New South Wales Government
Independent Planning Commission

TRANSCRIPT OF MEETING

RE: CLARENCE COAL MOD 10 - CONTINUE INCREASED TRUCKING & LIDSDALE SIDING MOD 5 - COAL DELIVERIES FROM CLARENCE COLLIERY

(DA504-00-MOD-10 & MP08_0223-MOD-5)

APPLICANT MEETING

PANEL:	PROF NEAL MENZIES AM (CHAIR)
	PROF ALICE CLARK
	PROF SNOW BARLOW
OFFICE OF THE IPC:	BRADLEY JAMES (PRINCIPAL CASE MANAGER)
APPLICANT REPRESENTATIVES:	EDWINA WHITE (GROUP MANAGER APPROVALS, CENTENNIAL COAL COMPANY LTD)
	NENA LANE-KIRWAN (APPROVALS OFFICER, CENTENNIAL COAL COMPANY LTD)
	RON BUSH (EARLY PHASE PROJECTS MANAGER, CENTENNIAL COAL COMPANY LTD)
LOCATION:	ZOOM VIDEO CONFERENCE
DATE:	3:00PM – 4:00PM
	THURSDAY, 2ND MAY 2024

<THE MEETING COMMENCED

PROF. MENZIES: My name is Neal Menzies. I'm the chair of the Commission Panel. I've got a formal statement that I read before these sessions. So, I'll read that out, but then it's more of an informal discussion amongst us from that point onwards. So, before we begin, I'd like to acknowledge that I'm speaking you, to you from the Turrbal and Jagera peoples lands here in the Brisbane River catchment.

I acknowledge the traditional owners of the countries from which we virtually meet today, and I pay my respects to their Elders, past and present. Welcome to the meeting today to discuss Lidsdale Siding Modification 5 and Clarence Colliery Modification 10, cases that are currently before the Commission for determination. My name is Neal Menzies. I'm the chair of the Commission panel and I'm joined by my fellow Commissioners, Alice Clark and Snow Barlow. We're also joined by Brad James from the office of the Independent Planning Commission. In the interests of openness and transparency, and to ensure full capture of information, today's meeting is being recorded and a complete transcript will be produced and made available on the Commission's website.

I request that all members here today introduce themselves before speaking for the first time, and for all members to ensure that they do not speak over the top of each other to ensure accuracy of the transcript. Okay, we can now begin. So, guys we sent a set of issues, things that we had questions about. And I think that's a sort of sensible starting point, but we won't be constrained to those points alone. If there's other things you think you should be telling us, or if there's points that come up during our discussion that we're interested in, we may well go off on another tangent.

MS WHITE: Very good. We've prepared a presentation, if you'd like me to. Oh, it's Edwina from Group Manager Approvals at Centennial. If you'd like me to go through that.

PROF. MENZIES: And, Edwina, if that's the best way for you to tell us what we need to know, then we're very happy to track through the presentation.

MS WHITE: Okay, terrific. I - as Ron said - I'm very much used to Teams but let me have a go at sharing my screen, so I'll just. Oh, I think I have to go to presentation mode first.

MR BUSH: I might just also introduce Nena myself. So, Nena is Approvals Officer for in our approvals team, and I'm sort of a Project Manager, sort of helping out with approvals overall, generally, so.

MS WHITE: Window. I'm not sure. Can you see?

PROF. MENZIES: Yes. We've got your screen up there now. That's the opening slide. Yeah.

MS WHITE: Perfect. Thank you. Success. Okay. Clarence Colliery is an underground coal mine within the western coalfields of New South Wales. It's approximately ten kilometres east of Lithgow. And the image that you see on the right-hand side in the red boundary here is the Clarence Colliery holdings and the pit tops around about where my cursor is at the moment, if you can see it. And Lithgow is just down in here, ten kilometres away. So, Clarence commenced operations in the 1980s and currently operates under three separate development consents the first one being issued in 1976 by the Lithgow Council. Second one again issued by Lithgow Council in 1994. And the third one DA504-00 issued by the then Department of Infrastructure, Planning and Natural Resources in 2005.

So, the modification as it relates to Clarence, that's Mod 10 relates to DA504. And that consent authorises the extraction of up to 3 million tonnes of coal per annum employing partial extraction mining methods until the end of 2026. We produce a high quality, low ash thermal coal from the Katoomba seam for both domestic and export customers. So DA504 permits the dispatch of coal via rail, and also allows a limited dispatch of coal via trucks. We previously - and that's limited to up to 200,000 tonnes per annum and it includes a mix. We're allowed to dispatch 200,000 tonnes per annum to the east and up to 100,000 tonnes per annum to the west via Darling Causeway here. The Great Western Highway to the western haulage route. Lidsdale Siding is an existing rail loading and coal blending facility operating since 1974. It essentially automates the transfer and dispatch of coal to and from Centennial Coals Western Coal Services.

