

## ASSESSMENT REPORT

### Western Coal Services Project (SSD 5579 MOD 2)

#### EXECUTIVE SUMMARY

Springvale Coal operates the Western Coal Services Project, which is a coal receiving, handling and processing hub at Blackmans Flat, west of Lithgow (see **Figure 1**). Springvale Coal has identified that the overland coal conveyor and private haul road components of the project (which have been in operation for decades) are contributing to elevated noise levels in the Blackmans Flat and Lidsdale villages. It has also found that noise from these components has made it difficult for it to meet the approved noise obligations in its contemporary development consent.

Springvale Coal is now proposing to modify its development consent, so it can improve the noise performance of the project. It proposes a comprehensive noise abatement program for the project in order to progressively reduce the existing historic noise levels which have been experienced in the residential areas near the project. The proposed modification would also allow the Environment Protection Authority (EPA) to effectively regulate activities under the existing Environmental Protection Licence for the site.

The Department considers this modification application presents an opportunity to progressively reduce absolute noise emissions through best practice and innovation. Subject to the imposition of strict conditions, the Department considers that the modification would result in a benefit to the local community and is therefore in the public interest.

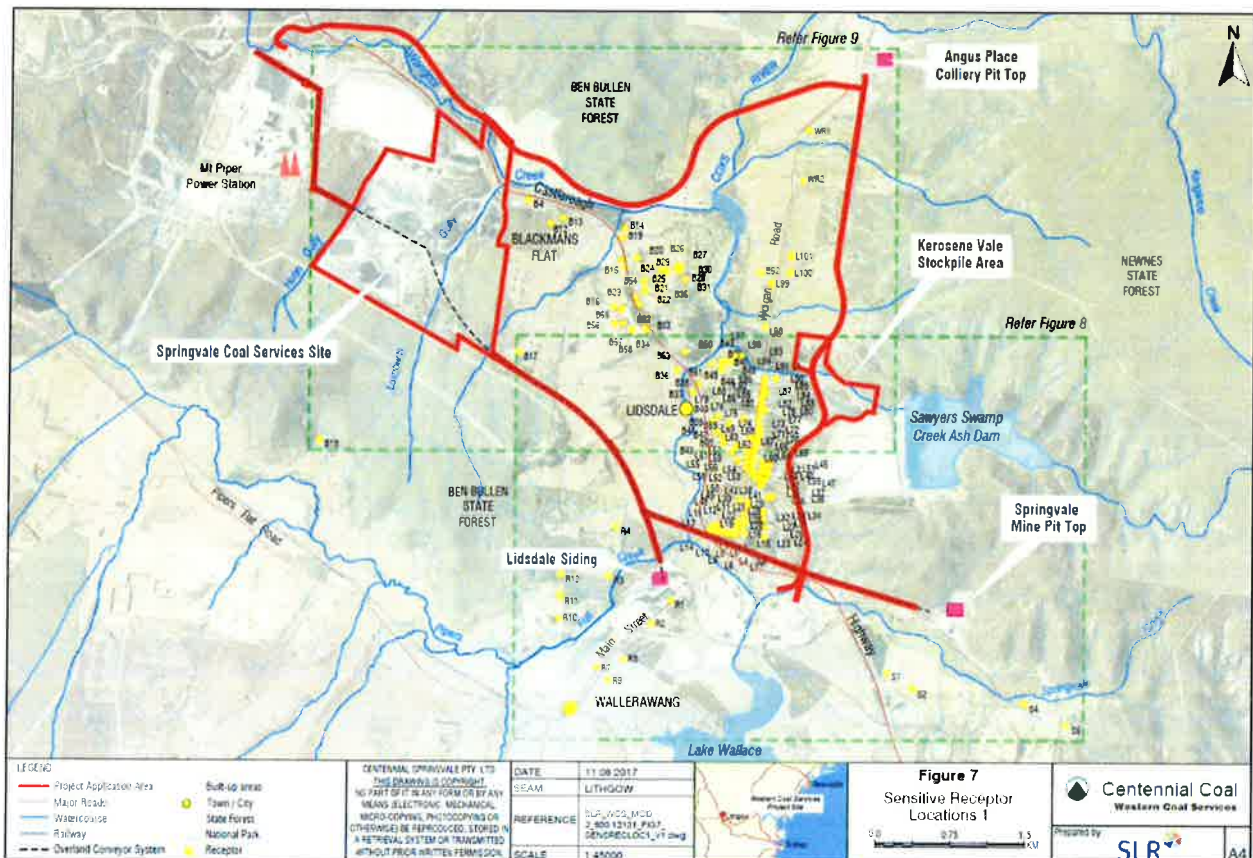


Figure 1: Project location

## 1 BACKGROUND

The Western Coal Services Project comprises a network of coal transfer, storage, handling and processing facilities, located in the western coalfield of New South Wales, approximately 15 kilometres north-west of Lithgow. The project is owned by Centennial Springvale, and is operated by Springvale Coal.

The main components of the project are (see **Figure 1**):

- the Springvale Coal Services Site – which includes a coal handling and preparation plant to wash run-of-mine (ROM) coal, coal stockpiles and reject emplacement areas;
- the Kerosene Vale Stockpile Area – which stockpiles excess coal;
- an overland coal conveyor – which takes coal from the Springvale Mine pit top to the Mount Piper Power Station and to the Lidsdale Rail Siding;
- the Mount Piper haul road – a private road between the Angus Place Colliery pit top and the Mount Piper Power Station;
- the Wallerawang haul road – a private road between the Angus Place Colliery pit top and the Wallerawang Power Station; and
- construction of a private link haul road between the Mount Piper Haul Road and the Springvale Coal Services Site.

The project does not include the mining operations at the Springvale or Angus Place collieries, the power generation operations at the Mount Piper power station, or the coal handling operations at the Lidsdale Rail Siding, which are all undertaken under separate consents.

