



Coalpac

Proprietors of Invincible Colliery
and Cullen Valley Mine

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SUMMARY OF THE REVISED COALPAC CONSOLIDATION PROJECT **PREPARED AT THE REQUEST OF** **DIRECTOR GENERAL, DEPARTMENT OF PLANNING & INFRASTRUCTURE**

23 JULY 2013

Background

The Coalpac Consolidation Project (CCP) is seeking approval to consolidate the operations and management of the existing Cullen Valley Mine and Invincible Colliery under one contemporary planning approval and to extend the life of mining operations for a further 21 years.

Coal mining, surface and underground, has been central to the local community for more than 120 years, with open cut mining being conducted at Cullen Valley Mine and Invincible Colliery for more than 13 years. Coalpac's mining operations have contributed significantly to the local area supporting jobs, investment and improved services. The State Member and Lithgow City Council have been vocal in their strong support for the CCP.

The CCP is largely located within existing Mining Leases on private land owned by Coalpac or on Crown Land managed by Forestry Corporation NSW (FCNSW). FCNSW have been extensively consulted and do not oppose the Project nor its impacts upon the Ben Bullen State Forest.

The primary market for the coal is the Mt Piper Power Station (Coalpac is contracted to provide 70% of their fuel requirements out to 2029), with a secondary export market through Port Kembla.

Project Application

The CCP as outlined in the Environmental Assessment (Exhibited Project) was reviewed by the Planning Assessment Commission (PAC) in September 2012.

