

Consolidation Project – FAQ

The following is provided to address some common questions associated with the Delta operations and the Consolidation Project.

Questions	Response
The Company	
Who is Delta Coal?	<p>Delta Coal is a subsidiary of Great Southern Energy Pty Ltd that operates both the Chain Valley Colliery (Chain Valley) and the Mannering Colliery (Mannering) on the southern side of Lake Macquarie. Great Southern Energy is a 100% Australian owned company.</p> <p>Delta Coal employs over 250 workers and contractors across both mine sites. Delta Coal also supports local businesses, local communities and local council through direct and indirect spending and contributions.</p>
What does Delta Coal mine?	<p>Delta Coal only mines coal from its two underground operations – Chain Valley Colliery and Mannering Colliery. All coal mined from these operations is currently transferred to the Vales Point Power Station for use in electricity production.</p>
Is Delta Coal related to Delta Electricity?	<p>Delta Electricity and Delta Coal are both owned by the same parent company, Sunset Power International. Delta Electricity own and operate the Vales Point Power Station (VPPS), in early 2019, Great Southern Energy, a subsidiary of Sunset Power International, purchased Chain Valley and Mannering Collieries and started trading as Delta Coal.</p> <p>Delta Electricity currently supplies approximately 10% of the NSW electricity requirements. Delta Coal’s assets supply greater than 50% of the VPPS fuel demand.</p>
Community commitments	<p>Delta Coal is committed to ongoing open and honest communication with the local community and other stakeholders. We actively seek to engage and consult the community to provide information relating to the environmental, social and operational performance of the mine and enable the community to provide feedback. Our community program includes opportunities for not-for-profit community organisations to seek donations, sponsorship and in-kind assistance for a range of environmental, community development and educational activities. We are proud to be a member of our local community.</p>

Questions	Response
Project Objectives	
Why am I being contacted now?	Delta Coal is currently undertaking community consultation to discuss the proposed changes to their operation as part of the Consolidation Project . Consultation is undertaken as part of the Social Impact Assessment (SIA) process to provide an overview of the outcomes of the specialist studies undertaken to support the EIS and to provide community members with an opportunity to hear about the Project and express any concerns, providing input to the SIA and broader EIS.
What will be the outcome of the engagement program?	<p>A detailed SIA will be prepared as part of the Environmental Impact Statement for the Consolidation Project. Outcomes of engagement will be used to inform the SIA for the Project.</p> <p>The SIA is about identifying, assessing and effectively managing the social impacts that may be associated with the Consolidation Project, and identifying opportunities to enhance the associated benefits. Through engagement with local landholders and key stakeholders an understanding of the issues of importance and relevance to the community will be identified and appropriate strategies developed to mitigate impacts and/or enhance social benefits.</p>
What community engagement has occurred to date?	<p>Round 1 of community engagement was undertaken in late 2020 and involved:</p> <ul style="list-style-type: none"> • Distribution of a Community Information Sheet (no.1) to over 10,000 households • Phone interviews with residents, community groups and key stakeholders • Community information session held at the Chain Valley Bay community hall <p>A second round of consultation is currently underway and involves:</p> <ul style="list-style-type: none"> • Distribution of Community Information Sheet (no.2) to over 10,000 households • Letter posted to approximately 2,000 households in Chain Valley Bay and in proximity to the Chain Valley and Mannering Surface Infrastructure