### 1.1 Regulatory Framework

#### Development Consent

In April 2014, the Planning Assessment Commission granted development consent to the project, which consolidates all coal transport and handling infrastructure between the surface facilities at Angus Place Colliery and Springvale Mine under the one consent. This consent allows Springvale Coal to:

- receive up to 9.5 million tonnes per annum (Mtpa) of ROM coal, including up to:
  - 4.5 Mtpa from the Springvale Mine;
  - 4.0 Mtpa from the Angus Place Colliery; and
  - 1.0 Mtpa from other Centennial Coal sources;
- construct a new coal washery to enable the Coal Handling and Preparation Plant to process up to 7 Mtpa of ROM coal;
- extend an existing reject emplacement area to sustain a further 25 years of operations;
- construct a private haul road linking the site with the existing Mount Piper Haul Road; and
- upgrade the water management systems at the site by separating clean and dirty water prior to either reuse or discharge off site.

The consent has been modified once since the original approval (Modification 1), approved by the Planning Assessment Commission on 19 June 2017 – to allow the Springvale Coal Services Site to receive and emplace residual waste material produced by the Springvale Water Treatment Project.

#### Environment Protection Licence

The operations of the project are regulated by Environment Protection Licence 3607 issued under the *Protection of the Environment Operations Act 1997*. Environment Protection Licences are administered by the NSW Environment Protection Authority (EPA) which sets monitoring requirements, noise criteria and water discharge and quality limits, to prevent and minimise the pollution of the environment.

### 1.2 Need for the Proposal

The project site has a long history of mining operations. Both underground and open cut mining operations have been carried out in the surrounding area for over 70 years at the SCSS, with open cut mining, coal processing and reject disposal activities occurring for over 40 years.

Land uses adjoining the project site include coal mining operations, coal fired power stations, state forests and land zoned for primary production. A total of 168 sensitive receptors have been identified near the project site, with most located in the villages of Lidsdale and Blackmans Flat, which were originally established to accommodate workers in the mines and power stations.

Noise monitoring undertaken since the WCS project consent was issued in April 2014 shows that Springvale Coal has been having difficulties in meeting its noise obligations under the consent. This is in part due to the way that the noise criteria were established in the original environmental assessment.

The elevated noise levels have prompted Springvale Coal to begin a series of noise abatement investigation and installation works, in consultation with the EPA and the Department.

