

22 April 2013

## NSW Planning Commission Determination Report Angus Place Colliery, Modification 2: Ventilation Facility

### 1. Background

The modification application area subject of this determination is located to the east of the existing Angus Place Colliery, to the west of the Blue Mountains and approximately 15 km north west of Lithgow.

The initial Angus Place Colliery was granted development consent in 1975. In 2006 approval was granted to increase the mining area and annual production from 2.3 to 3.5 million tonnes per annum (Mtpa). The project approval was further modified in 2011 to include two additional longwalls (910 and 900W) and increase the production limit to 4 Mtpa.

Mining of the currently approved longwalls is expected to be completed in 2016, consequently the Proponent is seeking to continue longwall mining at Angus Place, to the east of the current workings within its Mining Lease 1424. Although the Proponent has commenced work on a new State Significant Development application for this extension, it is still in preparation and has yet to be submitted to the Department for consideration and public exhibition.

### 2. Project Modification

In the interim, while the detailed studies required for the broader expansion application are being prepared, the Proponent has submitted this modification application, which would allow it to commence some early work on the infrastructure required and some limited 'trail' mining to better understand the geology of the proposed expansion area. The modification seeks to:

- Install and operate two additional ventilation shafts;
- Install and operate nine service boreholes;
- Install electrical infrastructure to supply the ventilation facilities; and
- Undertake trial mine operations.

The proposed ventilation facility and other associated infrastructure are not required for the current operations but are intended to eventually support the proposed north eastern longwall mining operations (Angus Place Extension Project) and allow for Centennial to transfer the existing mining operations to the proposed north-eastern operations area, in the event that the new extension project is eventually approved.

In establishing this infrastructure and undertaking the trial mining, up to 710,000 tonnes of ROM coal would be extracted. There would be no change to the project life, or annual coal processing and production rates.

### 3. Delegation to the Commission

On 25 March 2013, the project modification (MP06\_0021 MOD 2) was referred to the Planning Assessment Commission for determination under Ministerial delegation issued 14 September 2011, as Centennial (the Proponent) has made reportable political donations.

For this determination, Ms Gabrielle Kibble AO, Chair of the Planning Assessment Commission, nominated Mr Paul Forward (chair) and Mr Joe Woodward PSM to constitute the Commission for the project.

#### **4. Department's Assessment Report**

The Director-General's Assessment Report provided an assessment of the following key issues:

- Flora;
- Fauna;
- Surface Water;
- Proposed Trial Mining; and
- Groundwater.

Other issues considered include noise and vibration, cultural heritage, air quality, greenhouse gases, traffic and transport, public safety, subsidence, visual amenity, rehabilitation and closure and socio-economic impacts.

The Department's recommendation is that the Commission approve the application under section 75W of the *Environmental Planning and Assessment Act 1979* (the Act).

#### **5. Commission's Meetings and Site Visit**

##### Meeting with the Department of Planning and Infrastructure

The Department briefed the Commission on 4 April 2013, where the following matters were discussed:

- The need for the modification and risks associated with developing the infrastructure ahead of any assessment or determination of the project application it is intended to support. The Department acknowledged the significant investment involved (~\$63 Million), but assured the Commission that the Proponent understood the risk, regarding future approvals. The Department also indicated that by not proceeding with the modification, the mine extension project (if it is eventually approved) would be significantly delayed, which would also result in significant costs to the Proponent associated with shutting down and recommencing mining. Consequently, there is also understood to be potential risk in not proceeding with the preparatory works.
- The impact on the endangered species *Persoonia hindii*, lack of knowledge about the species and consequently the recommendation for a research program which was generally supported by the Office of Environment and Heritage.
- The proposed trial mining. The Department indicated it had concerns about the originally proposed layout as it would establish the detailed design of any future mining of the area. The Department explained that the Proponent had agreed to a smaller trial mining scheme which left some flexibility so that the design of future longwall panels can be modified, in response to consideration of issues such as subsidence impacts.

##### Site Visit accompanied by the Proponent

On Thursday 11 April 2013, the Commission visited the surface areas of the site associated with the modification, accompanied by the Proponent. The Commission visited the proposed switchyard site, substation compound and shaft site; as well as travelling along Sunnyside Ridge Road (the route of the proposed trenched power supply) and observed a number of *Persoonia Hindii* stems within the power supply easement route.

During the site visit the Proponent acknowledged the proposal would be developed at its own risk, and that there is no certainty that the broader application to mine the area would be allowed to proceed. The Commission emphasised that it is not generally supportive of this approach and that better forward planning is required to ensure that applications are submitted with sufficient time so that all elements can be constructed post determination.

In relation to the *Persoonia hindii* species, the Proponent indicated that very little is known about the species and that it is difficult to secure an offset for the impact as the known population occurs almost exclusively within the Newnes State Forest (and consequently is not available as an offset). The Proponent emphasised that the decision to install underground, rather than above ground, high voltage power lines represented a significantly improved biodiversity outcome and noted that by aligning the route with the road, disturbance impacts would be minimised.

The Commission also questioned the Proponent about the reduced trial mining scheme, the Proponent indicated it had agreed to the reduced scheme and confirmed approximately 500,000 tonnes of ROM coal would be extracted from the trial mining area.

## **6. Commission's Consideration**

The Commission has carefully considered the Department's Assessment Report and associated documents, including written submissions and the recommended conditions of approval.

### **6.1 Flora**

The modification would require the removal of approximately 15 ha of native vegetation none of which has been classified as an Endangered Ecological Community under the *Environment Protection and Biodiversity Act 1999* or the *Threatened Species Conservation Act 1995* (TSC Act).