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	<ul style="list-style-type: none"> • An online survey • Phone interviews with residents, community groups and key stakeholders.
<p>Why haven't community information sessions been organised for this round of engagement?</p>	<p>Given the ongoing COVID-19 restrictions, we are unable to hold community information sessions or any face-to-face engagement as originally planned. We would therefore like to invite you to contact the Project team directly on the contact details below if you would like to discuss the Consolidation Project or if you have any questions.</p>
<p>How can I be involved?</p>	<p>As part of the community engagement program, Umwelt and Delta would like to hear from landholders in the vicinity of the Project Area and other key stakeholders within proximal communities and the broader region, to inform the SIA and EIS.</p> <p>Given the ongoing COVID-19 restrictions, we are unable to hold community information sessions or any face-to-face engagement as originally planned. However the Project team are available on the contact details below if you would like to discuss the Consolidation Project or if you have any questions. The Project team will be able to provide additional detail on the outcomes of the assessments, answer questions, explain the DPIE assessment process and record any project issues that are of importance to you.</p> <p>Alternatively, community members can have their say via the online survey, please scan the QR code provided on the Consolidation Project information Sheet or go to the link https://deltacvc.questionpro.com to access the survey.</p>
<p>Project Overview</p>	
<p>I heard there are two projects being proposed, what are they and why are there two?</p>	<p>Currently only the Consolidation Project is proposed which will consolidate the approvals for the Chain Valley Colliery and Mannering Colliery under a single development consent and provide for extended mining into the Eastern Mining Area resulting in an extension of mine life from 2027 to 2029.</p>
<p>What is the point of combining the two mining operations in the Consolidation Project?</p>	<p>Combining the development consents and other operational approvals (such as the Environment Protection Licences) reduced the number of separate approvals that Dewlta Coal must manage. This simplifies the administrative arrangements from Delta Coal without any loss of regulatory oversight.</p> <p>The consolidation of the approval requirements will also enable conditions of the development consents to be updated to reflect contemporary standards and ensure alignment between the regulation of the activities under the two approvals.</p>

Questions	Response
Where will you be mining?	The Consolidation Project will allow for the continuation of mining within approved mining areas and also an extension of mining operations into the proposed Eastern Mining Area which extends to the south east from the existing chain valley colliery mine works to the Pacific Highway (refer to Figure 1 on the information sheet 2)
Should approval be granted, what is the timeframe for the Project?	The Consolidation Project will extend the life of existing operations from 31 December 2027 (currently approved) by two years to the end of 2029.
Are there any threats to flora and fauna as a result of the Project?	No surface disturbance is proposed.
Will this activity lead to Coal Seam Gas mining?	No. The mining licences only permit for the extraction of coal. The target coal seams are not naturally high in methane or carbon dioxide and do not require and surface extraction of gas prior to mining.
Will you be conducting a process known as fracking?	There is no “fracking” involved in the proposed mining activities or associated exploration activities.
Will you be conducting seismic testing ?	There is no current plan to conduct seismic testing. No seismic testing will be carried on in the Pacific Ocean.
Will you be doing any drilling ?	Yes, the project will involve exploration and geotechnical drilling.
Will any homes be undermined in the future?	The Consolidation Project will involve mining under some residential areas associated with the Proposed Eastern Mining Area. The proposed mining within the Eastern Mining Area is designed as first workings only (with maximum subsidence levels of 20mm). Negligible surface subsidence effects or impacts are predicted. No secondary extraction, either partial or total is proposed.

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<p>What infrastructure may be planned for construction in the area should the project be approved?</p>	<p>The Consolidation Project will utilise existing infrastructure, minor infrastructure may be required associated with the replacement of infrastructure recently demolished at Chain Valley Pit Top and water management infrastructure (if required).</p>
<p>Mining Process</p>	
<p>What is the mining process you will be conducting?</p>	<p>The proposed mining within the Eastern Mining Area are ‘first workings’. This includes ‘Bord and pillar’ mining which is a common underground first workings coal mining technique which are used to avoid subsidence impacts in areas potentially sensitive to subsidence related impacts. Bord and pilar mining is undertaken using a continuous miner.</p> <p>Consistent with existing requirements in the Chain Valley and Mannering approvals. The continued extraction of coal resources under Lake Macquarie would be undertaken consistent with subsidence limits applicable to the existing Chain Valley operations.</p>
<p>Where does the product coal go?</p>	<p>Delta Coal primarily supply coal to the VPPS however Chain Valley is approved to transfer up to 660,000 tpa to the Port of Newcastle by road for export and up to 180,000 tpa to other domestic sources by road.</p> <p>There is no proposed change to the current modes of transport associated with the Mannering and Chain Valley Collieries other than the proposed change to the tonnages than can be transferred from Mannering to the VPPS via conveyor.</p>
<p>Are there any proposed changes to the Vales Point Power Station?</p>	<p>No. The Consolidation Project does not propose any change to the operations at VPPS.</p>
<p>Will there be any further mining under Lake Macquarie?</p>	<p>Mining under Lake Macquarie is currently approved under both the Chain Valley Development Consent and the Mannering Project Approval. Mining under Lake Macquarie is currently being undertaken at Chain Valley. Mining under Lake Macquarie is also approved at the Myuna Colliery and is currently occurring.</p> <p>The Consolidation Project would not result in any extension to the currently approved mining areas under Lake Macquarie.</p>

