



NSW GOVERNMENT  
Department of Planning

# ASSESSMENT REPORT

## Section 75W Modification Integra Coal Operations Pty Ltd

### 1 BACKGROUND

The Integra mining complex is located approximately 12 kilometres northwest of Singleton in the Upper Hunter Valley. It comprises the former Glennies Creek colliery and Camberwell open cut coal mine, which have now been integrated into one mining operation (see Figure 1). The complex is managed by Integra Coal Operations Pty Ltd (Integra).

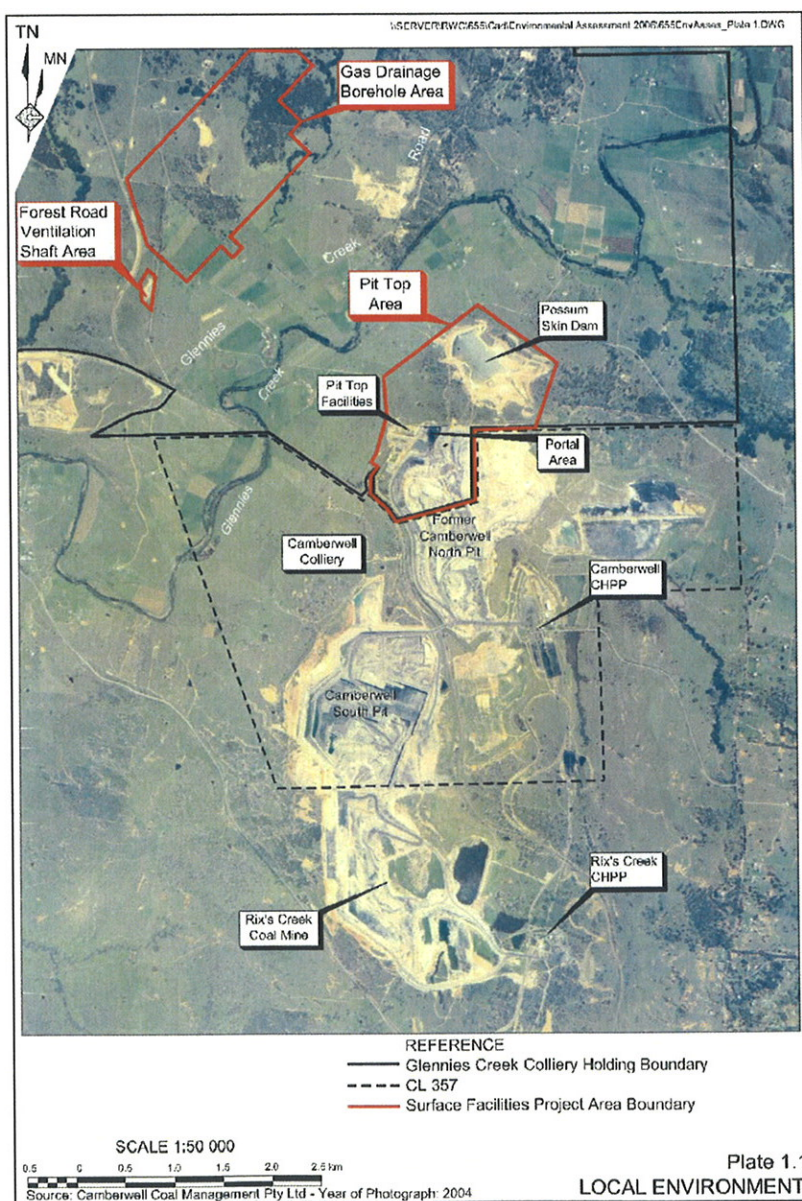


Figure 1: Regional Context of Integra Mining Operations

Mining at the complex is regulated by five consents/approvals:

- DA 86/2889 for the Camberwell open cut mining operation and use of associated surface facilities, including a coal handling and preparation plant (CHPP) and coal loader;
- DA 105/90 and MP 06\_0213 for the Glennies Creek underground colliery operations;
- MP 06\_0057 for the construction and use of additional surface facilities to support the Glennies Creek underground operations; and
- MP 06\_0073 for a small open cut coal mine north of the Glennies Creek operations.

These consents/approvals together allow Integra to:

- extract up to 6.0 million tonnes per annum (Mtpa) from its open cut mining operations;
- extract up to 4.5 Mtpa from 17 longwall panels;
- process up to 1,200 tonnes per hour at the Camberwell CHPP, before loading it onto trains and dispatching it to export and/or domestic markets.

The Department is currently assessing two major project applications from Integra under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act) to extend its open cut and underground mining operations and to consolidate its existing consents/approvals.

## **2 PROPOSED MODIFICATION**

On 24 June 2009, Integra submitted an application to the Department to modify the Minister's approval for the underground surface facilities approval (06\_0057) under Section 75W of the EP&A Act.

