncontrolled releases may be permitted in 50 percent of years". It is unclear why the objective of restricting overflows to an average of once per year is being referred to as it is inconsistent with DEC (2004).

Response: Overflows from the Sewerage Maturation Pond are directed to the Polishing Lagoon. Water from the Polishing Lagoon is ultimately treated through the Clarence Colliery water treatment plant prior to discharge off-site via Licenced Discharge Point LDP002 in accordance with the sites Environment Protection Licence. The NSW Effluent Irrigation Guidelines (DEC 2004) relates to effluent discharges off-site to the environment. Because no discharges from the Clarence Colliery Sewerage Maturation Pond are directed off-site, the assessment criteria (being an average discharge of once per year) was considered suitable based on operational risks to the Clarence Colliery water management system.

Submission matter: It is recommended that a condition of consent requires that wet weather overflows are restricted to once every two years on average (as a minimum requirement) and that managed overflows will not occur once every year. This is subject to a discharge impact assessment that further considers potential risks to the Wollangambe River catchment.

Response: The irrigation requirement was modelled using a dynamic water balance. This assessed that in 50 percent of years considered, the minimum effluent storage requirement was 1,360 kL (1.36 ML). Wet weather overflows were assessed as being one event each year as the overflow is directed into the surface water management system that is recirculated and ultimately directed through the Water Treatment Plant. The sewerage treatment system overflows are directed towards the Polishing Lagoon. Water from the Polishing Lagoon is then either transferred to Leachate Dam 1 or to the Water Treatment Plant.

Submission matter: The location of the overflow point is not clearly assessed e.g. whether the overflow from the wet weather storage discharge is to the Wollangambe River catchment.

Response: The effluent irrigation area is within the Wollangambe River catchment. It is however also located within the sites water management system which has surface water structures (open channels and pit and pipe infrastructure) that manages surface water runoff to a number of points for further management. This was stated in Section 2.2 of the Clarence Colliery - Effluent Irrigation Area Assessment provided as Appendix B to the Statement of Environmental Effects.

Submission matter: If the discharge is to the high conservation value Wollangambe River catchment then additional impact assessment and mitigation would be appropriate e.g. a greater requirement than a standard 1 in 2 year on average overflow frequency from the wet weather storages.

Response: Overflows from the Sewerage Maturation Pond are directed to the Polishing Lagoon. Water from the Polishing Lagoon is ultimately treated through the Clarence Colliery water treatment plant prior to discharge off-site via Licenced Discharge Point LDP002 in accordance with the sites Environment Protection Licence.

Irrigation requirements will be managed to maintain a discharge frequency of no more than 1 event each year on average (or a 99% annual exceedance probability). As the discharges from the sewerage maturation pond are within the existing site water management system, and are not off-site, this assessed criterion is considered suitable.

The recent Clarence Colliery - Effluent Irrigation Area Assessment, provided as Appendix B to the Statement of Environmental Effects, identified that up to 7 ha of irrigation area would be required for sustainable irrigation to support the increase in workforce numbers. This 7 ha is within the previously assessed and approved irrigation area footprint of 12 hectares. As such, the site has sufficient irrigation area capacity to ensure sustainability of irrigation activities and maintain levels within the sewerage maturation pond to ensure sufficient capacity for rainfall events to minimise overflows.

Clarence Colliery has an existing Effluent Reuse, Operational Environmental Management Plan. This management plan will be reviewed and updated should the proposed modification be approved to detail the proposed effluent management system and operation requirements to manage risks.

Submission mater: It is recommended that as a condition of approval that a discharge impact assessment is conducted to consider and implement all practical measures to achieve greater protection of the Wollangambe River catchment based on an aim of no change in water quality in the waters of the protected area.

Response: In terms of undertaking a discharge assessment, it is not determined necessary as any water that overflows from the sewage treatment system, ultimately report to the Licenced Discharge Point (LDP) 002. LDP002 has concentration limits for total nitrogen and phosphorus which are comparable to ANZECC (2000) default trigger values for NSW upland rivers.

Overflows from the sewerage maturation pond are directed to the Polishing Lagoon which ultimately reports to the water treatment plant prior to discharge via Licenced Discharge Point LDP002.

Any runoff from the irrigation areas are managed by the leachate dams and surface water storages prior to being transferred underground for storage and subsequently discharged via LDP002 following treatment in the water treatment plant prior to being discharged via LDP002. Discharges are managed in accordance with the sites Environment Protection Licence which has concentration limits for total nitrogen and phosphorus. These limits are comparable to ANZECC (2000) default trigger values for NSW upland rivers.

