



# ***Lidsdale Siding MOD 2 Rail Movement Adjustment***

*State Significant  
Development  
Modification Assessment  
(08\_0223 MOD 2)*



October 2019

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### **Cover photo**

Lidsdale Siding Coal Loader/Unloader

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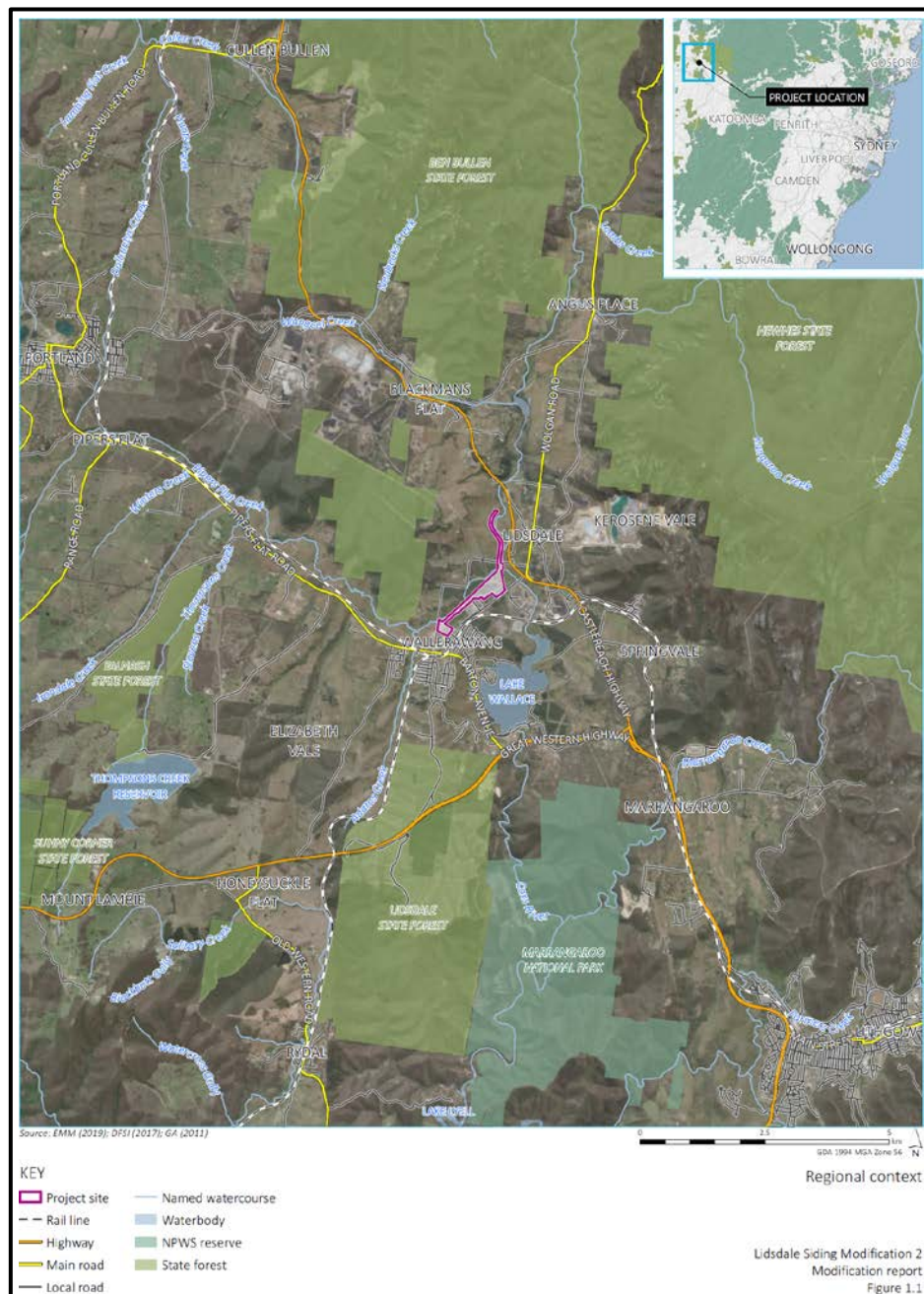
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# 1. Introduction

## 1.1 Background

This report provides an assessment of an application to modify the State significant development consent (SSD) for the Lidsdale Siding, which is located near Lithgow in the Lithgow City local government area (see **Figure 1**). The site is owned and operated by Centennial Coal Company Limited (Centennial) through its subsidiary – Ivanhoe Coal Pty Limited.