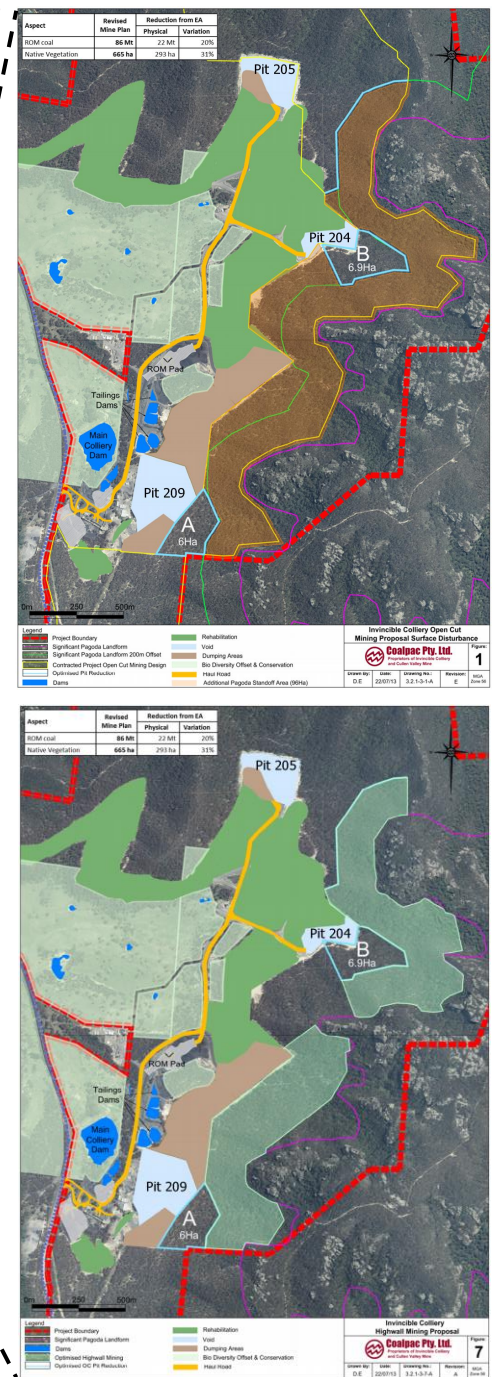
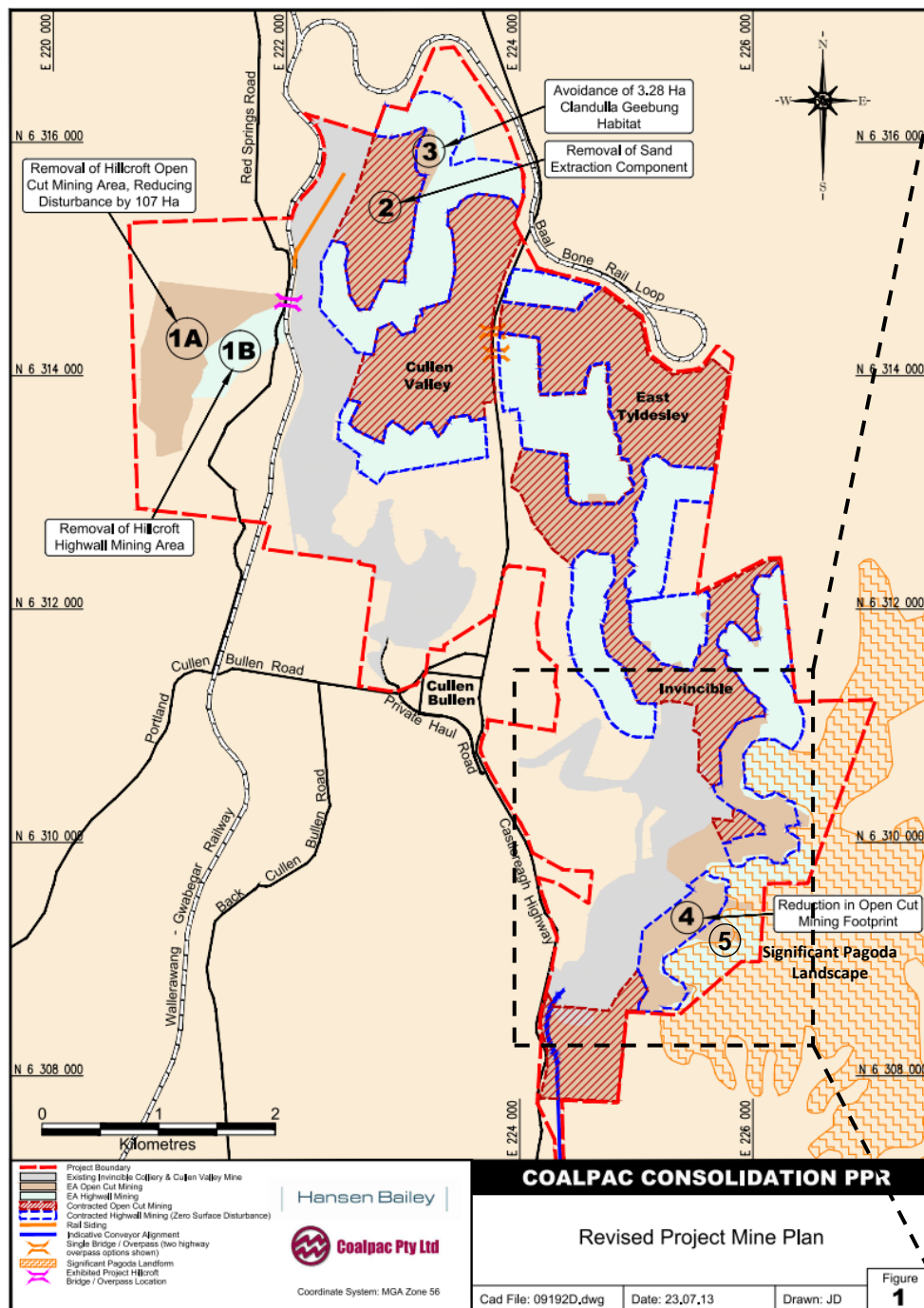
The PAC's key concerns were;

- Economic justification; methodology & conclusions,
- Impacts of noise, dust & blasting on the health & amenity of local community; limits & levels,
- Biodiversity impacts on pagoda landform & general Project area; proximity & edge effects,
- Impacts upon future conservation policy in the area; Gardens of Stone Stage II and
- Biodiversity offset package; "a work in progress".

In response to the PAC's recommendations regarding the Exhibited Project, Coalpac have presented the Revised CCP which makes a number of significant concessions in key areas including:

1. Removal of the Hillcroft mining area and associated access infrastructure (including the Wallerawang-Gwabegar Rail Line overpass bridge and Red Springs Road crossing);
2. Removal of the sand extraction activity including the requirement for associated crushing and screening infrastructure and the transport of product sand to market by road;
3. Reduction of the open cut mining footprint to avoid the area of Clandulla Geebung habitat located in the north western mining area at Cullen Valley Mine;
4. Removal of open cut mining activity adjacent to Significant Pagoda Landforms at Invincible Colliery, see Plate 1;
5. Removal of highwall mining activity from beneath the Significant Pagoda Landform;
6. Strict regime to control impacts upon the Significant Pagoda Landforms and other less significant Sandstone Outcrops in relation to open cut excavation, blasting and highwall mining;
7. Enhanced Biodiversity Offset Package in both quality (vegetation & habitat) and size; and
8. Expanded commitments with regard to the monitoring, management and operation of the Revised CCP incorporating the >80% of PAC's recommendations.