Condition 16, Schedule 2 of that approval currently states that, no later than 31 December 2010, the Proponent must cease truck haulage of coal from the raw coal stockpile at its Glennies Creek underground operations to the Camberwell CHPP, with all transport after that date being via overland conveyor.

Integra is seeking approval to defer this obligation for a period of 12 months.

## **3 BACKGROUND NEED FOR THE MODIFICATION**

The proposal to use an overland conveyor to transport coal between Glennies Creek and Camberwell mines was originally conceived in 2001, when the decision was made by the (then) operators of the mines to utilise the Camberwell CHPP to process all coal extracted from both mines. The CHPP originally approved under the Glennies Creek development consent has therefore never been built.

At the time, a staged approach to coal transportation was identified, with truck haulage proposed only for the short-term, as the overland conveyor route crossed land that was being used for overburden emplacement. A subsequent modification was approved in 2004 which deferred the need to install the conveyor until 31 December 2010, for both operational and economic reasons.

In 2008, Integra commenced various feasibility studies into the viability of installing the overland conveyor. Early estimates have indicated that the conveyor would cost around \$95m to design and build. This is a very significant cost which primarily arises from geotechnical constraints and engineering challenges associated with the unconsolidated nature of the overburden dumps and the conveyor route crossing significant and crucial mine infrastructure (a haulage road and clean and dirty water drainage channels). The conveyor would not be economically viable to build at costs of this magnitude.

However, the company remains committed to examining all options to build the conveyor and has begun examining possible lower cost options, which it proposes to investigate between now and the end of next year. Integra expects to have identified by that time its preferred option for long-term delivery of coal from Glennies Creek underground to the Camberwell CHPP. Consequently, it is seeking approval to defer the requirement to complete construction of the conveyor by a further 12 months (ie to 31 December 2011).

## **4 STATUTORY CONTEXT**

### ***Approval Authority***

The Minister was the approval authority for the original project application, and is consequently the approval authority for this application. However, the Executive Director, Major DA Assessments may determine this application under the Minister's delegation of 4 March 2009.

### ***Modification***

The proposed modification represents a minor change to the approved operations, which would not change the intensity of these operations. Consequently the Department is satisfied that the proposed modification would not involve a "radical transformation" of the project, and that it can be determined under Section 75W of the EP&A Act.

### ***Exhibition and Notification***

Under Section 75W of the EP&A Act, the Department is not required to notify or exhibit the application. Given the proposal is of an administrative nature, the Department did not exhibit the modification application.

## **5 ENVIRONMENTAL ASSESSMENT**

The proposal would not result in any increase in environmental impacts above and beyond those currently resulting from the truck haulage of raw coal from Integra's underground operation to the Camberwell CHPP. That is, other than the noise and air quality benefits that would result from the conveyor's installation being deferred by a further 12 months, there are no environmental impacts from the proposed modification. All other aspects of the mine's operations and the associated impacts would remain unchanged.

If the overland conveyor is constructed, it would allow all raw coal extracted from Glennies Creek underground to be transported to the Camberwell CHPP for processing. This would result in environment benefits in the medium to long term, most notably due to a reduction in dust, noise and greenhouse gas emission impacts associated with coal haulage truck movements.

The Department is satisfied that the proposed deferral of installation of the conveyor is justified, given that additional challenges have arisen in the engineering and economic feasibility of its construction and the need to assess additional options.

However, it is proposed that Integra be required to produce quarterly reports outlining the status of its investigations to enable the Department to continue to monitor the situation over the next two years. It is also recommended that Integra be required to continue to implement its existing environmental controls which apply to the approved truck haulage activities during the additional 12 month period.

## **6 RECOMMENDED CONDITIONS**

The Department has drafted recommended conditions for the modification. Integra has reviewed and accepted these conditions.

## **7 CONCLUSION**

The Department has assessed the modification application and supporting information on the proposal in accordance with the relevant requirements of the EP&A Act, including the objects of the EP&A Act and the principles of ecologically sustainable development.

The assessment has found that there is a demonstrable need for the modification application and the benefits sufficiently outweighs its costs.

Consequently, the Department is satisfied that the proposed modification is in the public interest and should be approved, subject to conditions.

## 8 RECOMMENDATION

It is RECOMMENDED that the Executive Director, as delegate of the Minister:

- consider the findings and recommendations of this report;
- determine that the proposed modification would not "radically transform" the approved project;
- approve the proposed modification under Section 75W of the EP&A Act, subject to the conditions set out in the attached notice of modification; and
- sign the attached notice of modification.

*DKitto*  
21/8/09

David Kitto  
Director



Chris Wilson  
Executive Director

Howard Reed  
A/Manager  
Mining

25.8.09