**Figure 1** | Regional location

Lidsdale Siding (see **Figure 2**) is Centennial's main rail export facility for Springvale and Angus Place coal mines, which are all connected to the Western Coal Services (SSD 5579) coal processing facility by conveyors. It is also of critical importance in the coal supply chain for the Mount Piper Power Station because it provides an alternative coal supply route.

Overall, Lidsdale Siding's operations include:

- stockpiling, loading and exporting coal received from the adjacent Western Coal Services site by conveyor; and
- unloading, handling and transferring coal to Mount Piper Power Station.

The facility was constructed in the 1950s and has been used for coal storage and rail coal loading since 1974. It was upgraded in 2013 following an approval under the former Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act) on 3 May 2013 by the then Planning Assessment Commission (PAC) (now, Independent Planning Commission).

Under Clause 6 of Schedule 2 of the *Environmental Planning and Assessment (Savings, Transitional and Other Provisions) Regulation 2017* (EP&A STOP Regulation), the project was transitioned to SSD by order, which was published in the NSW Government Gazette on 12 October 2018.

Lidsdale Siding is currently approved to transport coal by rail to and from the site until 31 December 2042, including:

- 1 incoming coal-laden train on any single day;
- 5 outgoing coal-laden trains per day, on average over a year; and
- 7 outgoing coal-laden trains on any single day.

Coal handling and train loading operations can occur at the site 24 hours per day, 7 days per week. However, the receipt and unloading of trains can only occur during the 'day' period<sup>1</sup>. Coal loading and unloading operations are not permitted on the same day.

The project approval has been modified on one previous occasion, which allowed the Lidsdale Siding to be operated as a coal unloader (for import of coal), as well as a coal loader (for export of coal).

Lidsdale Siding is approved to receive up to 6.3 million tonnes per annum (Mtpa) of coal from Western Coal Services. Western Coal Services is approved to receive up to 1.5 Mtpa million tonnes per annum (Mtpa) of coal from the Lidsdale Siding, which is approximately equivalent to one trainload of coal per day unloading and transferring coal 365 days per year.

