

8 October 2020

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Dear Rose-Anne,

Re: Appin Mine – Proposed Modification to Development Consent 08_0150

Background

The Appin Mine is an existing underground coal mine situated in the Southern Coalfield of New South Wales approximately 25 kilometres north-west of Wollongong. The Appin Mine is owned and operated by Endeavour Coal Pty Ltd, a subsidiary of Illawarra Coal Holdings Pty Ltd, which is a wholly owned subsidiary of South32 Limited. Appin Mine, Cordeaux Colliery and Dendrobium Mine (and associated facilities) collectively operate as South32 Illawarra Metallurgical Coal (IMC).

IMC received Project Approval 08_0150 (the Appin Mine approval) from the Planning Assessment Commission of NSW under delegation of the Minister for Planning and Infrastructure on 22 December 2011 for current and proposed mining of the Bulli Seam Operations (BSO) Project. The BSO Project (08_0150) was gazetted as a State Significant Development for the purposes of future modifications on 23 November 2018.

The Appin Mine approval (as modified) incorporates underground mining operations which extract coal from the Bulli Seam. The Appin Mine primarily produces hard coking (metallurgical) coal for steelmaking and has an approved production capacity of up to 10.5 million tonnes per annum of Run of Mine coal until 2041. The approval incorporates associated surface activities, including pit tops, ventilation shafts, preparation plants, as well as transport and coal wash emplacement activities undertaken 24 hours a day, seven days per week.

An integral component of underground coal mining is adequate ventilation and mine access to ensure a safe and efficient underground working environment. Appin Mine is accessed via the shaft at Appin West and drifts at Appin North and Appin East pit tops. Appin Mine is separated into two ventilation districts; Appin Mine and Appin North. The Appin Mine district is ventilated by two upcast shafts (No. 2 and No. 6), four downcast shafts (No. 1, No. 3, No. 4, and No. 5) and two intake drifts at the Appin East pit top. The Appin North district is ventilated by one upcast shaft (No. 1), one downcast shaft (No. 2) and one intake drift at the Appin North pit top.

Proposed Modification – Appin Mine Ventilation and Access Project

Appin Mine operations are progressing further away from the existing ventilation and mine access infrastructure noted above. To ensure sufficient ventilation is available to the underground operations, additional ventilation infrastructure is required. To improve underground mine safety and efficiency additional mine access infrastructure is proposed.

The location of the proposed infrastructure is on a freehold property, to the south of the township of Menangle in NSW. The proposed infrastructure is positioned to align with the approved layout of the underground workings for Appin Area 7, to be proximal to required services and to minimise the potential impacts on the environment and communities of Menangle and Douglas Park.

The proposed infrastructure would be similar to existing ventilation and mine access infrastructure of the Appin Mine. Notably, the mine access infrastructure would have a smaller capacity than the existing sites, providing mine access for personnel and consumable materials via a winder and cage. Coal handling infrastructure is not proposed at the site.

The proposed Appin Mine Ventilation and Access Project (the Project) is anticipated to include:

- installation of temporary and permanent site access arrangements, including upgrade or improvement to the Menangle Road intersection, internal roadways, associated hardstand and car parking areas;
- installation of appropriate security (e.g. fencing) to prevent unauthorised access to the site;
- development of concrete-lined or steel-lined shafts;
- installation of ventilation fans and associated facilities;
- installation of a winder, headframe and associated equipment to facilitate personnel and materials transportation to/from underground mining operations;
- installation of power supply and transmission and associated electrical switch rooms, transformers and ancillary infrastructure;
- installation of compressor station for supply of compressed air;
- shaft material/spoil handling and emplacement activities, including revegetation and landscaping activities to minimise visual impact of the site;
- installation of personnel amenities such as bathhouses (e.g. changerooms), administration facilities and mines rescue facilities;
- installation of diesel storage tanks and associated pipelines;
- construction of sumps and/or dams for surface water management;
- installation of a water supply line, storage tanks, pumping equipment (including fire protection systems), sewage treatment facilities and associated infrastructure;
- installation of bulk materials storage facilities and warehouses;
- installation of communications equipment including fibre optic cable and wireless infrastructure;
- installation of erosion and sediment control infrastructure, where required; and
- other associated works.