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<p>What is Mine Subsidence?</p>	<p>Mine subsidence occurs when underground mining operations remove material in a manner results in overlying rock strata to collapse into the mining void. This process can manifest as a subsidence to the surface areas above the mining area. The extent of subsidence occurring on the surface is dependent on a range of factors including:</p> <ul style="list-style-type: none"> • the mining method being used • the height and width of the underground mining void created • the depth of cover (i.e. vertical distance between the area being mined and the surface) • the nature of the geology above, below and surrounding the mined areas • previous mining in overlying strata.
<p>Does all underground mining cause subsidence?</p>	<p>Not all underground mining activities cause subsidence and there are well recognised and understood underground mining techniques that are long-term stable that do not cause subsidence. Coal mining methods which do not cause subsidence are referred to as 'first workings'. 'Bord and pillar' mining is a common underground first workings coal mining technique which is used to avoid subsidence impacts in areas potentially sensitive (particularly under residential land uses) to subsidence related impacts.</p> <p>Common coal mining techniques that cause subsidence are longwall mining, miniwall mining and pillar extraction. Mining operations which can cause subsidence or are not designed to be long term stable are referred to as 'secondary extraction'.</p> <p>Secondary extraction is NOT proposed within the Eastern Mining Area.</p>
<p>Will my house be impacted by subsidence?</p>	<p>The mine design will incorporate established and well understood engineering principles to ensure that mining in areas under or close to residential areas will be geotechnically stable.</p>
<p>Is the project expected to increase mine subsidence?</p>	<p>The Chain Valley approved mining areas under lake Macquarie are already approved for mining methods that may cause subsidence. No subsidence of foreshore areas or sensitive sea grass areas is approved. The Consolidation Project will not result in any subsidence impacts to foreshore areas or under land areas.</p> <p>The Consolidation Project will extend the area under lake Macquarie where mining methods that can result in subsidence can occur. These areas are all within the existing approved Mannering Colliery mining area.</p>

Questions	Response
<p>What could happen to my house during mining?</p>	<p>No impacts to dwellings or other structures are anticipated to occur as a result of proposed mining. The mine design will incorporate established and well understood engineering principles to ensure that mining in areas under or close to residential areas will be geotechnically stable.</p>
<p>What is the process for having repairs conducted if impacts are experienced?</p>	<p>While no damage to property is anticipated, if your property is impacted by subsidence as a result of coal mining in NSW, your rights are protected under the <i>Coal Mine Subsidence Compensation Act 2017</i> and you can claim compensation through Subsidence Advisory NSW (SA NSW).</p> <p>SA NSW operates a 24 Hour Emergency Hotline (1800 248 083) for mine subsidence issues causing safety, security or serviceability concerns. Any mine subsidence safety issue, including pothole subsidence, should be immediately reported to the 24 Hour Emergency Hotline on 1800 248 083. SA NSW will coordinate a response to quickly address the issue and remove any danger.</p> <p>If you think your property has been damaged by mine subsidence, you can lodge a claim for compensation through SA NSW's online portal. Claims must be lodged within 12 months of the property owner becoming aware that the damage was caused by subsidence. SA NSW will acknowledge receipt of all claims within seven days. You can log in to SA NSW's portal to track and manage your claim at any point in the claims process.</p>
<p>Mine Subsidence District</p>	
<p>I do not currently live in a Mine Subsidence District (MSD)? How can exploration and mining occur if a MSD has not been declared?</p>	<p>Exploration and mining can and does occur in areas that are not covered by a MSD.</p> <p>The primary purpose behind a declaration of a MSD is that it enables subsidence advisory to establish design standards for properties to minimise damage from subsidence that could occur in the future.</p> <p>The absence of a MSD does not preclude a person from making a claim to Subsidence Advisory NSW regarding damage is caused by mining subsidence.</p>
<p>What happens if a Mine Subsidence District (MSD) is not declared? Will my house be protected?</p>	<p>If your home is affected by subsidence from mining operations, Subsidence Advisory NSW will assess your claim and rectify the damage where the claim is valid. This will occur regardless if your property is covered by a MSD or not.</p>
<p>What is the benefit of a MSD being declared?</p>	<p>The benefit of a MSD being declared is that new homes and structures built in the area will be reviewed by Subsidence Advisory NSW prior to approval by Council. This will ensure that the structures are designed to take into account stresses from mine subsidence to reduce the potential impact on the structure.</p>