## 1.2 Strategic context

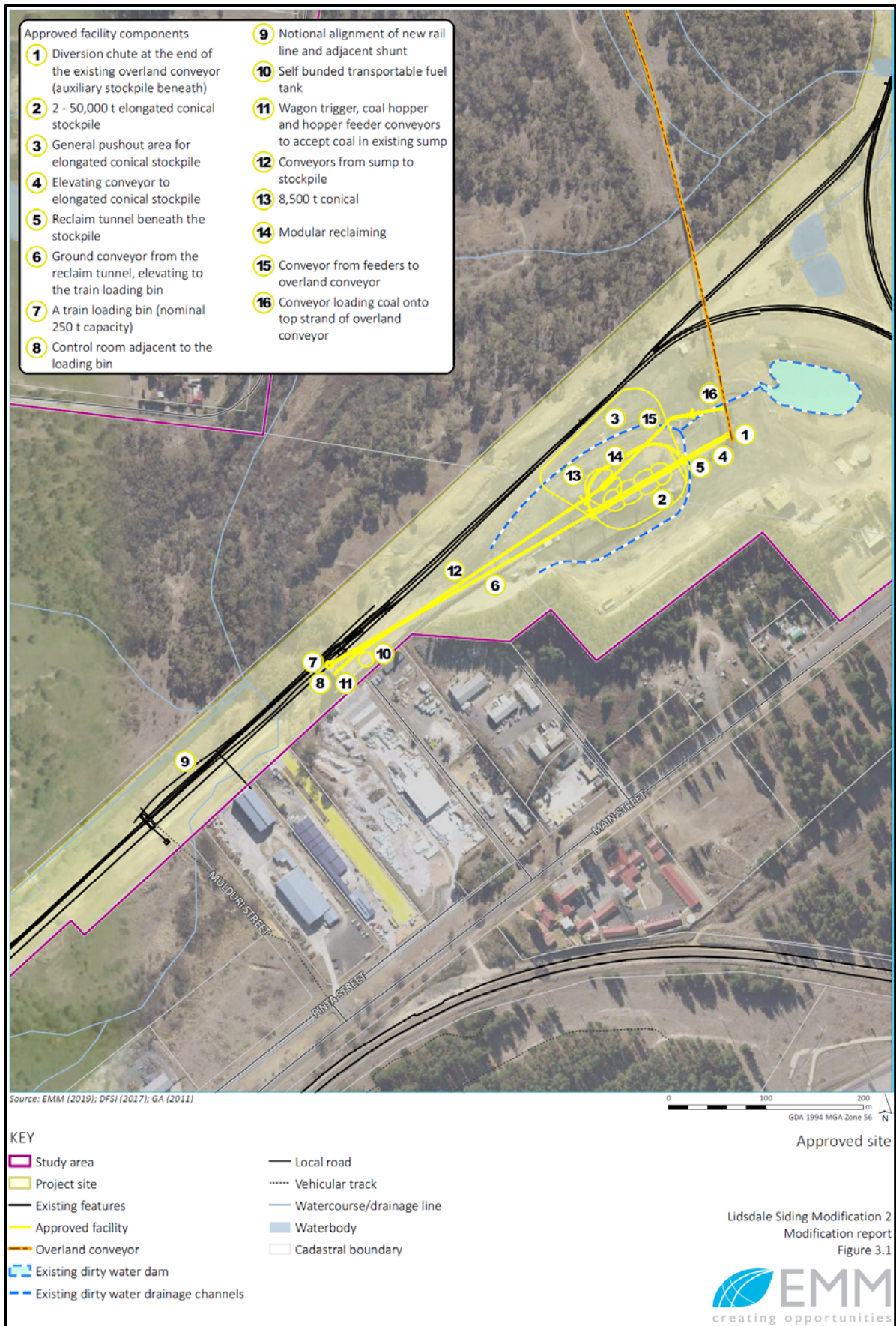
### Surrounding land uses

Surrounding land uses include power stations, underground coal mines, the Ben Bullen State Forest (1 km north-west of the site) and various industrial and agricultural uses. There are a number of isolated residences within 300-400 m from the site. The Lidsdale and Wallerawang townships, which were originally established to service the mining industry, are located within 1 km of the site. The site drains into Pipers Flat Creek and then the Cocks River.

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<sup>1</sup> 7am to 6pm on Monday to Saturday; 8am to 6pm on Sundays and public holidays.





**Figure 2 | Lidsdale Siding**

## Coal Supply to Mount Piper Power Station

Mount Piper Power Station is a coal fired power station located 17 km north-west of Lithgow. The power station is owned and operated by EnergyAustralia NSW Pty Limited. It requires 3.5 Mtpa of coal to operate at its built capacity of 1,400 megawatts (MW), which provides around 15 per cent of NSW energy demand. It has a coal stockpile capacity of around 1 million tonnes and its current supply is approximately 300,000 tonnes, which is equivalent to around one month of supply.

Centennial is currently the only supplier of coal to the power station, which is mainly sourced from its Springvale Coal Mine. Springvale is approved to extract up to 5.5 Mtpa of coal.

However, since 2018, a range of factors has affected coal supply from the Springvale Coal Mine. Centennial has removed three longwall panels from the approved mine plan to protect threatened swamp ecological communities, which has reduced the life of the mine by four years – from 2028 to 2024.

In 2019, Centennial encountered unfavourable geological conditions during underground mining at Springvale. It has therefore needed to increase coal washing to remove additional reject material extracted with the coal and blend more to meet the required coal specification for the power station.

Over this period, these factors reduced the amount of product coal at Springvale by around 50 per cent.