However, *Persoonia Hindii* a flowering shrub listed as endangered under the TSC Act is known to occur within the proposed site and would be impacted. The DG Assessment Report advises that the proposed clearing of 1180-1269 stems would result in removal of up to 11 percent of the known local population and up to 7 percent of the total known population of *P. hindii*. This impact would be slightly higher with the removal of a further 93 stems from the recently approved Springvale Bore No 8 project.

The proponent has not favoured the OEH recommendation for an offset but instead proposed a research program including trial translocation of the *P. hindii*. No evidence appears to be provided in the Department's assessment report that relocation of this species has been successful in practice.

The Department has recommended that a regional biodiversity offsets strategy be included as a condition of approval that requires a research program including translocation of *P. hindii*, to be finalised in four years. While this would not be completed in time for the current application and likely not before the proposed north eastern extension application is determined, it would however provide useful information on the success of translocation and a basis for determining an appropriate offset for residual damage to the species.

The Department recommended that a *Persoonia hindii* Management and Research Program be developed in consultation with the Office of Environment and Heritage (OEH) and Forests NSW. The Commission supports this requirement for the management and research program on the basis that an offset would be provided for any residual impacts on *P. hindii* at the end of the four year research program.

The Commission is concerned that an offset has not been identified to date, but notes that the impact would mainly occur within the power line easement, and that there may be scope to re-establish populations in this zone, following installation of the power line. In order to ensure this is undertaken in a timely manner the Commission has specified the need for re-establishment of *P. hindii* in the Rehabilitation Management Plan.

The Commission also added a requirement for future vegetation offsets to be consistent with relevant NSW Offsets policy.

## 6.2 Proposed Trial Mining

The modification originally included undertaking a trial mining program (5 sets of easterly twin headings). The Department did not support certain components of the trial mining layout that would effectively dictate the layout of the Angus Place Extension Project, including the width of the future longwalls, which has yet to be submitted for public consultation and assessment. This issue was also raised in a number of submissions. In response to these concerns the Proponent has agreed that only one paired set of easterly headings, together with a north-south set of headings would be constructed. The Department has indicated that it is satisfied that this removes the constraints on the layout of potential future mining operations.

The Commission agrees with the Department's approach to limit the trial mining so that the modification does not pre-determine the proposed Angus Place Extension Project and so that the impacts of any future mining works can be adequately assessed.

The Commission has included a condition which limits extraction from the trial mining area, to 500,000 tonnes of ROM coal.

## 6.3 Socio-Economic Factors

This is a high-risk investment decision by Centennial. The proposal requires a significant capital investment of \$63.5 million, for little financial return on this project. The clear intention of the proposed modification, as confirmed in the Department's assessment report (p20) is to facilitate a future application for extended mining operations to the north east. In determining this modification proposal the Commission needed to consider the predicted impacts against socio economic benefits, in the absence of certainty of any future approval for the extended mining operations. Similar issues were considered in detail in the Commission's determination of *NRE No 1 Colliery, Preliminary Works Project Modification 1 – MP10\_0046 MOD 1*, dated 24 December 2012. A number of relevant extracts are provided below:

*In this uncertain framework the Commission is of the view that the balance lies with maintaining continuity of employment if this can be done within the context of the overall merits of the proposal and maintenance of proper decision-making processes. (Page 4)*

*"The question is what to do about it. The position of the Community Groups is clear: the modification is an abuse of process and should be refused. The agencies and Council are equally concerned about approval of the maingates without full information about the potential environmental impacts of extraction of the longwall panels they are designed to facilitate. The Proponent and CFMEU point out that, without at least some of the maingates in place when LW5 is completed, the continuity of operations will be lost and the main project will fail during the assessment process." (Page 6)*

*"The Commission has carefully considered the options available and the concerns expressed by the various interested parties. The Commission is not prepared to agree to development of all the maingates sought (i.e. 6, 7 and 8). Because of the immediacy of the continuity requirements, the Commission will agree to the development of Maingate 6 in conjunction with extraction of LW5. (On the information available to the Commission, to approve LW5 without Maingate 6 would be a futile exercise.)*

*The Commission makes no comment about the merits of extraction for LW6. That will have to be considered on the basis of the information supplied at the time approval is sought. The approval of the main gate for LW6 should not be taken as any form of endorsement by this Commission of the possibility of approval for extraction.” (Page 6)*

The Commission has taken into account the socio economic benefits as outlined in the Department’s report, including;

- the continuity of mine operations and employment until and if the future north east extension proposal is approved. Without the ventilation facilities, and the headings to the proposed future mine workings to the north east, the current operations would begin to wind down, with mine closure around 2016; and
- The project would help maintain contractor numbers during the construction of the ventilation shafts and associated infrastructure.

The Commission considers the predicted social and environmental impacts from this modification proposal can be minimised or mitigated to an acceptable level and therefore concludes that the modification should be approved with appropriate conditions.

The Commission has not had access to any information, nor has it considered the suitability of, any further extraction of coal in the area (beyond the proposed board and pillar extraction of 500,000 tonnes of ROM coal – proposed in this modification application). The Commission emphasises that approval of this project in no way provides any form of endorsement of any proposal to extend mining operations at this colliery.

## **7. Commission’s Determination**

The Commission has carefully reviewed the application, the Director-General’s Assessment Report, and submissions.

The Commission is satisfied the impacts of the proposal can be adequately minimised and managed and has determined to approve the modification application, subject to conditions.



Paul Forward  
**Member of the Commission**



Joe Woodward PSM  
**Member of the Commission**