

ASSESSMENT REPORT

Rix's Creek Coal Mine & Integra Open Cut Project Administrative Changes Modifications (DA 49/94 Mod 7 & MP 08_0102 Mod 5)

1. BACKGROUND

Bloomfield Collieries Pty Limited (Bloomfield) owns and operates Rix's Creek Coal Mine, an open cut coal mine located 5 kilometres northwest of Singleton in the Hunter Valley. Bloomfield recently acquired the Integra Open Cut Project, an open cut coal mine located immediately north of Rix's Creek Coal Mine (see **Figure 1**). Both Rix's Creek and Integra Open Cut Project are located within the Singleton local government area.

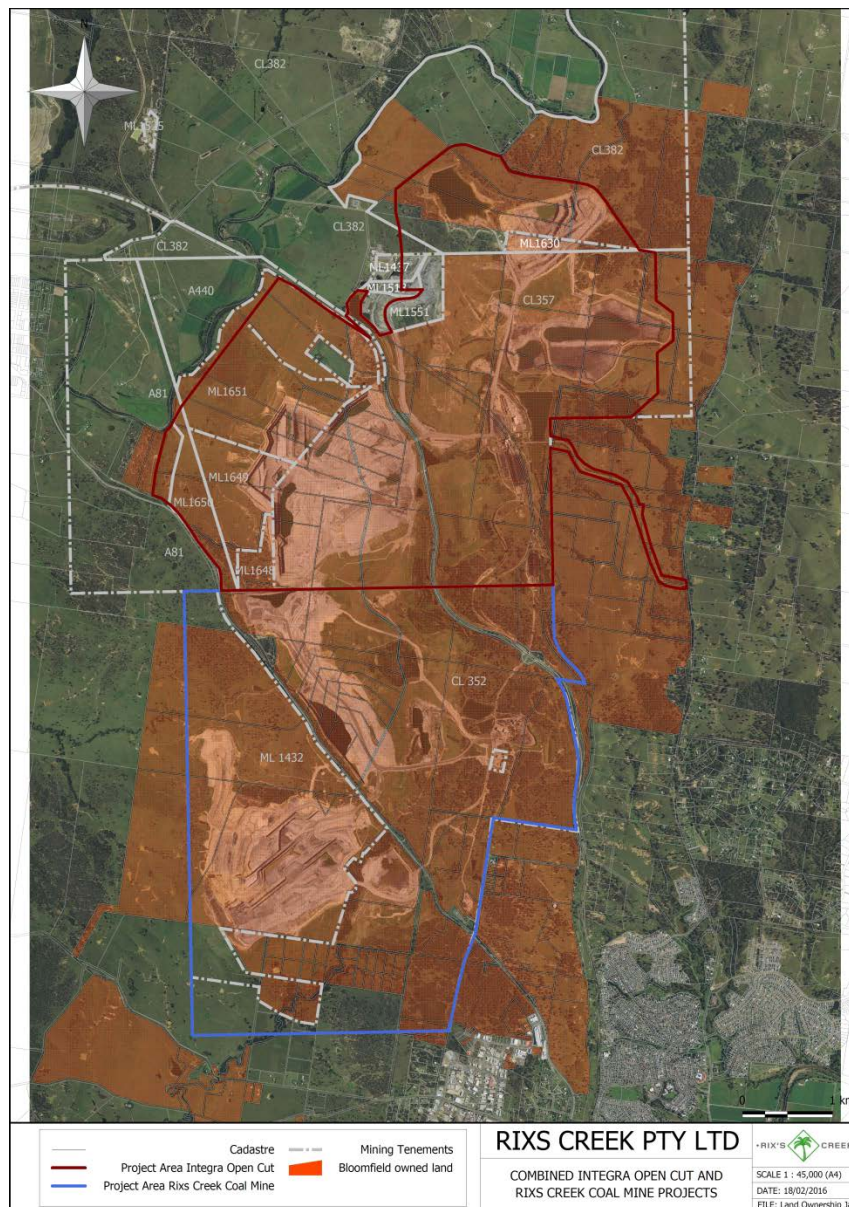


Figure 1: Location of the Rix's Creek Coal Mine and Integra Open Cut Project

1.1 Rix's Creek Coal Mine

Open cut coal mining at Rix's Creek was originally approved in 1989, and a second consent (DA 49/94) was granted in 1995 by the then Minister for Urban Affairs and Planning under Part 4 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) for the extension of mining operations until 2019. The current consent (DA 49/94) has been modified on six occasions, in:

