

# Memorandum



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Subject: H180564 - Delta Coal - Modification to Chain Valley Colliery's development consent and Mannering Colliery's project approval

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## 1 Introduction

This memorandum has been prepared to provide background information in relation to the proposed modifications to Chain Valley Colliery's (CVC's) development consent (SSD-5465) and Mannering Colliery's (MC's) project approval (MP 06\_0311).

## 2 Background

CVC and MC are underground coal mines located on the southern end of Lake Macquarie, approximately 60 kilometres (km) south of Newcastle (refer Figure 1). An underground linkage within the Fassifern Seam is approved between CVC and MC, which enables coal extracted at CVC to be transferred to, and handled at, MC.

Great Southern Energy Pty Limited (trading as Delta Coal) recently took over as the operator of CVC and MC and has engaged EMM Consulting Pty Ltd (EMM) to prepare environmental assessments (EAs) to modify SSD-5465 and MP 06\_0311 primarily to allow for increased transfer of coal from CVC to MC via the existing underground linkage and increased coal transfer from MC to Vales Point Power Station (VPPS) for domestic energy generation.

## 3 Project status

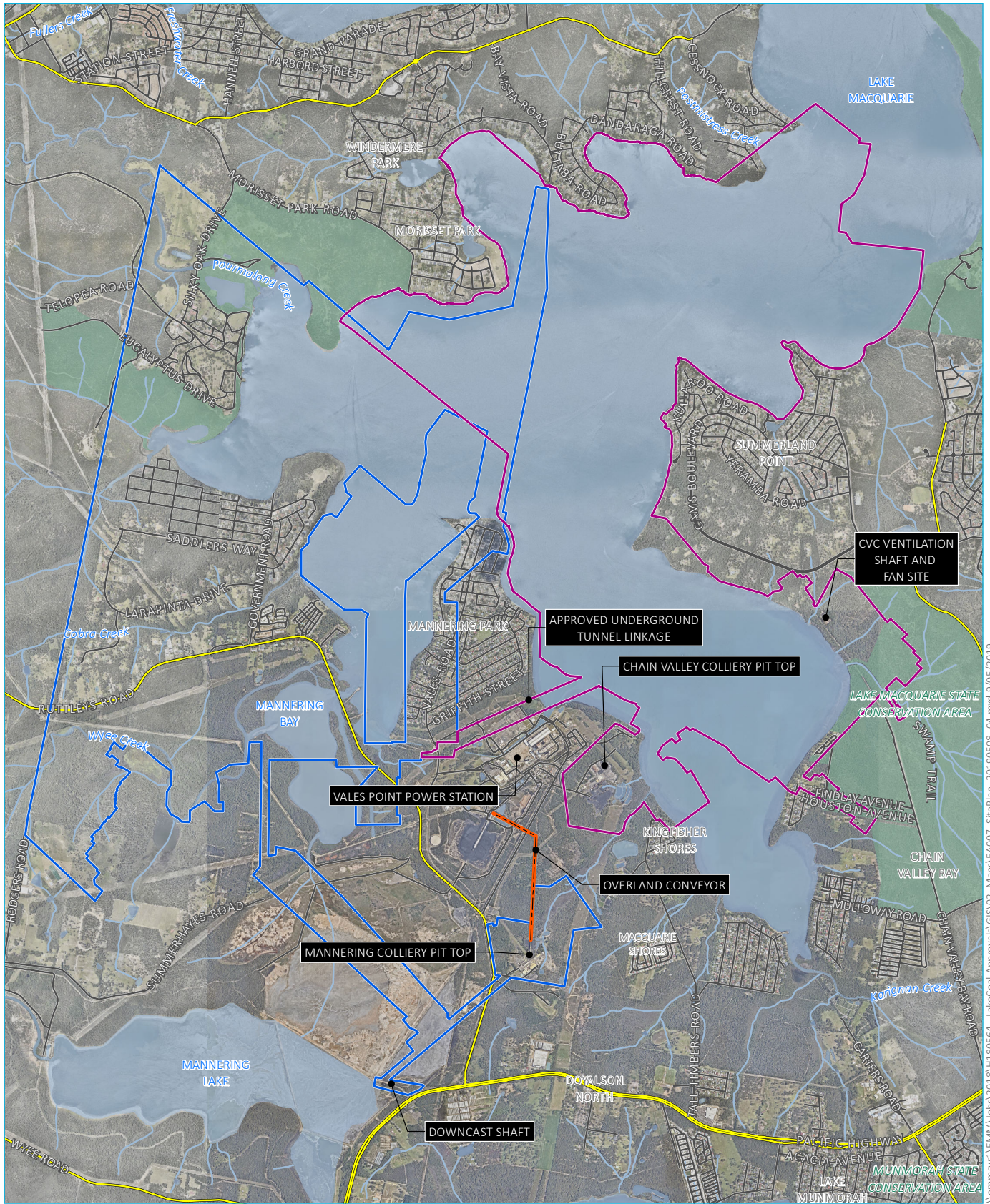
### 3.1 Chain Valley Colliery

CVC operates under development consent SSD-5465, as modified, which was originally granted on 23 December 2013 by the then Minister for Planning and Infrastructure under Part 4, Division 4.1 of the NSW *Environmental Planning and Assessment Act 1979* (EP&A Act), which relates to State significant development (SSD).

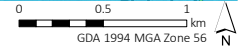
The consent pertains to underground miniwall mining in the Fassifern Seam at a maximum rate of production of 2.1 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal until 31 December 2027. The current approved rate of product coal transport from CVC to MC via the existing underground linkage is 1.3 Mtpa.

### 3.2 Mannering Colliery

MC was granted project approval (MP 06\_0311) under Part 3A of the EP&A Act on 12 March 2008 and, as modified, permits the extraction of up to 1.1 Mtpa of ROM coal until 30 June 2022. It also permits the handling of up to 1.3 Mtpa of ROM coal with that coal transported via a dedicated overland conveyor to VPPS.