It is expected that the shafts would be constructed from the surface down to the underground workings. The shaft construction would take place simultaneously with development workings, with material from the excavation being removed from the top of the shaft.

The excavated material resulting from the construction of the shafts is proposed to be used as engineered fill and for construction of earthen screening bunds and sediment dams. Any excess material is proposed to be stockpiled on-site, revegetated and used for future rehabilitation of the shaft site upon decommissioning.

Excavation of the shafts would occur 24 hours per day, seven days per week, while the remainder of construction activities associated with the facility (e.g. installation of surface infrastructure) would generally be limited to daytime hours. The facility would be required to operate 24 hours per day, seven days per week, consistent with other similar facilities.

Proposed Modification – Administrative Changes

IMC also proposes to modify various conditions of the Appin Mine approval (08_0150) to address the outcomes of the 2019 Independent Environmental Audit and correct minor errors and inconsistencies. The proposed administrative modifications are intended to correct minor errors, and would include:

- addition of Figure 1 from the BSO Preferred Project Report (Supplementary Information) to Appendix 4 (Key Surface Facilities) of the Appin Mine approval to accurately depict the footprint of the approved Stage 4 Coal Wash Emplacement;
- amend the reference in *Condition 10 of Schedule 4* to *Condition 6 of Schedule 5*, as this condition does not exist;
- amend the reference in *Condition 5(k) of Schedule 3* to *Condition 23 of Schedule 4*, as the Heritage Management Plan is required by *Condition 24 of Schedule 4*, rather than condition 23;
- amend *Condition 1 of Schedule 6* to require references to, rather than *copies* of strategies, plans and programs be included in the Environmental Management Strategy. The proposed condition reflects that, in accordance with *Condition 11 of Schedule 6*, all strategies, plans and programs required under the conditions of the approval are generally available on the company website; and

- remove *Condition 15 of Schedule 4*, as this condition is made redundant by the conditions of the Appin Environment Protection Licence which requires compliance with the surface water discharge limits.

Project Justification

Section 2 of the BSO Project Environmental Assessment (EA) identified that additional ventilation shafts and associated surface infrastructure would be installed during the life of the Appin Mine to maintain a safe working environment within the underground mine. The EA also identified that the development of new mine access (pit tops) may be considered over the life of the project. Such development would be subject to separate assessment and approvals.

A number of alternative ventilation infrastructure and mine access solutions have been investigated as part of the prefeasibility study for the Project. The proposed infrastructure is necessary for the safe and efficient mining of the approved BSO Project. Based on the current mining schedule, the proposed ventilation shafts are required to be operational prior to 2025 to maintain continuity of safe underground operations.

The key benefits of the proposed Project are:

- improving mine safety;
- enabling continued mining operations that provide employment and economic benefits for local communities and the State; and
- improving mine access arrangements, to ensure a safe and efficient working environment.

Approval Pathway

Development consents may be modified under Section 4.55 of the Environmental Planning and Assessment Act 1979 (EP&A Act), provided that the development as modified will be substantially the same development as the development for which consent was originally granted.

IMC is seeking to modify the consent, pursuant to Section 4.55(2) of the EP&A Act, to incorporate the construction and operation of infrastructure critical to the ongoing viability of the Appin Mine. Additional administrative modifications are also proposed, as above.

Appin Mine is an extensive underground mining operation with multiple existing surface facilities. The proposed development would be substantially the same development as the originally approved development. The proposed modification will not:

- Increase the volume of coal produced by the Appin Mine beyond what is approved;
- Alter the existing coal handling, processing or transport arrangements of the Appin Mine; or
- Seek infrastructure to be constructed or operated that is dissimilar to what has previously been approved or was anticipated to be required in Section 2 of the BSO Project EA.