These measures are enabling the company to reduce absolute noise levels in the area below the levels experienced over the history of the mining operations. This is discussed in Section 5.1 below.

To address the non-compliances with the noise criteria, Springvale Coal is proposing to modify the consent so that the noise criteria continue to apply to operations at the SCSS, and that noise on the haul roads and conveyor are addressed separately via restrictions on use and continued implementation of the noise abatement measures.

Springvale Coal is also proposing to make a small number of other modifications to the consent, to align with recent modifications to the Springvale Mine (which allowed an increase in production to 5.5 Mtpa), to formalise the product coal stockpile and to allow a minor increase in the workforce. These modifications are outlined below.

## 2 PROPOSED MODIFICATION

Springvale Coal is proposing to modify the development consent, to allow:

- a revision to the application of the existing noise criteria to apply only to activities on the Springvale Coal Service Site, subject to a number of noise abatement measures;
- an increase in the amount of coal that can be received at the Springvale Coal Services Site from Springvale Mine from up to 4.5 Mtpa to up to 5.5 Mtpa;
- formalisation of the existing 80,000 tonne capacity product coal stockpile near the Coal Handling and Preparation Plant<sup>1</sup>; and
- an increase to the workforce on site from the approved 18 personnel to 25 full time personnel.

The modification is described in detail in the Statement of Environmental Effects (see **Appendix A**).

## 3 STATUTORY CONTEXT

The project was originally approved under Part 4, Division 4.1 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). Section 96 of the EP&A Act allows for a development consent granted in this way to be modified by the consent authority that granted the original consent.

The proposed modification does not seek to significantly alter the nature or scale of the approved development and would not materially increase its environmental impacts. The proposal would facilitate a reduction in absolute noise levels from the project, and the proposed increased rate of receipt of coal from the Springvale Mine would not change the maximum 9.5 Mtpa total amount of coal that can be received. Furthermore, the product coal stockpile has existed at the site since the Coal Handling and Preparation Plant began operating in the 1970s.

Consequently, the Department is satisfied that the application can be characterised as a modification to the existing consent under section 96(2) of the EP&A Act as it would result in substantially the same development as the development for which consent was originally granted.

The Minister for Planning is the consent authority for the modification application. However, under the Minister's delegation dated 11 October 2017, the Executive Director Resource Assessments and Business Systems may determine the application. This is because less than 10 objections were received on the proposal, no reportable political donations were made, and Lithgow City Council did not object to the proposal.

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<sup>1</sup> The product coal stockpile is an existing coal stockpile, which was assessed in the original WCS EIS as part of the adjacent 750,000 tonne ROM coal stockpile.

## 4 CONSULTATION

The Statement of Environmental Effects was publicly exhibited from 16 September 2017 until 3 October 2017. During the exhibition period, the Department received 6 submissions from public authorities and 1 from a community member.

Departmental officers, including its noise specialist, attended a site visit on 28 September 2017 with the EPA and Lithgow City Council. The Department inspected the Springvale Coal Services Site, the Kerosene Vale Stockpile Area and exposed sections of the coal conveyor. The level of noise reduction that can be achieved through the installation of low noise roller components and shielding of the overland conveyor was demonstrated during the site visit.

### 4.1 Agency Submissions

The **EPA** advised that the existing Environment Protection Licence for the project should address noise from all activities associated with operations at the site. It expressed support for the modification, provided that Springvale Coal seeks to vary the licence to include a Pollution Reduction Program to formalise the proposed noise minimisation measures. The Department has since been advised that Springvale Coal has agreed with the EPA to the inclusion of the Pollution Reduction Program. This is discussed in **Section 5.1**.

The Water Division of the **Department of Primary Industry** asked about distances between the product coal stockpile and the dirty water and clean water diversion works currently being undertaken at Lamberts Gully. Consideration of impacts to water quality are further discussed in **Section 5.2**.

The **Division of Resources and Geoscience, Office of Environment and Heritage, WaterNSW** and **Lithgow City Council** raised no objections to the proposed modification.