- 1999, to amend noise monitoring requirements;
- 2003, to receive, process and rail coal from Glennies Creek underground mine (now Integra Underground mine);
- 2004, to receive, process and transport a 25,000 tonne bulk coal sample from the Bickham coal exploration project;
- 2009, to allow a cut and cover tunnel under the New England Highway to allow mine vehicles to have unrestricted access between all mining pits;
- 2013, to enable the construction and operation of a rail loop and associated stockpile and rail loading facility; and
- 2014, to increase the volume of material that can be moved annually from 15 million bank cubic metres (bcm) to 16.1 million bcm.

Under the current consent, as modified, Bloomfield is approved to move a total of 16.1 million bcm of material in any year. At current strip ratios this results in a production rate of 2.8 million tonnes per annum (Mtpa) of run of mine (ROM) coal and 1.5 Mtpa of product coal. Rix's Creek has approval to process ROM coal at its on-site coal handling and preparation plant (CHPP) and transport coal by rail to the Port of Newcastle for export. Bloomfield is currently using truck and shovel mining methods to extract multiple coal seams with either semi-soft coking coal or thermal coal qualities. The Rix's Creek rail load-out facility is located on Integra's rail loop which connects to the main northern line.

Separate to the current modification applications, Bloomfield is also seeking approval for the continuation of mining at Rix's Creek until 2038 and the extension of open cut operations in Pit 3 (West Pit) through a separate State Significant Development application, SSD 6300.

1.2 Integra Open Cut Project

The Integra Mining Complex (the Complex) has been operating since 1990 and is currently regulated under a consolidated project approval covering both Integra Open Cut Project (MP 08_0102) and Integra Underground Project (MP 08_0101). This approval was granted on 26 November 2010 under Part 3A of the EP&A Act. The consolidated approval replaced existing consents and approvals for the Camberwell open cut mine (DA 86/2889), Glennies Creek underground mine (MP 06_0057) and Glennies Creek open cut project (MP 06_0073).

The consolidated project approval for the Complex has since been modified on four occasions, in:

- 2012, to extend an overburden emplacement area;
- 2013, to remove the requirement to install an overland conveyor (ie continue truck haulage) for transportation of ROM coal to the on-site CHPP;
- 2012, to adjust project approval timeframes to secure biodiversity offset areas; and
- 2016, to revise the biodiversity offset areas.

Under the consolidated project approval, operations at Integra Open Cut are approved until 31 December 2022 with a maximum extraction rate of 1.5 Mtpa of ROM coal from the northern mining area and 4.5 Mtpa of ROM coal from the western mining area. Operations at Integra Underground Project are approved to produce a maximum of 4.5 Mtpa of ROM coal. The combined site is approved to transport up to 7.3 Mtpa of saleable coal by rail.

Integra Open Cut is a multi-seam operation using truck and shovel mining methods to extract semi-soft coking coal and thermal coal for export. All coal is processed at the on-site CHPP and transported by rail to the Port of Newcastle using a private rail load-out facility and rail loop that connects to the main northern line.

Operations at the Complex have been under care and maintenance since July 2014 for underground operations and since August 2014 for open cut operations. In December 2015, Bloomfield acquired the Integra Open Cut Project (MP 08_0102) and HV Coking Coal Pty Limited, a subsidiary of Glencore Coal Pty Ltd (Glencore), acquired Integra Underground Project (MP 08_0101). The Bloomfield acquisition included Integra's surface facilities.

Bloomfield is planning to recommence mining operations at Integra Open Cut. Bloomfield submitted a new Mining Operations Plan (MOP) which was approved by the Division of Resources and Energy

(DRE) of the Department of Industry on 18 January 2016. The Environmental Protection Licence (EPL 3391) for Rix's Creek was also varied on 21 December 2015 to include the Integra Open Cut. The modification applications considered in this report relate to the recommencement of operations at Integra Open Cut and Bloomfield's management of both sites in a coordinated manner.

Separate to these modification applications, Bloomfield and Glencore are seeking to further modify the consolidated project approval to separate the approvals for the underground and open cut operations.