Source: EMM (2019); DFSI (2017); GA (2011); CVC (2019)



- KEY**
- Chain Valley Colliery development consent boundary
  - Mannering Colliery project approval boundary
  - Alignment of overland conveyor to VPPS
  - Main road
  - Local road
  - Watercourse/drainage line
  - Waterbody
  - NPWS reserve

Site plan

Delta Coal  
Modification 5  
Figure 1



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## 4 Description of the proposed modifications

### 4.1 Chain Valley Colliery

#### 4.1.1 Overview

Delta Coal is seeking to modify SSD-5465 under Section 4.55(1A) of the EP&A Act to enable:

- the transport of product coal from CVC to MC via the approved underground linkage at a rate up to the annual production level approved under SSD-5465, as modified, which is 2.1 Mtpa; and
- a change in the definition of ‘first workings’ in SSD-5465 to allow the use of bord and pillar mining methods within the approved consent boundary.

The proposed modification is not seeking to change the approved annual coal extraction limit at CVC, nor is it seeking any change to approved trucking rates, routes or hours on the public road network. There are no changes to surface infrastructure, operating hours, or intensification of CVC operations proposed by the modification.

#### 4.1.2 Justification

As noted in Section 2, an underground linkage within the Fassifern Seam between CVC and MC enables coal extracted at CVC to be transferred to, and handled at, MC. Increasing the amount of CVC’s coal that is handled and transported via MC’s coal clearance system will result in a reduction of coal handled at CVC’s pit top area and transported via private roads to VPPS. Use of MC’s more advanced coal clearance infrastructure is preferred as it has the proven ability to supply coal to VPPS at a higher and more efficient rate than directly from CVC thereby reducing capital and operating costs across Delta Coal’s operations. As noted above, Delta Coal recently became the operator of CVC and MC and the two operations are able to be managed as a combined operation with associated operational efficiencies.

