



BN16/8576

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Dear Paul

Invincible Coal Mine - Southern Extension Modification 5

I refer to your email dated 23 September 2016 inviting the Division of Resources & Energy (the Division) to provide comments on the Invincible Coal Mine - Southern Extension Modification.

The Division provides the following comments:

The main purpose of the Project is to obtain a reliable and cost effective source of specialty nut coal for use in generation at the Manildra Shoalhaven Starches Plant located at Bomaderry on the NSW south coast. The specialty nut coal to be produced from the Project will ensure stability in supply ensuring the Manildra plant maintains its international competitiveness in a wide variety of businesses. The Shoalhaven Starches plant is the largest wheat starch and gluten plant of its kind in the world and processes flour from the Manildra Group's four flour mills and supplies the domestic and export markets with a range of gluten, starch, glucose, ethanol and stockfeed products crucial to a variety of industries. The Bomaderry plant employs around 300 people, and NSW wide Manildra provides 1600 direct jobs.

The Shoalhaven Starches Plant uses a combination of coal, woodchips, gas and electricity for energy for its process to produce the starch products. Before the closure of Invincible Colliery in 2013, Shoalhaven Starches had historically sourced nut coal from Invincible. Since the closure of Invincible nut coal for the plant has been sourced from Clarence Colliery at a unit cost in excess of \$120/tonne. If the Project is approved nut coal can be produced at a significantly lower cost from Invincible, thereby ensuring the ongoing competitiveness of the Shoalhaven Starches Plant.

Shoalhaven have sourced two suppliers of nut coal in the interim which is specific for their Manildra Plant at Shoalhaven. However, approval of this application will secure supply into the future and also provide for resources to complete rehabilitation of the whole mine site. In the interim, if the application is approved, two voids are proposed to remain open which will assist them with water management of the site.

Long term, the Southern Extension Project includes the rehabilitation of both the Southern Extension Area and the existing disturbance areas associated with past open cut mining operations at Invincible. The rehabilitated landform will blend with the natural landscape and no voids will remain in the final landform.



Castlereagh Coal has reported that they will investigate properties in the locality that contain the appropriate biodiversity features to offset the Southern Extension Project. Prior to approving offset areas, the Division requires consultation on the location of these to avoid unnecessarily sterilising any resources elsewhere within, or outside of the Castlereagh Coal title areas.

The Division has no objection to the proposed Modification Application (MOD5) subject to the following conditions:

- Progressive rehabilitation of disturbed area should be a requirement of the activity approval.
- Proponent to submit a Progressive Rehabilitation Proposal as part of the Mining Operations Plan/Rehabilitation Management Plan outlining rehabilitation works to be undertaken during the term, including timeframes when activity will be undertaken. This should form part of a 'Statement of Commitments' for approval prior to commencement.
- Rehabilitation of the proposed Southern Extension Area and all existing disturbance areas at Invincible (by reshaping mining areas to remove voids and revegetating the reshaped landform with locally endemic woodland and forest communities) is to be detailed in a new Mining Operations Plan (MOP)/Rehabilitation Management Plan (RMP) prepared in accordance with the Division's Guidelines.

Invincible Colliery is currently in suspension and has a suspension MOP in place until Feb 2018. The Southern Extension Area extends into an area currently subject to the subsurface lease CCL 712 held by Ivanhoe Coal Pty Limited. Mining Lease Application 431 (MLA 431) was lodged on 24 July 2012 and covers approximately 41 ha of CCL 712 to the south of the existing Invincible open cut area and extends to the surface of the land. The Southern Extension Area is located wholly within ML 1638 and MLA 431. The Southern Extension Project will provide access to an additional 2.7 Mt of run-of-mine (ROM) coal from all seams down to, and including, the Lithgow Seam.

Progressive rehabilitation was commenced on site by the previous mine operator, Coalpac however, when the mine went into suspension and Coalpac went into liquidation, no further rehabilitation was undertaken. Since the transfer of the lease to Shoalhaven Coal, the mine has remained in suspension pending a new expansion proposal at the southern section of the site.

Should this application be supported by DPE, the Division will expect that a new MOP/Rehabilitation Management Plan will replace the current suspension MOP. This new plan will provide details of the final land use and rehabilitation management strategy and propose to fill all voids at completion.

The Division currently holds a sufficient security bond calculated for the mine's rehabilitation, however this security will be re-assessed when the Proponent submits a revised MOP.

As coal is a prescribed mineral under the Mining Act 1992, the proponent is required to hold appropriate mining titles from the Division in order to mine this mineral. The Division understands the proposed mining activities are within MLA 431 submitted by the Proponent currently under assessment, pending approval.



**Department
of Industry**
Resources & Energy

The Proponent should be aware that MLA 431 cannot proceed to grant until development consent has been granted for the area.

Should you have any enquires regarding this matter please contact Steve Cozens, Senior Project Officer on (02) 9842 8573.

Yours sincerely

K Hargreaves 14.11.16

**Kylie Hargreaves
Deputy Secretary
Resources & Energy**

Enc: Significance of Resource Report (INT16/141165)