### 4.2 Community Submission

The community member raised concerns about the water quality, air quality, traffic and noise impacts of the project on local residents. The submission asked for an assessment of cumulative impacts resulting from the project and future neighbouring projects such as the Pine Dale Stage 2 Project and Neubeck Coal Project. Notwithstanding these concerns, the submission recognised the project's contribution to jobs and the local economy.

### 4.3 Response to Submissions

Springvale Coal provided a Response to Submissions document to address the issues raised in the submissions. The submissions and the Response to Submissions document are provided as **Appendix B** and **C** respectively.

## 5 ASSESSMENT

The Department has considered the merits of the modification application. **Section 5.1** summarises the Department's consideration of the effects of the proposed modification in terms of received noise in the local environment. A summary of the Department's consideration of other potential impacts associated with the proposal is provided in **Section 5.2**.

### 5.1 Noise

#### Local Context

The villages of Lidsdale, Blackmans Flat and Wallerawang (see **Figure 1**) are located within an area which has been the subject of elevated noise levels from intensive industrial and mining operations over a significant period of time. These operations include the Springvale and Angus Place mines, the Lidsdale Rail Siding, the Mount Piper Power Station and the Wallerawang Power Station (which is currently being decommissioned). The Castlereagh Highway also runs through the villages.

### Noise Criteria

The NSW Industrial Noise Policy provides for two separate sets of noise criteria, to allow industries to meet environmental noise objectives, namely:

- project-specific intrusiveness criteria, which requires that the continuous noise level (ie the LA<sub>eq</sub><sub>15 minute</sub> level) does not exceed the relative background level by more than 5 decibels; and
- amenity criteria, which aims to maintain amenity across an area, given the proposed and existing land uses.

Noise criteria in the development consent are based on the project-specific intrusiveness criteria, as these levels are significantly lower than the amenity criteria.

While the noise emitted from the project and other local sources has not significantly changed over the years, Springvale Coal is having difficulty with meeting the noise criteria specified in the consent. This is due in part to the way the background level used to determine the project-specific intrusiveness criteria was measured, which did not accurately reflect the contribution of the existing industrial noise sources in and around the site. This resulted in lower project-specific intrusiveness criteria being applied to the consent in 2014.

### Noise Complaints

The absolute noise levels at sensitive receivers near the project site are not dissimilar to noise levels that have been experienced in the area for many years. This is evidenced by the low number of noise complaints received by the company.

Only 4 complaints have been recorded in Springvale Coal's Community Complaints Register since the consent was granted, and the most recent complaint was received in March 2015. The complaints were related specifically to the coal conveyor, with 3 of the 4 being attributed to a defective roller component, which Springvale Coal subsequently replaced.

### Noise Mitigation

Springvale Coal has identified that the coal conveyor and private haul roads are the principal causes of the elevated noise levels, rather than operations on the Springvale Coal Services Site. Although the conveyor and haul roads are contributing to the elevated noise levels, they have a number of benefits, particularly as they remove the need to truck coal on the public road network.

To address the issues it currently experiences in terms of meeting its existing noise criteria, Springvale Coal has proposed an innovative noise reduction strategy, including a range of noise mitigation measures. These measures are progressively being implemented in consultation with key agencies including the EPA and include:

- installing low noise roller components on the exposed sections of the coal conveyor nearest to Lidsdale and other sections on the transfer point to the Springvale Coal Services Site;
- installing noise barriers around a drive component of the overland coal conveyor at the Springvale Coal Services Site;
- installing noise attenuating cladding at the coal handling and preparation plant;
- restricting dozer operations on the stockpiles at the Springvale Coal Services Site to day periods only, and day and night periods only for the front-end loaders;
- restricting the allowable sound power levels of front-end loaders and dozers;
- placing additional restrictions on the operational hours and the numbers of trucks allowed at any given time on the private link haul roads; and
- setting appropriate sound power level criteria for the new washery if constructed.

Springvale Coal has confirmed that the engineered mitigation measures at the conveyor would be fully installed by December 2018, and the cladding on the coal handling and preparation plant would be installed by June 2019. It has already commenced the restricted dozer and loader activities at the Springvale Coal Services Site.

