

# ASSESSMENT REPORT

## MOOLARBEN COAL MINE – STAGE 1

### Temporary Coal Processing Increase Modification (05\_0117 MOD 13)

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#### 1 BACKGROUND

The Moolarben Coal Mine is an extensive open cut and underground coal mining operation about 40 kilometres northeast of Mudgee, which forms part of a larger coal mining complex in the region, along with the Ulan and Wilpinjong Coal Mines.

Moolarben Coal Operations Pty Ltd (MCO) operates the mine on behalf of the Moolarben Joint Venture (Moolarben Coal Mines Pty Ltd (MCM), Sojitz Moolarben Resources Pty Ltd and a consortium of Korean power companies). Both MCO and MCM are wholly owned subsidiaries of Yancoal Australia Limited.

The mine operates under 2 project approvals, known as Stage 1 and Stage 2.

Stage 1 of the mine was approved by the Minister for Planning on 6 September 2007 under the now repealed Part 3A of the *Environmental Planning & Assessment Act 1979* (EP&A Act) following a detailed review by an Independent Hearing and Assessment Panel.

The Stage 1 approval has been modified on 12 occasions and allows for the development of three open cut pits (OC1, OC2 and OC3), an underground mining operation (UG4), and surface infrastructure including a Coal Handling and Preparation Plant (CHPP). To date, MCO has constructed the mine's surface infrastructure, and is operating in OC1 and OC2.

Stage 2 of the mine was approved by the Planning Assessment Commission on 30 January 2015, also under the former Part 3A of the EP&A Act. This project approval has been modified twice and allows for the expansion of mining operations to the east of the Stage 1 operations, and includes the development of two new underground mining operations (UG1 and UG2) and another large open cut pit (OC4).

MCO has recently commenced development works in the UG1 mining area and anticipates the recovery of approximately 0.5 Mtpa of ROM coal in the 2017 calendar year. Under the Stage 2 approval, coal extracted from this mining area is to be conveyed to a transfer and sizing station and 'bypass' stockpiles located adjacent to the CHPP, prior to despatch by rail.

MCO anticipates that the conveyor and transfer and sizing station will not be complete until the end of 2017. Consequently, MCO requires an alternative method of handling and processing the coal extracted from UG1 until the Stage 2 surface infrastructure is complete.

#### 2 PROPOSED MODIFICATION

MCO is seeking approval for a further modification to its existing Stage 1 project approval under Section 75 W of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

MCO is seeking an increase to the amount of coal that can be processed in the CHPP from 13 Mtpa to 13.5 Mtpa, for the 2017 calendar year only.

This would allow MCO to handle and process coal from the UG1 mining area with coal from its Stage 1 open cut operations, while it constructs the necessary Stage 2 infrastructure to bypass the CHPP.

The proposal would not increase the approved extraction or production rates of the mine.

The proposed modification (Mod 13) is described in detail in the attached Environmental Assessment (EA) (see Appendix A).

### **3 STATUTORY CONTEXT**

The Moolarben Stage 1 Project was approved under Part 3A of the EP&A Act.

Although Part 3A was repealed on 1 October 2011, the project remains a 'transitional Part 3A project' under Schedule 6A of the EP&A Act, and hence any modification to the approval is to be made under the former Section 75W of the Act.

The Department is satisfied that the proposed modification can be characterised as a modification to the existing approval, as it would:

- not increase the approved mining footprint or approved mining methods;
- not increase the approved maximum production rate;
- not alter the approved transportation methods or rate; and
- not significantly increase the approved environmental impacts of the mine.

Given these considerations, the Department is satisfied that the proposal is within the scope of Section 75W, and may be determined accordingly.

Under Section 75W of the EP&A Act, the Minister for Planning is the approval authority for the modification application. However, under the Minister's delegation dated 16 February 2015, the Executive Director, Resource Assessments and Business Systems, may determine the application.

### **4 CONSULTATION**

The Department made the modification application and accompanying information publically available on its website from 2 December 2016, and has not received any submissions on the proposal.

### **5 ASSESSMENT**

In assessing the merits of the proposal, the Department has considered:

- the current conditions of approval for the project;
- the modification application and supporting information;
- relevant environmental planning instruments, policies and guidelines; and
- the requirements of the EP&A Act.

The Department considers that the proposal is unlikely to result in any material impacts beyond those previously assessed and approved for the mine. This is because the modification would only result in a very small increase in the annual throughput of the CHPP (approximately 4%).

The Department notes that the noise and dust emissions associated with the use of the CHPP were comprehensively assessed under the Stage 1 project and subsequent modifications. Given that the proposal does not involve any substantive increase to the processing limit and does not involve any modifications to the existing infrastructure, the Department considers that the proposed modification is unlikely to increase the noise and air quality impacts of the mine.

Additionally, MCO would be required to comply with the existing noise and air quality criteria for the mine and to manage any impacts from the operation of the CHPP in accordance with its approved air quality and noise management plans.

The proposed modification would also result in minor increases in annual greenhouse gas emissions (due to increased electricity consumption for the CHPP) and quantities of reject material produced from the CHPP. The Department is satisfied that any increases would be negligible in the context of the total greenhouse gas emissions and quantity of reject materials to be emplaced over the life of the mine.

The modification would result in a minor increase in water demand associated with the CHPP (approximately 4%). Nevertheless, the proposal is unlikely to have a significant impact on the site

water balance and the Department notes that MCO has a number of water licences to meet the additional demand.

In the unlikely event that MCO does not have sufficient water to meet the additional demand, it would be required to adjust operations to match its available water supply in accordance with the existing conditions of approval. Consequently, the Department is satisfied that the minor increase in water demand could be managed and considers that no further conditions are necessary.

Overall, the Department is satisfied that the modification would not result in any significant environmental impacts, and recommends that the modification should be approved.

## 6 RECOMMENDED CONDITIONS

The Department has prepared a Notice of Modification (see Appendix B) and a consolidated version of the project approval (see Appendix C) for the proposal. The notice includes a change to the current conditions that would allow a one off increase in the coal processing rate to 13.5 Mtpa in the 2017 calendar year.

## 7 CONCLUSION

The proposed modification is relatively minor in nature. It would allow MCO to temporarily increase processing of coal while it constructs the necessary infrastructure to bypass coal from the CHPP. There would be no increase in either the approved annual ROM coal extraction or coal production rates.

Importantly, the Department's assessment has found that the proposal would result in minimal incremental impacts to that already approved.

Consequently, the Department believes that the proposal is in the public interest and should be approved subject to the recommended conditions.

## 8 RECOMMENDATION

It is **RECOMMENDED** that the A/Executive Director, Resource Assessments and Business Systems, as delegate of the Minister:

- **considers** the findings and recommendations of this report;
- **determines** that the proposed modification is within the scope of Section 75W of the EP&A Act;
- **approves** the modification applications under Section 75W of the EP&A Act; and
- **signs** the attached Notice of Modification in Appendix B.

 20/1/17

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 20/1/17

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## **APPENDIX A: MODIFICATION APPLICATION**

## **APPENDIX B: NOTICE OF MODIFICATION**

## **APPENDIX C: CONSOLIDATED APPROVAL**