So, the image here on the right, this red boundary around here is where Lidsdale Siding is. Western Coal Services sits in here. And Mount Piper Power Station sits in here. So, the Lidsdale Sidings, about 500m north of Wallerawang, which sits down in here and approximately nine kilometres north west of Lithgow. So, Lidsdale operates under SSD08_0223 approved under part 3A of the EPA act in May 2013, and it's held by Ivanhoe Coal PD limited, a wholly owned subsidiary of Centennial Coal Company. So, the Lidsdale, citing consent, allows for coal handling and train loading unloading operations on the site until December 2042. And we had a short-term approval to receive coal by truck. But that expired in December 2023. So, the consent at the moment well, allows for call receipt and transport by conveyor and rail and truck. But that expired in 2023. And that receipt of truck allowed for up to 25 laden trucks per day between 7 to 10 on a Monday to Saturday and then 8 to 10 on public holidays and Sunday.

MS WHITE: So Centennial is seeking to modify. DA504 and Lidsdale Siding SSD080223 under section 4551A of the Environmental Planning and Assessment Act. So, for Clarence, we are seeking to allow for the dispatch of up to 300,000 tons of coal per annum from Clarence by truck until the lapse of DA504. And within that upper limit of 300,000 tons, enable the ability to transport 200,000 tons of that by truck to the west to either Mount Piper or Lidsdale Siding via public roads. And that's exactly the same as what was previously approved under Mod 9. Lidsdale siding obviously to allow for the acceptance of that coal from Clarence via the Castlereagh Highway. The proposed modifications being designed to avoid and

minimise the adverse impacts through the implementation of appropriate management measures to mitigate any residual impact from the proposed modification. Key assessments are undertaken as a part of the modification. And they concluded that there would be minimal impacts and that they would be considered acceptable. The combined modification was submitted to the Department of Planning or DPHI now in November and was publicly exhibited between November 24th of November and the 7th of December.

Yep, from a project justification perspective it's mostly and really all about energy security, with Energy Australia highlighting the criticality of Centennial to maintain its ability to deliver a secure energy source to meet the ongoing forward electricity demand on the eastern seaboard of Australia. The proposed modification will authorise an alternate coal supply source to secure electricity demand. And will enable a blending of coal products to ensure supply meets the required specifications for efficient power generation. By utilising trucks, it gives us the flexibility to quickly deliver coal to the power station and respond to fluctuations in demand as and when required.

The environmental assessment findings and the proposed mitigation and management measures to be implemented haven't identified any material additional environmental impacts, and there is benefits to New South Wales in terms of providing an immediate and cost effective additional coal supply to assist Energy Australia in securing reliable and affordable electricity. We did consider some alternatives. They are detailed in the Mod report itself. One alternative was railing the coal product. It wasn't considered to be a suitable alternative. Because of the, it restricts our flexibility to respond. And also introduces some inefficiencies. And I'll talk a little bit about that. In the next couple of slides.

In terms of local supply of coal to the power station. Centennials got three operations or three mines that are currently in operation that's early Springvale and Clarence. Springvale being the primary supplier to Energy Australia. It's at this stage one of the key single, one of the key sources. We did look at early contributing to the, to the coal supply. However, the trucking of coal from Airlie did introduce community objections. So, the other alternative is for Clarence to truck coal locally to the power station. Of course, coal could come from other suppliers outside of the Lithgow LGA. However, there is a longer dispatch. And obviously there are effects associated with that longer dispatch line. So, in terms of proposed changes to the conditions of consent. The primary change that we're requesting is just an extension to the date. So, a change from 2023 to 2026 for those specific conditions for DA504.

That's schedule two condition 7AA. And for SSD080223, condition two schedule 7A. So now we take the opportunity to run through some of your four questions. Thank you. So, I've just got those pointed out on the next couple of slides.
So, the first question was, can you provide more information regarding the decision to not use rail as an alternative for the transport of coal? So, we have previously considered the transport of coal to the west by train. However, it's been determined to be not a feasible alternative for us. The coal proposed to be transported from the

Clarence pit top to the power station typically contains a higher fine coal content which tends to be quite sensitive to rainfall and moisture. So, because it is more sensitive to that moisture, it easily absorbs it. So, when the fine coal product absorbs the rainfall or the moisture, it becomes sticky to handle. And what that does is it results in difficulties during the unloading procedures. So, yep.