The change in the definition of first workings is required to enable Delta Coal to utilise an alternative mining method in areas not suited to miniwall development. Bord and pillar mining will have reduced environmental impacts compared to those currently approved under miniwall mining methods at CVC.

The proposed modification constitutes a minor change to an existing approved underground mine that has been operating successfully for over 50 years. The changes proposed would have no additional environmental impacts as there would be no change in surface infrastructure and, therefore, no additional surface disturbance or changes to noise and air emissions. Further, there is potential for environmental impacts to be improved beyond those existing impacts approved under SSD-5465, primarily as a result of the reduced level of subsidence and groundwater inflows associated with a first workings mining system, and a reduction in coal transported via trucks through the increased use of the MC coal clearance system.

The reduction in capital and operating costs associated with utilisation of the MC coal clearance system for coal extracted at CVC, together with the maximisation of resource recovery through the use of a mining system that will enable mining in areas where geotechnical constraints previously limited the viable recovery of coal using the approved miniwall methods, will result in greater financial certainty for CVC and MC.

### 4.2 Mannering Colliery

#### 4.2.1 Overview

Delta Coal is seeking to modify MP06\_0311 under Section 4.55(2) of the EP&A Act to enable:

- an increase in the rate of ROM coal handling at, and transport via overland conveyor from, MC up to the approved extraction limit at CVC; and

- an extension of the project approval period from 30 June 2022 to 31 December 2027 (consistent with CVC's development consent).

The increased volume of coal will be sourced from CVC, which currently has a maximum extraction limit of 2.1 Mtpa of ROM coal under SSD-5465, or a combination of production from CVC and MC. There will be no change to the existing MC surface infrastructure, production rates, employee numbers or operating hours.

#### 4.2.2 Justification

A review of Delta Coal's long term business requirements identified the need to increase the coal handling volume at MC as:

- coal in excess of the currently approved handling volume of 1.3 Mtpa to VPPS is required under contractual arrangements with Delta Electricity, the operator of VPPS; and
- capital and operating costs associated with the supply of coal from CVC to VPPS via MC will be lower than if supplied directly from CVC as the existing infrastructure at MC has the proven ability to feed coal to VPPS at a higher and more efficient rate than CVC due to more advanced coal clearance infrastructure.

All existing infrastructure at MC has adequate capacity to accommodate the proposed increase in the annualised coal handling. The increased coal throughput would all be dispatched via the existing overland conveyor to VPPS as currently approved.

As noted in Section 2, Delta Coal recently became operator of both CVC and MC. This enables the two operations to be managed as a combined operation with associated operational efficiencies. The proposed extension of the project approval period at MC aligns with CVC's development consent (SSD-5465), thereby enabling Delta Coal to operate both collieries in a co-ordinated manner.

The proposed modification constitutes a minor change to an existing approved underground mine that would have negligible environmental impacts. Environmental management at MC would continue in accordance with the existing environmental management processes identified in the various approvals, licences and management plans.

## 5 Consultation

The proposed modifications were raised with the CVC and MC Community Consultative Committees (CCCs) on several occasions with the most recent occasion being the meeting held on 13 February 2019. No formal objections were raised regarding the proposed modifications by the community or council representatives during these meetings and minutes have been circulated to the CCC members.

The broader community will be notified of the proposed modification through an advertisement placed in a local newspaper following lodgement and through the public exhibition process where community members will be invited to make comment by way of formal submissions.

Delta Coal has also engaged with Central Coast Council, Lake Macquarie City Council, NSW Environment Protection Authority, Resources Regulator, National Parks and Wildlife Services, Department of Industry - Water and the NSW Department of Planning and Environment.

## 6 Closing

We trust this memorandum provides sufficient information regarding the proposed modifications. Should you require any further information, please contact David Richards (EMM) or Chris Armit (Delta Coal) on the details provided below.

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Yours sincerely



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