A longwall changeout is currently being undertaken, and the Springvale mine is likely to be productive again from November 2019. Centennial predicts that its coal production would recover to approved levels by the end of 2020, therefore alleviating the coal supply issues at Mount Piper Power Station.

There is therefore a current need to supplement the coal supply to the Mount Piper Power Station in the short term. Centennial has already received approval (as part of Modification 1) to utilise the Lidsdale Siding as a coal import facility with approval for one trainload per day (carrying around 3,900 tonnes of coal) from Airly Coal Mine.

Under the Western Coal Services project approval, the import of coal from Lidsdale is restricted to 1.5 Mtpa of coal. However, reaching this level of coal transfer is limited by the restriction on receiving only one train per day. To rapidly replenish stockpiles at Mount Piper Power Station, a larger number of incoming trains would be required over a shorter period.



## 2. Proposed Modification

Lidsdale Siding currently has approval to load and dispatch up to seven coal trains per day (ie 14 movements per day), and an average of 5 coal trains per day, over a calendar year (ie 10 movements per day). However, the facility is currently approved to receive only one incoming train per day (ie 2 movements per day).

In September 2019, Centennial lodged a modification application for the Lidsdale Siding (Mod 2), which seeks to increase the number of trains allowed to import coal without changing the maximum number of approved rail movements.

The proposed changes would provide Centennial with greater flexibility in its train operations and align the maximum allowable number of outgoing trains with the proposed number of incoming trains.

This change would allow Centennial to import more coal to the site in a shorter period for onward transfer to the Mount Piper Power Station. This would address the coal supply issues being experienced at Mount Piper Power Station (discussed in Section 1.2) and ensure a reliable supply of coal is able to be provided. It would also provide added contingency to address any future coal supply shortfalls, which are triggered when coal stockpiles at Mount Piper Power Station are forecast to decline below 400,000 tonnes for two consecutive months.

No changes are proposed to the life of the project, maximum coal throughput, maximum train movements, stockpile capacity or operating hours.



## 3. Statutory Context

### 3.1 Scope of Modification

The modification application and Modification Report were lodged under s4.55(1A) of the EP&A Act. The Department has reviewed the scope of the modification and considers that it:

- would not increase the environmental impacts of the project as approved;
- is substantially the same development as originally approved (see Section 3.2); and
- would not involve any further disturbance outside of the already approved disturbance areas for the project.

The proposed modification is considered to have minimal environmental impact because there would be no increase to the maximum allowable rail movements (see Section 5).

Therefore, the Department is satisfied the proposed modification is within the scope of section 4.55(1A) of the EP&A Act and does not constitute a new development application. Accordingly, the Department considers that the application should be assessed and determined under section 4.55(1A) of the EP&A Act.

The Department has also:

- considered advice provided concerning the proposed modification (see Section 4); and
- considered the relevant matters in Section 4.15(1) of the EP&A Act, including:
  - the provisions of any relevant environmental planning instrument (see Section 3.4);
  - the likely impacts of the proposed modification, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality (see Section 5);
  - the public interest, including any relevant objects of the EP&A Act (see Section 6); and
  - the reasons given by the approval authority for the grant of the original approval (see Section 3.5).

### 3.2 Substantially the Same Development

The Department is satisfied that the project as modified would be substantially the same development as approved, and that the proposal should be characterised as modification to the development consent, as:

- there is no change to the project areas or life of operations;
- maximum rail movements would remain within approved limits; and
- the impacts of the developments as modified would be similar to the impacts of the approved project (see Section 5).

### 3.3 Consent Authority

The Minister for Planning and Public Spaces (Minister) is the consent authority for the application under Section 4.5(a) of the EP&A Act. However, under the Minister's delegation dated 11 October 2017, the Director - Resource Assessments, may determine the application, as:

- Lithgow City Council did not object;
- Centennial Coal's subsidiary, Ivanhoe Coal Pty Ltd, did not report any political donations; and
- no public submissions in objection were received.