As a result of how the effluent management system is managed on site, no additional discharge impact assessment is considered necessary.

Submission mater: It is recommended that, as a condition of approval, that a representative monitoring program is developed and implemented to consider any potential increased risk of discharges from Dam 2 due to irrigating of effluent in REA catchments.

Response: Monitoring of the Leachate Dams 1, 2 and 3 is undertaken as part of site water management. Irrigation of catchments contributing to these dams will not be undertaken in a manner that will result in a compromised storage capacity. These dams are all maintained as dry, with continuous gravity drainage systems directing water underground into the mine for storage and treatment. Monitoring of these leachate dams will continue. Clarence Colliery has an existing Effluent Reuse, Operational Environmental Management Plan. This management plan will be reviewed and updated should the proposed modification be approved in order to detail the proposed effluent

management system and operation requirements to manage risks. The monitoring of leachate dams will be incorporated into the Effluent Reuse, Operational Environmental Management Plan that will be revised following determination.

Submission mater: Based on results of the representative monitoring program, where necessary, all practical measures should be considered and implemented to address any water pollution risk and to determine any ongoing monitoring requirements or other licence conditions.

Response: Clarence Colliery has an existing Effluent Reuse, Operational Environmental Management Plan. This management plan will be reviewed and updated should the proposed modification be approved to detail the proposed effluent management system and operational requirements to manage risks. The monitoring of leachate dams will be incorporated into the Effluent Reuse, Operational Environmental Management Plan that will be revised following determination.

Submission mater: It is recommended that irrigation occurs on vegetation in the REAs to stabilise soil and surfaces so that water and nutrients are sustainably used.

Response: Irrigation on REA areas will be done so to promote vegetation growth. Irrigation will not be undertaken in a manner that will promote erosion, or runoff from catchments.

Submission mater: The current disposal area appears to be relatively small (0.4 ha) compared to the area that may have been needed for sustainable effluent irrigation under the existing operation. It is recommended that appropriate ongoing monitoring at this 0.4 ha site is conducted to manage the long- term sustainability for continued irrigation and to determine any mitigation options for any over-loading from previous irrigation.

Response: Monitoring of the current irrigation area is currently undertaken annually. Monitoring of the current irrigation area will continue to be undertaken annually. Monitoring is undertaken to assess the sustainability of the irrigation area with a focus on the sodium absorption ratio and other nutrients

Submission mater: No effluent is to be disposed of in the Wollangambe River Catchment.

Response: As detailed above, no effluent is disposed offsite. All effluent is managed within the existing on site water management system.

2.1.3. Lithgow City Council

Submission matter: Council considers the Environmental Assessment adequately highlights the relevant issues, and has no objection to the project subject to Council's original conditions remaining on the consent.

Response: Noted

Submission matter: Council may like the opportunity to enter into a Voluntary Planning Agreement per employee to go towards community facilities and services. Council has a Section 94A Contributions plan which imposes a 1% Contribution on all development over \$200,000. As there is no valuation costs associated with the development, a Voluntary Planning Agreement should be considered.

Response: The modification to increase employees may not actually reflect the total number of employees at the site. The modification allows flexibility to increase employment if and when needed to meet operational demands.

It is Centennial's position that increased employment makes a positive social and economic contribution to the Lithgow Local Government Area (LGA). At present, 81% of Clarence employees reside in the Lithgow LGA. Consistent with the current profile, there is some expectation that a significant proportion of any new employees will either be currently a resident in, or may relocate to the Lithgow LGA. The principal economic effect resulting from an increase in employment is the impact that additional employee salaries will have on businesses in Lithgow in particular, and to a lesser extent in neighbouring regions. Research undertaken by the Aigis Group, on behalf of Centennial indicates that:

- the additional employment generated by the proposed modification may inject between \$3.2 million and \$4.4 million into the local and regional economies annually over its duration.
- a resident workforce is also more likely to invest in residential and/or investment property in the LGA and its surrounds;
- the workforce actively participates in social, sporting and cultural activities within the LGA (such as schools, sports, charities, volunteer emergency services and various others).

Furthermore, the addition of 100 FTE jobs to the regional workforce may have a number of other social effects. For example, the increase in population can be expected to result in an increase in demand for services. A series of assessments of effects on public infrastructure relating to successive Centennial consent matters for regional operations over recent years (e.g. traffic impact assessments) have indicated significant unused capacity. Consequently, increases in use of public infrastructure resulting from the increase in employment and population of such limited scale are likely to be met by existing capacity.

With the above in mind, Centennial's position is that the additional 100 FTE positions will be an overall positive contribution to Lithgow's economy and as such there is no basis or nexus to justify a Voluntary Planning Agreement.