Confirmation is sought from Department of Planning, Industry and Environment (DPIE) on the approval pathway for this modification.

Proposed Environmental Assessment

IMC propose to prepare a Modification Report to support the modification application. Any potential impacts to the environment or community will be detailed, assessed and appropriate management and mitigation measures developed (if required) in the Modification Report.

The Modification Report will include:

- an overview of the proposed modification;
- strategic context for the proposed modification;
- justification for the proposed modification; and
- alternatives considered.

The following assessments are proposed to be prepared for key potential environmental impacts as part of the Modification Report:

- Noise and vibration, including on-site construction and operational noise and off-site road noise and vibration impacts.
- Air quality, including:

- a detailed consideration of the impacts that surface infrastructure, construction activities and construction vehicles could have on the local airshed;
 - an assessment of the likely greenhouse gas impacts of the development; and
 - quantitative assessment of potential odour impacts;
- Biodiversity, including:
 - accurate estimates of any vegetation clearing or other biodiversity impacts;
 - an assessment of the potential impacts of the Project on any terrestrial and aquatic threatened species or populations, their habitats, endangered ecological communities or groundwater dependent ecosystems; and
 - a description of the measures that would avoid, mitigate or offset impacts to biodiversity.
- Aboriginal heritage, including the potential impacts of the Project on Aboriginal heritage within the development footprint on the site.
- Transport, including a detailed assessment of the potential impacts of the Project on the safety and performance of the road network.
- Investigations of measures to avoid, mitigate and/or monitor the potential impacts of the Project.

In addition, the following environmental aspects would also be addressed as components of the Modification Report, to consider other potential issues:

- visual;
- historic heritage;
- waste;
- water;
- rehabilitation; and
- hazards (public safety).

It's expected that mitigation and management measures will appropriately reduce any significant impacts such that the resulting environmental impacts of the proposed development will be minimal.

Proposed Engagement

IMC engages regularly with the community through established mechanisms.

A Stakeholder Engagement Plan has been developed for the Project. Key objectives of this plan are to:

- engage with key government and public stakeholders on the Project;
- seek input from key stakeholders on elements of the Project;
- recognise and respond to local interests and concerns regarding the Project; and
- continue the ongoing dialogue between IMC and key stakeholders.

Specific engagement completed in relation to this Project has included:

- Consultation with DPIE regarding the status of the Project and the lodgment of this modification application;
- Provision of information on the Project and offer of ongoing briefings with representatives of the Wollondilly Shire Council;
- Consultation with residents adjacent to the proposed project location, which will be ongoing;
- Consultation with the Appin Community Consultative Committee and the Douglas Park Advisory Panel; and
- Community information sheets and letterbox drops.

Future engagement regarding this Project will include, but not be limited to, the following key stakeholders:

- NSW and Commonwealth government agencies and bodies;
- local, state and federal elected representatives;
- Community Consultative Committee;
- Community Advisory Panel;
- adjacent residents;
- Menangle and Douglas Park communities;
- the Aboriginal community;
- mine employees;

- infrastructure owners (such as Endeavour Energy); and
- local customers, suppliers and businesses.

The engagement will include the use of a variety of engagement mechanisms such as:

- regular updates to the Appin Community Consultative Committee;
- establishment of a specific community Advisory Panel for the Project;
- community information sheets and letter box drops;
- community information sessions;
- meetings with government agencies and other stakeholders; and
- consultation with the Aboriginal community in accordance with the requirements of the *Aboriginal Cultural Heritage Consultation Requirements for Proponents 2010 (DECCW 2010)*.

A summary of the stakeholder engagement undertaken, the issues raised, and the outcomes will be included in the Modification Report.

Conclusion

Illawarra Metallurgical Coal is seeking concurrence from the Department of Planning, Industry and Environment on the approval pathway and level of assessment proposed for the Modification Report.

Should you have any questions or require any further information in regard to this matter, please contact Nicola Curtis on 0413 205 561 or Nicola.Curtis@south32.net.

Regards,



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