### 3.4 Environmental Planning Instruments and Objects of the EP&A Act

In undertaking its assessment, the Department has considered the objects of the EP&A Act and the provisions of relevant environmental planning instruments including:

- Lithgow Local Environmental Plan 2014;
- State Environmental Planning Policy (State and Regional Development) 2011 (SRD SEPP);
- State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 (Mining SEPP);
- State Environmental Planning Policy 55 (SEPP No. 55) – Remediation of Land;
- State Environmental Planning Policy 44 (SEPP No. 44) – Koala Habitat Protection; and
- State Environmental Planning Policy 33 (SEPP No. 33) – Hazardous and Offensive Development.

### 3.5 Reasons for Granting the Original Consent

In determining the original Lidsdale Siding application, the then PAC concluded that the benefits of the projects outweighed the impacts and imposed a range of strict conditions to appropriately manage impacts. The Department has considered the proposed modification against the reasons the PAC gave for determining the project and is satisfied that the proposed modification does not affect the decision that was previously made. The proposed modification would allow similar benefits to be realised at local, regional and State levels.



## 4. Engagement

### 4.1 Department's Engagement

Clause 117(3B) of the Environmental Planning and Assessment Regulation 2000 (EP&A Regulation) specifies that the notification requirements of the EP&A Regulation do not apply to State significant development modifications under section 4.55(1A). Accordingly, the application was not formally exhibited.

However, it was made publicly available on the Department's website on 26 September 2019, and was referred to Transport for NSW, the Department's Division of Resources and Geoscience, the Environment Protection Authority, WaterNSW and Lithgow City Council for comment.

### 4.2 Summary of Advice

The advice received from government agencies is provided in **Appendix B** and is summarised below. Centennial provided a Submissions Report, which was made available on the Department's website on 14 October 2019 (see **Appendix C**).



## Transport for NSW

Transport for NSW requested a condition requiring Centennial to obtain approval to run additional trains on the Country Regional Network in accordance with John Holland Rail's Network Rules and Procedures.

Centennial advised that approval for running trains on the Country Regional Network would be sought as part of ensuring compliance with John Holland Rail's Network Rules and Procedures.

## WaterNSW

WaterNSW stipulated that the existing site Water Management Plan and monitoring plans should remain in place.

Centennial advised that Lidsdale Siding's Water Management Plan, which was developed in consultation to WaterNSW, was resubmitted to the Department for approval on 30 September 2019.

## Other Public Authority Advice

Responses were also received from the Environment Protection Authority, the Department's Division of Resources and Geoscience and Lithgow City Council, which did not raise any issues requiring further assessment.



# 5. Assessment

The Department has considered a range of issues in its assessment, which are summarised in **Table 1**.

**Table 1** | Summary of issues

Issue	Findings	Recommendations
Traffic and transport	<ul style="list-style-type: none"><li>• Unloading activities would not occur on the same day as loading activities and the maximum allowable daily or annual train movements to or from the site would remain as approved.</li><li>• Unloading each coal-laden train would take approximately 6 hours to complete. As train unloading can only occur during a typically 11-hour 'day' period, in practice, a maximum of 2 coal-laden trains would be able to be received and unloaded each day.</li><li>• Rail transport impacts would therefore be the same as (or less than) was previously assessed and approved for the site.</li><li>• Minor delays at the Main Street level crossing in Wallerawang would be managed by consulting with the rail operator on rail path times and by installing notification boards to advise when trains would be accessing the site.</li></ul>	<ul style="list-style-type: none"><li>• Increase the number of trains allowed to import coal without changing the maximum number of approved rail movements.</li></ul>
Noise	<ul style="list-style-type: none"><li>• The total number of approved rail movements would remain the same, there would therefore</li></ul>	<ul style="list-style-type: none"><li>• No changes to existing conditions of consent required.</li></ul>