2. PROPOSED MODIFICATION

On 4 February 2016, Bloomfield lodged modification applications for Rix's Creek (Mod 7) and Integra Open Cut (Mod 5) under section 75W of the EP&A Act. The purpose of the modifications is to improve operational efficiencies at Rix's Creek and the Integra Open Cut by enabling coal mined at one site to be processed and handled at the other site's CHPP, stockpiles and rail loading facilities.

The proposal involves:

- allowing ROM coal from Integra's Open Cut Project to be transported to Rix's Creek CHPP for processing; and
- allowing ROM coal from Rix's Creek to be transported to Integra's CHPP for processing.

There are no other changes proposed to any other aspect of the approved mining operations, including mining methods, mining areas, and extraction quantities. No additional ground disturbance or vegetation clearance would be required as a result of the proposed modifications.

The recommencement of production at the Integra Open Cut is limited by the current shutdown of the Integra CHPP whilst maintenance works are undertaken. Bloomfield has stated that the proposed modifications would enable processing of Integra Open Cut ROM coal during the period that the Integra CHPP is prepared for operations. Further, the ability to process coal at either CHPP would minimise disruption to production levels caused by maintenance shutdowns and/or stockpile space restrictions. The flexibility would also allow for opportunistic operational adjustments to ROM coal haul routes and processing locations to assist with environmental performance related to meteorological conditions. In the event that prevailing winds at one of the CHPPs results in increased noise emissions, processing can be undertaken at the other CHPP.

Bloomfield has stated that the recommencement of operations at Integra Open Cut would increase full-time employees from 158 to 220 at the combined site (ie Rix's Creek and Integra Open Cut). Of the 62 new employees, 20 will initially be hired to support coal extraction activities, followed by a further 42 once access to either CHPP is assured.

3. STATUTORY CONTEXT

3.1 Section 75W

The applications propose to modify the Rix's Creek consent DA 49/94 and Integra Open Cut's project approval MP 08_0102. Under clause 8J(8)(c) of the *Environmental Planning and Assessment Regulation 2000*, DA 49/94 and MP 08_0102 can be modified under section 75W of the EP&A Act. The effect of section 75W for such approvals and consents is continued by transitional provisions found in clause 12 of Schedule 6A of the EP&A Act.

The Department is satisfied that the proposals can be characterised as modifications to the existing approval and consent, the more so because the changes are essentially administrative in nature. Given these considerations, the Department is satisfied that the proposed modifications are within the scope of section 75W, and may be determined accordingly.

3.2 Approval Authority

The Minister for Planning is the approval authority for the proposed modifications. However, under the Minister's delegation of 16 February 2015, the Director Resource Assessments may determine the modification applications, as no public objections were received, Singleton Shire Council (Council) did not object to the proposal, and no political donations have been reported by the applicant.

4. CONSULTATION

Due to the minor nature of the proposed modifications, the Department is not required to undertake any public exhibition. However, the modification applications and the accompanying EA were made

available on the Department's website immediately following their receipt on 4 February 2016. No public submissions have been received as a result.

The Department also invited three government agencies to comment on the Environmental Assessment (EA, see **Appendix A**) which accompanied the applications and to recommend conditions of consent. The three agencies were the Environment Protection Authority (EPA), DRE and the Council. The EPA did not raise any issues with the proposals and was satisfied that the site's EPL sufficiently covers matters within its responsibilities. DRE had no objections to the proposed modifications. At the time of completing this report, no response had been received from Council.

5. ASSESSMENT

The Department has assessed the merits of the proposed modifications in accordance with the objects and other requirements of the EP&A Act.

Bloomfield is seeking to transport ROM coal from Integra Open Cut and process it at Rix's Creek CHPP and to transport ROM coal from Rix's Creek and process it at Integra's CHPP. This would enable more flexible and efficient operations at both mines so that the two sites can be managed as an integrated mining complex. Production at Integra Open Cut would also be able to recommence earlier than otherwise forecast as a result of these modifications.

Bloomfield has provided an EA that considers the potential environmental impacts from transporting ROM coal between the mines as well as potential environmental impacts associated with processing ROM coal at each mine's CHPP. The proposed changes would not decrease environmental management standards. Rix's Creek and Integra Open Cut would continue to be required to meet existing environmental performance criteria, as detailed in DA 49/94, MP 08_0102 and EPL 3391. Both CHPPs have the overall capacity to process all ROM coal produced from either site and both ROM and product coal output would continue to remain below the limits set in DA 49/94 and MP 08_0102.