The Department acknowledges that implementing these measures would not eliminate noise impacts entirely, but would result in an appreciable reduction (i.e. up to 5 decibels difference in some cases) in the noise levels that are currently experienced. It accepts that these measures represent best practice reasonable and feasible noise mitigation measures for the project, and that the abatement measures would reduce absolute noise levels experienced in the surrounding area below levels that have been experienced over many years.

Consequently, the Department accepts that the existing noise criteria for the project should focus on operations at the Springvale Coal Services Site, while noise from the overland coal conveyor and link haul roads can be managed separately by way of application of the above reasonable and feasible mitigation measures.

### Noise Recommendations

To this end, the Department has recommended conditions which require Springvale Coal to:

- comply with the existing noise criteria for all operations, with the exception of noise from the overland conveyor, Mount Piper haul road and Wallerawang haul road; and
- restrict certain operations, including:
  - no night time operations on the Wallerawang haul road, and restricted operations (i.e. 3 trucks only) during the evening;
  - restricted night time haulage operations (i.e. 2 trucks) and evening operations (i.e. 8 trucks) on the Mount Piper haul road, with no night time haulage operations during adverse meteorological conditions; and
  - no evening or night time operations at the Kerosene Vale Stockpile Area.

The Department has also recommended that Springvale Coal undertakes a detailed Noise Reduction Study, to ensure it further investigates, assesses and implements the full range of reasonable and feasible noise mitigation measures at the overland coal conveyor and at the coal handling and preparation plant.

The objectives of the noise reduction study would be to progressively reduce the historic elevated noise levels and identify a timeframe to achieve lower noise levels, in consultation with the EPA. This is consistent with both the Industrial Noise Policy and the Voluntary Land Acquisition and Mitigation Policy which support projects that result in overall improvements in historic environmental noise outcomes.

This condition is also consistent with the EPA's recommendation to undertake a Pollution Reduction Program. The EPA has advised that once noise reduction works under the program are completed, it would seek to add noise limits on the licence for the overland conveyor and haul roads components of the project.

Springvale Coal's commitment to restricting the use of the private haul roads during the development phase of its Angus Place mine have also been formalised in the recommended conditions.

The proposed modification would also necessitate an update to the project's comprehensive Noise Management Plan, which provides an ongoing comprehensive performance management system, including regular monitoring, complaints management and strict reporting requirements.

## **5.2 Other issues**

The Department's consideration of other issues is summarised in **Table 1**.

**Table 1: Proposed changes to conditions**

<b>Issue</b>	<b>Consideration</b>	<b>Recommendation</b>
<b>Air Quality</b>	<ul style="list-style-type: none"> <li>• The 80,000 tonne product coal stockpile is an existing component of the site and was originally assessed as part of the 750,000 tonne ROM coal stockpile in the <i>Western Coal Services Project Environmental Impact Statement</i> (2013).</li> <li>• The stockpile has not contributed to exceedances of the relevant ambient air quality criteria.</li> <li>• Air quality impacts would continue to be managed under the existing Air Quality Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional conditions, as the existing conditions already require the existing Air Quality Management Plan to be reviewed and updated as necessary.</li> </ul>
<b>Water Quality</b>	<ul style="list-style-type: none"> <li>• The product coal stockpile is located adjacent to the CHPP. A diversion drain around this stockpile diverts the product stockpile run-off to the Stockpile Sediment Dam and finally into Cooks Dam for either re-use or discharge into Wangcol Creek via Licensed Discharge Point 6.</li> <li>• Clean and dirty drainage separation works are currently being undertaken at the SCSS to reduce the volume of surface water reporting to the groundwater environment.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional conditions, as the existing conditions already require the existing Water Management Plan to be reviewed and updated as necessary.</li> </ul>