Issue	Findings	Recommendations
	<p>be no increase in the noise impacts that were previously assessed and approved.</p> <ul style="list-style-type: none"> <li>• Receipt and unloading of trains (and associated coal handling) would be restricted to the day period.</li> <li>• The existing conditions of consent to manage noise impacts (which include noise emission limits, monitoring requirements, implementation of mitigation measures and complaints handling) would continue to apply for the proposed modification.</li> </ul>	
Air quality	<ul style="list-style-type: none"> <li>• There are no proposed changes to the approved coal handling rate of 6.3 Mtpa. The emission factor for wagon loading and unloading would also not change.</li> <li>• The existing conditions of consent to manage air quality impacts (which include particulate emission limits, air quality monitoring, complaints handling and implementation of mitigation measures) would continue to apply for the proposed modification.</li> </ul>	<ul style="list-style-type: none"> <li>• No changes to existing conditions of consent required.</li> </ul>
Biodiversity	<ul style="list-style-type: none"> <li>• The existing rail loading/unloading infrastructure areas are heavily disturbed and cleared.</li> <li>• Under the relevant provisions of the <i>Biodiversity Conservation (Savings and Transitional) Regulation 2017</i>, the Department is satisfied that a BDAR report is not required to be submitted with the applications as the modifications would not increase the impacts on biodiversity values at the sites.</li> </ul>	<ul style="list-style-type: none"> <li>• No changes to existing conditions of consent required.</li> </ul>
Social and economic	<ul style="list-style-type: none"> <li>• The proposed modification would allow Centennial to accept and transfer a larger quantity of coal to Mount Piper Power Station during coal supply shortfalls, which provides substantial energy security benefits as it generates around 15 per cent of NSW electricity needs.</li> </ul>	<ul style="list-style-type: none"> <li>• No changes to existing conditions of consent required.</li> </ul>



## 6. Evaluation

The Department has assessed the merits of the proposed modification and has considered the potential environmental, social and economic impacts in accordance with the requirements of the EP&A Act, and in consultation with relevant Government agencies including Transport for NSW, the Environment Protection Authority, Lithgow City Council and WaterNSW.

Increasing the number of trains that Lidsdale Siding can receive and unload from one to seven trains per day (and, on average, 5 trains per day over a calendar year) would result in no overall increase to the intensity of impacts that the facility has already been assessed and approved to undertake. Loading activities would not occur on the same

day as unloading activities and train receipt and unloading activities (such as coal handling) would be restricted to daytime hours only.

The Department's assessment has found that there would be no increase to rail-related impacts at Lidsdale Siding. The site would continue to be managed within the existing strict regulatory framework provided by the project approval.

The Department has therefore recommended that the number of permissible rail movements to and from the facility are aligned. The Department has also recommended that minor administrative updates are made to the consent, such as updating Government agency names.

The Department acknowledges that there is an urgent need to supplement coal supply to Mount Piper Power Station. This modification application would enable additional coal to be imported and transferred to the Mount Piper Power Station in a shorter period and therefore assist Centennial and EnergyAustralia in addressing the coal supply issues being experienced at the power station – ensuring a reliable supply of coal is provided while the Springvale Coal Mine is experiencing production shortfalls.

The Department considers that the significant social and economic benefits associated with supplying coal to the power station far outweigh any potential incremental impacts associated with increased coal unloading at the Lidsdale Siding.

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




## 7. Recommendation

It is recommended that the Director – Resource Assessments, as delegate of the Minister for Planning and Public Spaces:

- **considers** the findings and recommendations of this report;
- **determines** that the application 08\_0223 MOD 2 falls within the scope of section 4.55(1A) the EP&A Act;
- **accepts and adopts** all of the findings and recommendations in this report as the reasons for making the decision to grant consent to the application;
- **modifies** the consent 08\_0223;
- **signs** the attached approval of the modification (**Appendix E**).


Recommended by:



23 October 2019

**Andrew Rode**

Senior Environmental Assessment Officer  
Energy and Resources



23.10.19


**Paul Freeman**

Team Leader – Resource Assessments  
Energy and Resources



## 8. Determination

The recommendation is, **Adopted** / **Not adopted** by:

 24/10/19

**Steve O'Donoghue**

Director – Resource Assessments

Energy and Resources

as delegate of the Minister for Planning and Public Spaces





## **9. Appendices**

**Appendix A – Modification Report**

**Appendix B – Advice from Public Authorities**

**Appendix C – Submissions Report**

**Appendix D – Consolidated Consent**

**Appendix E – Notice of Modification**

To access appendices A-E, refer to the Department's website at:

<https://www.planningportal.nsw.gov.au/major-projects/project/25481>