The proposed activities would occur entirely within the approved consent and approval boundaries, on land privately owned by Bloomfield. Existing haul roads would be used for transporting ROM coal between sites, with one haul road requiring to be re-established (see **Figure 2**). No other additional surface disturbance is required. There would be no change to the type of trucks used, the number of trucks, the number of trips, or the amount of material transported. The proposal would result in longer travel distances for ROM coal trucks (approximately 7 kilometres longer for a return trip). However, since ROM coal movements are equivalent to just 7.5% of overburden movements, the increased travel distances for ROM coal trucks are minimal when compared to total truck travel distances.

The Department has assessed the impacts of the proposed modifications and summarised the findings of this assessment in **Table 1** below.

Table 1: Assessment of Key Issues

Issue	Impact and Consideration	Recommendation
<i>Air quality</i>	<ul style="list-style-type: none"> The modifications would result in longer haul distances for ROM coal haul trucks, which could potentially increase dust emissions from the sites. However, in considering total truck movements, the Department considers this increase to be minor and unlikely to be discernible relative to existing approved operations. To manage air quality at the sites, the existing approval and consent require implementation of a range of dust suppression measures and air quality monitoring. The Department is satisfied that, with the existing management measures in place, the proposed modifications would not significantly increase dust emissions or impact the amenity of nearby residents. 	No additional conditions or amendments necessary.
<i>Noise</i>	<ul style="list-style-type: none"> The modifications would result in longer haul distances for coal trucks, which could potentially increase noise emissions from the sites. However, when considering total truck movements on the sites, the Department considers these increases to be very minor and very unlikely to be discernible relative to existing approved operations. The Department is satisfied that the proposed modifications would not increase noise emissions from the sites or impact the amenity of nearby residents. 	No additional conditions or amendments necessary.

Issue	Impact and Consideration	Recommendation
Socio-economic	<ul style="list-style-type: none"> The modifications would allow mining operations at Integra Open Cut to recommence earlier than scheduled through the use of the Rix's Creek CHPP whilst the Integra CHPP is prepared for re-opening. As such, Bloomfield would be able to employ an additional 62 personnel earlier than currently planned. 	No additional conditions or amendments necessary.
Other impacts	<ul style="list-style-type: none"> As the proposed haul routes use existing haul roads or previously disturbed areas, the Department considers there to be no significant change to impacts related to surface water, groundwater, visual amenities, biodiversity, waste management, heritage, traffic and transport and rehabilitation. 	No additional conditions or amendments necessary.