<b>Issue</b>	<b>Consideration</b>	<b>Recommendation</b>
	<ul style="list-style-type: none"> <li>These works are expected to be completed by December 2019.</li> <li>Water quality impacts are managed through the existing WCS Water Management Plan, which would be updated.</li> </ul>	
<i>Coal receipt</i>	<ul style="list-style-type: none"> <li>The Springvale Mine Consent (SSD 5594) permits the production of 5.5 Mtpa of coal, and the proposal to increase coal receipt from the Springvale Mine to 5.5 Mtpa would align the two consents in this regard.</li> <li>There would be no change to the existing approved maximum of 9.5 Mtpa of coal allowed to be received at the Springvale Coal Services Site, so the proposed increase in coal received from the Springvale Mine is unlikely to result in any increase in environmental impacts.</li> </ul>	<ul style="list-style-type: none"> <li>No additional conditions required.</li> </ul>
<i>Traffic</i>	<ul style="list-style-type: none"> <li>The employment of 7 additional full time equivalent workers on site would have a negligible impact on traffic flows on Castlereagh Highway.</li> </ul>	<ul style="list-style-type: none"> <li>No additional conditions required</li> </ul>
<i>Cumulative impacts</i>	<ul style="list-style-type: none"> <li>The Department is yet to receive applications for the Pine Dale Stage 2 Project or the Neubeck Coal Project.</li> <li>However, the Department has issued Secretary's Environmental Assessment Requirements for these projects, which require comprehensive assessments of all potential environmental impacts, including noise, water and air quality impacts.</li> <li>If development applications are lodged with the Department for these projects, a thorough cumulative impact assessment would be required, and the projects would be assessed on their merits.</li> </ul>	<ul style="list-style-type: none"> <li>No additional conditions required</li> </ul>

## 6 RECOMMENDED CONDITIONS

The Department has prepared a Notice of Modification and Consolidated Development Consent for the proposed modification (see **Appendix D** and **Appendix E**). The Department's proposed conditions focus on the implementation of noise abatement and improvement works.

The Department considers that the additional coal transfer from the Springvale Mine would be appropriately managed within the existing approval and post-approval management framework for the project, with appropriate updates to the management plans as required.

Springvale Coal has reviewed and accepted the recommended conditions of consent.

## 7 CONCLUSION

Springvale Coal is seeking to modify its development consent to allow the application of the noise criteria for the Western Coal Services project to focus on activities within the Springvale Coal Services Site, subject to a range of noise mitigation measures. It has also asked to increase the amount of coal that can be received from the Springvale Mine.

The key issue for the proposal is the need to better manage the noise performance associated with legacy infrastructure which have been operating for decades. The Department considers this modification application presents an opportunity to reduce absolute noise emissions progressively, and ensures collaboration on this issue with the appropriate regulatory agency (i.e. EPA).

The modification application would result in incremental improvements to the local noise catchment. Moreover, the project would achieve objectives of addressing legacy noise impacts consistent with both the Industrial Noise Policy and Voluntary Land Acquisition and Mitigation Policy, which support projects that result in overall improvements in environmental noise outcomes.

The proposed increase in coal that would be received from Springvale Mine would not change the total amount of coal already allowed to be received at the project, and would align the consent with the recent production increase modification at the Springvale Mine.

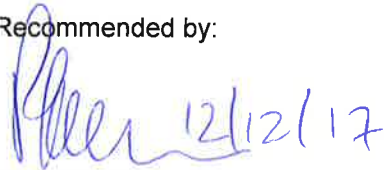
Consequently, the Department is satisfied that the proposed modification is in the public interest and recommends that it is approved, subject to the recommended changes to the conditions of consent.

## 8 RECOMMENDATION

It is recommended that the Executive Director Resource Assessments and Business Systems, as delegate of the Minister:

- consider the findings and recommendations of this report;
- determine that the application SSD 5579 MOD 2 falls within the scope of section 96(2) of the EP&A Act;
- modify the consent SSD 5579; and
- sign the attached approval of the modification (see **Appendix D**).

Recommended by:



Paul Freeman  
**Team Leader**  
**Resource and Energy Assessments**

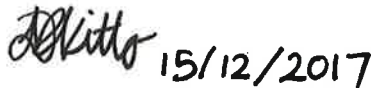
Recommended by:



Clay Preshaw  
**Director**  
**Resource and Energy Assessments**

## 9 DECISION

The recommendation is Approved Not Approved by:



David Kitto  
**Executive Director**  
**Resource Assessments and Business Systems**  
as delegate of the Minister for Planning