PROF. CLARK: Do you want me to hold questions to the end or ask them as we go through?

PROF. MENZIES: I think we should ask her as we go through Alice, because the, yeah, they're building up in my mind, too. So, let's clear them as we go.

PROF. CLARK: I've got one that - and if you're going to answer it in the future, please hold off until then - but I'll pose it now. Are those coal rail cars covered? And if they're covered, how does the rain get on them?

MS WHITE: The rail? No, the rail covers are typically not covered.

PROF. CLARK: So, the rail cars are not covered?

MS WHITE: No.

PROF. CLARK: Okay. Thank you.

MS WHITE: Yeah, pleasure

PROF. BARLOW: I have, Neal, I have a related question. You know, from looking at the Clarence Vine capacity of up to 3 million tonnes a year?

MS WHITE: Yes.

PROF. MENZIES: This is basically 10% of that if you use the full licence. How, and we gather that the other 90% is transported by rail. Is that the sticky coal? Not a problem with that. 90% of your coal being transported.

MS WHITE: Yeah. Look, that's a good question. It can be. So, then it's about getting the right mix. We tend to focus the finer coal material into our trucking because we can truck to the east and to the west as it stands. So that's where we try and focus those deliveries. So, yes, there is the potential for that to happen. However, we manage the loading and the blending before it goes to the train loader.

PROF. CLARK: So, it is possible to load and blend down to an acceptable level of fineness for the rail cars?
MS WHITE: Yes, we can do that.

PROF. BARLOW: Sorry, Edwina. A related question is, and it's not particularly pertinent to this mod. But where does that the rest of that 90% coal go? Does it go east to export?

MS WHITE: Yes. That's correct.

PROF. BARLOW: Okay. Thank you.

MS WHITE: Yeah. That's correct.

PROF. MENZIES: Thanks, Edwina. Let's keep moving. So, Snow covered the first of my questions. So, we'll let you roll forward.

MS WHITE: Yeah. Thank you. So, Centennial's identified that it's more feasible to manage the transport of coal to Mount Piper using covered trucks from a logistics point of view. And the dispatch of coal via truck offers a far superior flexibility compared to trains. So, we can respond to demand quite quickly and at short notice and also respond to the prevailing weather conditions to protect the coal with a covered vessel.

PROF. MENZIES: So, Edwina, let me just pause you there. By flexibility, you mean if you get a phone call saying there's extra demand, you can put some more trucks out tomorrow.

MS WHITE: Some, yes. That's correct. I mean, not that exact specific example. We'd have to, you know, organise contractors, but it's certainly a lot faster than scheduling a train and getting the pilings. Yeah.

PROF. MENZIES: But the alternative surely would be to have some level of stockpile at Western Coal services.

MS WHITE: I'd have to take that question on notice.

MR BUSH: Yeah. And to the Clarence side that does have some stockpiling constraints. And as Edwina said, the finer coal is you know, it's able to be sourced and loaded out from the production process and its sort of a domestic product, whereas the export products are more even grading. So that's the coal that sort of gets loaded for the export sort of market, which -

PROF. MENZIES: Ron, I get that I'm trying to tease out. Whether - how the flexibility question works. I think Snow's question and answer dealt with the material that 90% of your material suitable to go out by train. So, it's sort of a company decision to put the 10% that's not really good for trains on the road to go to the power station. And a different blending approach would probably address that. I'm trying to see now the flexibility question.
And I'm not asking about ability to stockpile it. Clarence, you obviously have the ability to deal with a couple of million tons that are going onto trains, so there's no

limit to what needs to go to the power station in terms of what Clarence can deal with. Is there any limitation at the other end? Lidsdale siding Western Coal services, Mount Piper power station that you can't stockpile there. We know there's stockpiles there. I'm asking, you know, why isn't that an option? Why do you need the flexibility you're asking for here?

MS WHITE: Yeah. Regarding those operational matters at Western Coal Services and Lidsdale Siding. May I take that question on notice?

PROF. MENZIES: Sure.

MS WHITE: And come back to you. Thank you. Okay. I'll just move on to the next question if there aren't any more on that one.

PROF. MENZIES: I think we're good. Yeah. Please roll on.

MS WHITE: Perfect. The next question was, can you provide more context around the decision to not use private roads for the transport of coal? So, the private haul roads that we currently use in the image on the right hand side, yellow dotted line shows the private haul roads. This is called the. Wallerawang haul road and this is the Angus to Mount Piper private haul road. So previously, Centennial has held access agreements with third parties which allow the use of these private haul roads. Unfortunately, though, these access agreements have expired. So, despite efforts to do so, Centennial has not been able to re-establish access to the Wang Haul Road or the Mount Piper Haul Road.