Submission matter: A supplementary submission from Council may be required upon a report being presented at the next Council meeting on 22 July 2019.

Response: Noted

2.1.4 Resource Regulator

Submission matter: Clarence Colliery MOD5 has been classified as Integrated Development pursuant to the Environmental Planning and Assessment Act 1979 (EP&A Act) and therefore requires both development consent under the EP&A Act as well as the granting of a Mining Lease under the Mining Act 1992.

Response: Clarence Colliery operates pursuant to various mining leases granted under the Mining Act 1992.

Submission matter: The Resources Regulator advises that there are no matters for consideration in relation to the Clarence Colliery MOD5 that appear to affect rehabilitation of the project site.

Response: Noted

2.1.5 Roads and Maritime Services

Submission Matter: Roads and Maritime does not object to the proposal, however reserves the right to review actual traffic generation resulting from the modification in the future and a subsequent development application may be required if the land use deviates significantly from that approved under this proposal.

Response: Noted

2.1.6 WaterNSW

Submission Matter: WaterNSW notes that the proposed work for this modification is conducted outside Sydney Drinking Water Catchment. Therefore, WaterNSW do not have any further comments.

Response: Noted

Submission matter: It is requested that WaterNSW remain as a stakeholder for the proposal and any updates to relevant plans. WaterNSW would appreciate having further opportunity to comment on the project as the assessment progresses.

Response: Noted

2.2 Public Submissions

2.2.1 Name Withheld

Submission Matter: Traffic flow along Chifley Road to and from Clarence Colliery - This is already a dangerous route due to the extended traffic flow of heavy vehicles as other transport. The road is in need of major upgrades to cope with current usage without the deemed increase in traffic usage.

Response: A Traffic Impact Assessment was prepared by EMM Consulting and provided as Appendix A to the Statement of Environmental Effects. The Traffic Impact Assessment concluded that the proposed modification will not significantly impact traffic flow or safety of the surrounding road network or existing personnel transport routes. The proposed modification will result in generally low proportional traffic increases and negligible intersection delays at the site access intersection. The proposed modifications will cumulatively have a negligible impact on traffic of the surrounding road network, as well as the site access intersection.

Submission Matter: Potential increase in collisions with wild animals due to increase in traffic flow.

Response: A Traffic Impact Assessment was prepared by EMM Consulting and provided as Appendix A to the Statement of Environmental Effects. The Traffic Impact Assessment concluded that the proposed modification will not significantly impact traffic flow or safety of the surrounding road network or existing personnel transport routes. The proposed modification will result in generally low proportional traffic increases and negligible intersection delays at the site access intersection. The proposed modifications will cumulatively have a negligible impact on traffic of the surrounding road network, as well as the site access intersection.

Submission Matter: With the increase of workforce comes the increase in coal extraction. This will cause environmental damage to the surrounding National Park and Residential area.

Response: The project does not propose any increase in the current approved production rate of 3 Mtpa. As such, environmental damage to the surrounding national park and residential areas are not considered to occur as a result of this modification application.

Submission Matter: Police patrols are already not adequate for the traffic currently using Chifley Road. It is unsafe to travel in the area with the number of drivers flaunting the law, I have personally avoided a number of collisions because of unsafe drivers, many have been current traffic entering and departing Clarence Colliery.

Response: All users of the public road network are responsible for complying with the road rules. The Police regularly patrol the roads to deter and detect dangerous driving. There are heavy penalties, including demerit points, fines and on-the-spot licence suspensions, for drivers who break the law.

Submission Matter: Potential decrease in value and the appeal of living in the Clarence area due to the increase in activities of Clarence Colliery.

Response: The modification application is seeking an increase in the number of full time equivalent employees operating at the Clarence Colliery from 300 to 400. Increased employment makes a positive social and economic contribution to the Lithgow Local Government Area (LGA). Research undertaken by the Aigis Group, on behalf of Centennial, indicates that:

- the additional employment generated by the proposed modification may inject between \$3.2 million and \$4.4 million into the local and regional economies annually over its duration.
- a resident workforce is also more likely to invest in residential and/or investment property in the LGA and its surrounds;
- the workforce actively participates in social, sporting and cultural activities within the LGA (such as schools, sports, charities, volunteer emergency services and various others).

Potential impacts on the local road network were assessed and concluded that the proposed modification will not significantly impact traffic flow or safety of the surrounding road network or existing personnel transport routes.

Based on the above, it is considered that the proposed modification is unlikely to have any impacts on the appeal of living in the Clarence area.