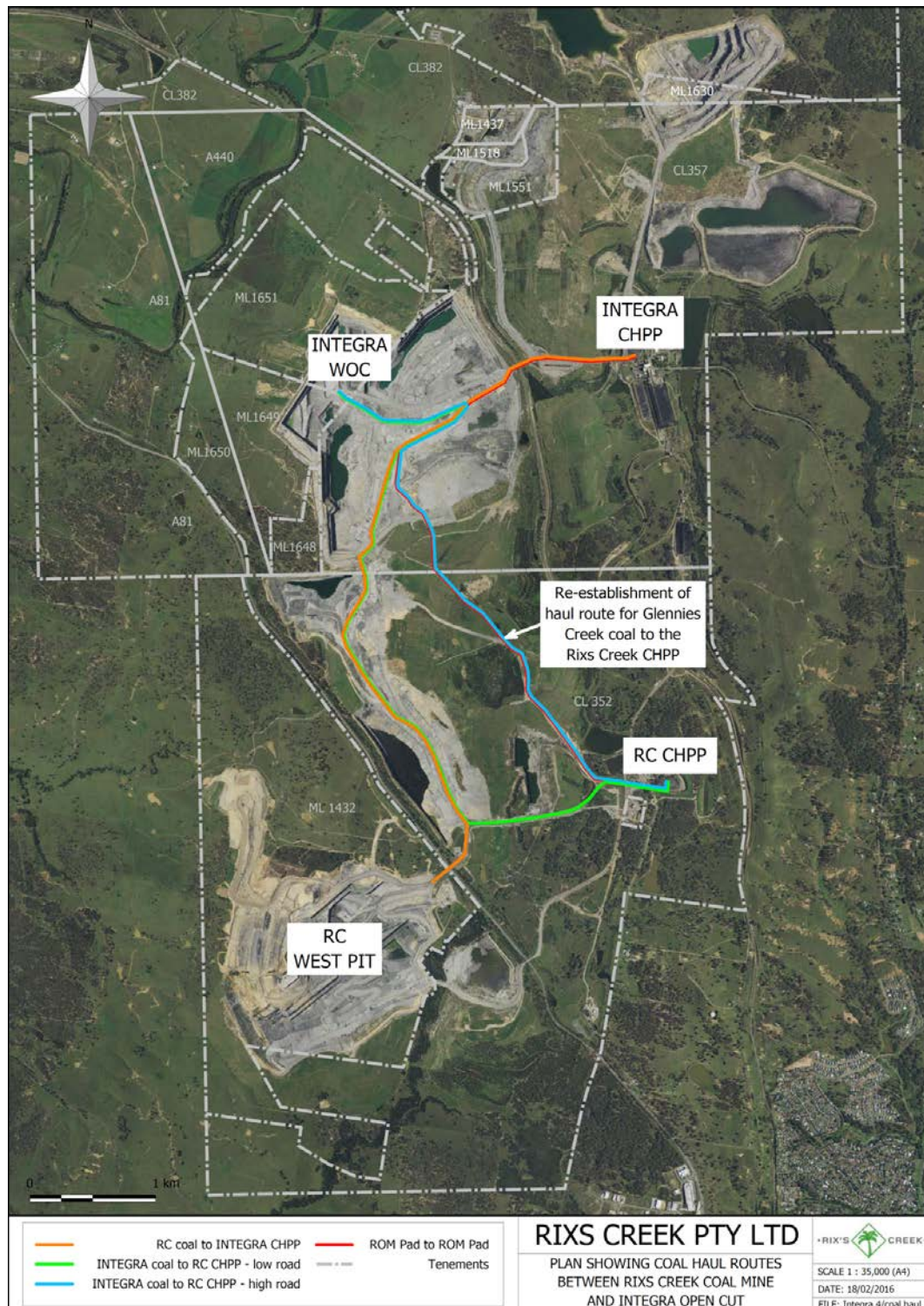


Figure 2: Proposed routes for ROM coal transportation

6. CONCLUSION

Bloomfield is seeking modification of consent DA 49/94 to allow Rix's Creek to receive, process, stockpile and load out coal from Integra Open Cut. Bloomfield is also seeking modification of approval MP 08_0102 to allow Integra Open Cut to receive, process, stockpile and load out coal from Rix's Creek. The proposal would not change the scale or environmental impact of approved activities at Rix's Creek or Integra Open Cut.

The Department is satisfied that the proposed modifications would lead to:

- no material change to currently approved operations on the Rix's Creek site or the Integra Open Cut site;
- no material change to environmental impacts;
- a positive socio-economic impact by allowing Integra Open Cut to recommence operations before the Integra CHPP is re-opened; and
- improved operating efficiencies and synergies between the sites.

The proposed modifications would produce a sensible and logical improvement to the efficient operation and regulation of both Rix's Creek and Integra Open Cut. The Department is satisfied that the proposed modifications are in the public interest, and should be approved.

7. NOTICE OF MODIFICATION

Notices of Modification (see **Appendix B**) and versions of the Rix's Creek Coal Mine consent (see **Appendix C**) and Integra Open Cut Project approval (see **Appendix D**) as proposed to be amended have been prepared. Bloomfield has agreed to the proposed modified conditions of consent.

8. RECOMMENDATION

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

- **considers** the findings and recommendations of this report;
- **determines** that the modification requests fall within the scope of section 75W of the EP&A Act;
- **approves** the modification applications DA 49/94 Mod 7 and MP 08_0102 Mod 5, under section 75W of the EP&A Act; and
- **signs** the attached notices of modification (**Appendix B**).

 26.2.16

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 26.2.16
Howard Reed
Director, Resource Assessments

APPENDIX A: ENVIRONMENTAL ASSESSMENT

See the Department's website at www.majorprojects.planning.nsw.gov.au

APPENDIX B: NOTICES OF MODIFICATION

APPENDIX C: RIX'S CREEK COAL MINE CONSENT DA 49/94 (AS PROPOSED TO BE MODIFIED)

APPENDIX D: INTEGRA OPEN CUT PROJECT PROJECT APPROVAL MP 08_0102 (AS PROPOSED TO BE MODIFIED)