Since 2020, just due to changes in land ownership and delayed and protracted negotiations. And this image that you see in the centre here. The different colours represent the different owners of the various parts of the private haul road, particularly this section here. So, it's a what could be considered to be simple is actually very complex with multiple moving parts and multiple third parties. And it's a similar situation along the Wallerawang haul road as well. And as you may appreciate, I'm not sure, but there's quite a bit of work going down going on down here with the (indistinct) and GPM. Yeah. So, there's lots of moving parts, and we haven't been able to get the agreements in place.

PROF. CLARK: Edwina, are those different colours representative of I guess agricultural landholders or is the road a separate corporate lease, What's the what is the ownership of that?

MS WHITE: Well, there's external parties. There's enhanced - I can't remember all of them off the top of my head at the moment. But there's certainly private ownership as well. Not so much agricultural companies, but other companies and private ownership.

PROF. CLARK: Okay. Thank you. Yeah.

MS WHITE: The proposed haulage route was assessed as part of the modification, and the Traffic Impact Assessment concluded that the modification would result in minor impacts on traffic and transport related matters, and Centennial will continue to implement internal standards and procedures, including the Clarence Haulage Management Standard, which addresses a code of conduct, fatigue management, and other measures for truck drivers hauling coal along the proposed route. I'll move on to the next question. Page 26 of the Mod report states there will be a small increment on particulate emissions from the additional trucks being loaded at the Clarence Pit top and uploaded at Lidsdale Siding or the power station.

However, this is unlikely to result in an exceedance of air quality criteria. What is the small incremental increase and how far within the air quality criteria is it? The loading and unloading of coal into trucks, as well as the transport, would result in some level of dust emissions as a single activity, but very minor when compared to other approved activities at Clarence, Lidsdale and the power station. So, the point in the modification report was an acknowledgement that activities, you know, will be crossing bare ground unloading and loading of materials, but they will result in a negligible change.

So, Clarence already utilises successful controls for coal loading, unloading and dispatch, and those controls include covered loads, truck wash down before trucks leave site. Coal product to be loaded does retain its inherent moisture and we also carry out dust suppression activities on the internal haul roads to minimise any dust that may occur during dry times. So, we utilise all those four controls. And it was successfully implemented throughout the time period where we were transporting coal to the west between November 2022 and December 2023 and with no exceedances of the air quality criteria when the same activities such as those proposed were carried out in the past.

PROF. CLARK: So, in terms of addressing the specifics of the question there, what is a small incremental increase and how far within the criteria is it there's no quantitative or information other than the statement you've made here on the presentation. Is that correct? Edwina.

MS WHITE: Yes. That's correct.

PROF. CLARK: Thank you.

PROF. MENZIES: Edwina is that one you can also take on notice. You must have monitoring data. You must know how low, how far below the limits you are.

MS WHITE: Yep I do.

PROF. CLARK: Okay. That would be good. That would address the question we've asked you.

MS WHITE: Okay. So you would like me to will provide some quantitative data around the performance from our previous tracking activities.

PROF. CLARK: I think that would go closer to answering the question we've asked there. In terms of what is the small incremental increase and how far within the air quality criteria is it?

MS WHITE: Okay? Yep. No problem. Thanks for the clarification.

PROF. CLARK: Thanks.

MS WHITE: And the last question, can you talk us through the measures to manage dust impacts while the coal is being transported by road? The dust management measures include all haulage trucks entering and leaving sites will have their loads covered prior to leaving the clearance pit top and Lidsdale Siding site. All haulage trucks are to pass through the truck wash to ensure they are in a clean state prior to accessing the public road network, including sides, undercarriage and drawbars. The use of low sulphur diesel in coal haulage trucks are dust suppression on internal haul roads and stockpiles as required, and the coal products themselves and the inherent moisture of the coal product material. And that moisture usually ranges between 8 to 28% as per our draft conditions for DA504. If approved, Centennial will prepare a combined transport management plan in consultation with transport for New South Wales. The TMP will manage the haulage of coal product between Clarence and Lidsdale Siding. Clarence and Lidsdale also have a number of existing endorsed site specific standards and procedures to manage traffic and surface transportation on site, and I've just provided a little table there that lists those documents.

PROF. CLARK: I have a question on this slide. If the coal becomes sticky when it rains on it in the rail cars. How come it doesn't become sticky? Or why is stickiness not an issue if you wash it in the trucks?