Questions	Response
<p>If my house has not been designed to address potential mine subsidence, what does this mean?</p>	<p>If your home is affected by subsidence from mining operations, Subsidence Advisory NSW will assess your claim and rectify the damage where the claim is found to be valid.</p> <p>Subsidence Advisory NSW is responsible for managing Surface Development Guidelines (SDG) which place various restrictions on constructions in Mine Subsidence Districts based on predicted subsidence impacts.</p>
Project Impacts	
<p>What impact will the project have on Lake Macquarie?</p>	<p>Mining has occurred under Lake Macquarie (and parts of the Pacific Ocean) for many decades and the potential impacts are well understood</p> <p>Where first workings mining methods are used, there will be no impacts to the floor of the lake.</p> <p>Secondary extraction can result in subsidence to the lakebed. This could cause impacts to benthic (lakebed) communities for which depth from the surface is critical (such as sea grass beds). Specific limits on subsidence in areas where sea grass beds occur are imposed under the current Chain Valley Consent and these will also be applied to the Consolidation Project. Subsidence impacts in deeper areas of the Lake do not have any observable impacts on the environmental values of the lake.</p> <p>The depth of mining below Lake Macquarie precludes any connection between the lake and the underground workings so there is no risk of lake waters flowing directly into the underground workings.</p>
<p>Will the noise from the current operation increase?</p>	<p>The Consolidation Project is not expected to result in any increase in noise impacts above that which is currently approved. A detailed noise assessment will be undertaken as part of the assessment of the Consolidation Project.</p>
<p>Will the project mean an increase in traffic on our roads?</p>	<p>No. There is no proposed increase to either workforce numbers or approved road haulage.</p>
Project Benefits	
<p>How will the community benefit from this project? For example, through employment, investment, a community fund?</p>	<p>Delta Coal aims to work openly with the community and governments and contribute to building shared value for host communities. There is currently an approved workforce of 390 employees at Mannering and Chain Valley and the Consolidation project is not anticipated to increase the number of employees at the site or result in any significant construction requirements.</p>

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What economic benefits will the project have?	<p>The Consolidation Project will result in additional revenue through the extraction of additional coal resources and provide ongoing employment to the current Delta Coal workforce.</p> <p>The Project will provide a cost effective and reliable coal supply to VPPS to 2029.</p> <p>A detailed cost benefit analysis is currently being undertaken and will be provided with the EIS.</p>
Land Tenure / Security	
Will Delta Coal need to access my property?	<p>Delta Coal is unlikely to require access to the surface areas of any private land holdings other than a couple of large holdings. Delta Coal will be in direct contact with any landholders where this may be required.</p>
Is Delta Coal planning on purchasing any land in the area?	<p>No. The Consolidation Project does not require the purchase of any private land and the predicted impacts from operations are unlikely to trigger any acquisition rights.</p>