MS WHITE: The trucks are easier to unload than the wagons.

MR BUSH: Yeah. The trucks are trucking dogs, typically. So they hoist up and the coal slides out, whereas the rail wagons are bottom dumping. And you get if it's sticky, it hangs up on the sides. And it hasn't got that sort of force of gravity around the sides that can bring the coal down. And typically hangs up on the sides of the wagons.

PROF. CLARK: Thanks, Ron. Thanks, Edwina. Okay.

MS WHITE: Thank you. And that was my final slide.

MS LANE-KIRWAN : Okay. Thank you.

MS WHITE: So I'll just escape out of that and stop sharing.

PROF. MENZIES: All right. So fellow Commissioners, do we have other questions that we wanted to cover beyond what we've already asked is that Edwina made her presentation?

PROF. CLARK: Neal, I think all of my questions were either taken on notice or addressed, so I have nothing further to ask now.

PROF. MENZIES: Yes, No?

PROF. BARLOW: Are probably a trivial question, Ron. If the coal is sticky, is it a problem in the conveyor belt from Lidsdale Siding to Mount Piper?

MR BUSH: The conveyor belts? It can be a problem, but generally the belts I'm not sure off the top of my head, but I think they're one point something metre belt, so they're quite wide. So that typically you know, minimises you know, that getting stuck on the belts. So but yeah, that's generally you know what happens there?

PROF. BARLOW: Okay. Thank you.

PROF. MENZIES: All right look, I think all of my questions have been answered as well. But, Ron, if you don't mind, I just want to rehearse what I think I've heard to make sure that I have got it right. Because I was particularly interested in the issue of why not using the rail. So, you know, please bear with me as I, you know, go back through stuff that you've already told me, but I think it's worth making sure for you to make sure that I've got it right. Okay. So my understanding is Clarence exports the majority of its coal on rail. The particular issue here is that the blend of coal that you're exporting to the Mount Piper power station is finer and hence the issue there with it at times when it's wet sticking up in the carriages. And that's because their bottom dump rather than the whole platform of a truck tipping. Yeah. Is there any difference between the rail carriages you'd be sending out to export and the ones that are going to Lidsdale Siding? They're the same. It's just the blend of coal, isn't it?

MR BUSH: Yeah. We've got a fleet of wagons and, you know, there's a standard fleet that we use, so there's no difference in the carriages.

PROF. MENZIES: Okay, so the real constraint is the type of coal that you're loading and that's a commercial choice by Centennial or it's not a requirement of the power station that sort of fine coal is delivered. They grind to specification as they prepare it to go into the power station.

MR BUSH: That's correct. Yes.

PROF. MENZIES: Okay, I think I've understood that. Ron, do you think I've understood that? I'm just trying to make sure I've got what you've told me clear.

MR BUSH: Yeah. The other aspect is as Edwina's identified is the flexibility you know, scheduling a train versus, you know, being able to schedule a truck. Yeah.

Trains are obviously longer. Trucks can be quite more flexible in scheduling that coal conveyance and process.

PROF. BARLOW: Can I ask a supplementary there, Neal, to Ron. Sure the trains are bigger and therefore not as flexible. But other problems in flex, in scheduling a train going west? Or is it is the capacity on the Western line to schedule a train going west? It's just a matter of booking it.

MR BUSH: I'd have to sort of seek further clarity from clarification from our sort of logistics guys. But yeah, there is a different level of complexity in scheduling a train versus scheduling a truck. But yeah, the question about whether it's, you know, more challenging to send one west of Clarence, I'd have to get clarity from our logistics guys.

PROF. BARLOW: Thank you.

PROF. MENZIES: Once again Ron that would be appreciated. So we've got clarity of what the options are. All right. I think as set of panellists, we have asked our questions to you. Is there anything that, as part of our conversation stands out that we've got anything wrong or you want to clarify?

MR BUSH: Nothing specific for me.

PROF. MENZIES: Okay, good. Edwina?

MS WHITE: No. Nothing specific for me. Thank you. Okay.

PROF. MENZIES: And Nena, just to make sure that we all covered.

MS LANE-KIRWAN : Yeah I'm fine.

PROF. MENZIES: All right. Look, guys, thank you very much for your time this afternoon. It's really appreciated. I know that we get hung up about particular things, but, you know, our job is to understand and then make a decision. So where we think we've got a difficulty understanding, that's where we've kept pursuing you to make sure we're clear. And you've given us clarity. So that really is appreciated. All right. So thank you very much.

MR BUSH: Thank you.

PROF. CLARK: Thank you.

MS WHITE: Thank you.

<THE MEETING CONCLUDED