These changes are largely illustrated in Figure 1 and the two small insets detailing the Revised CCP open cut and highwall mining plans at Invincible.



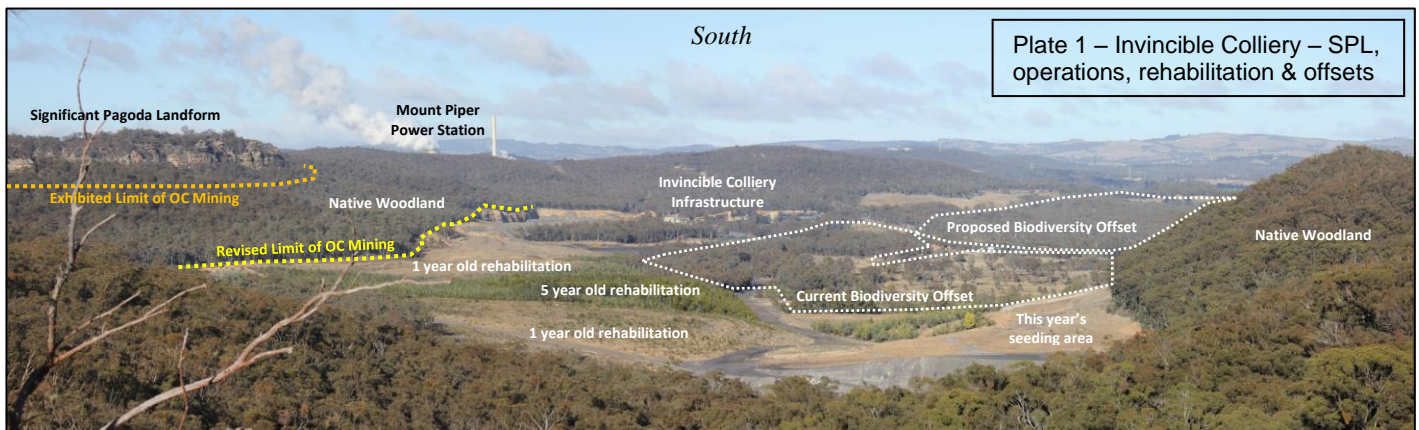
The changes to the Exhibited Project have the following improved environmental outcomes;

- **293ha** (or **31%**) reduction in native vegetation area to be disturbed by open cut mining;
- **100%** reduction in edge effects adjacent to the Significant Pagoda Landscape (466m average pagoda standoff);
- Removal of **66ha** of highwall mining extraction beneath Significant Pagoda Landscape;
- Significant reduction in impacts on threatened & endangered species;
- Air quality remodelled using PAC recommendations with worst case levels in Cullen Bullen now $<20\mu\text{g}/\text{m}^3$;
- Reduction in both noise levels & number of affected residences;
- Eliminating **128** truck movements per day on public roads through removal of sand mining activities; and
- Commitment to an additional **1,000ha** of biodiversity offsets to the 2,000ha already held by Coalpac.

Management procedures have been developed to provide regulators with both certainty and control over blast management and highwall mining throughout the life of the Revised CCP.

The management plans governing these, and other activities, will require regulator approval and the activities under these will be subject to regular external independent review.

The Revised CCP reduces recoverable coal reserves by **22 million tonnes** (or **20%**) with an estimated lost net economic benefit to Australia **\$400 million**.



In response to the PAC's key concerns;

NSW Treasury has fully supported and endorsed the economic justification for the Project. This position has been further supported by submissions from other independent experts and commercial bodies.

The lower limits for noise and dust proposed by the PAC are inconsistent with the relevant NSW Guidelines. The Revised CCP is well below the NSW Guideline threshold levels for noise, blasting and dust impacts.

The track record of good air quality coupled with the modelled data show that there is no dust related health hazard for the Cullen Bullen community. The real time monitoring system will provide an additional level of protection for the community against noise, dust and blasting impacts.

The 31% reduction in native vegetation clearing and increased stand off from the SPL area significantly reduces the biodiversity impacts of the Revised CCP and its edge effects.

There is no current nor proposed NSW Government policy to expand the large current conservation reserves in the vicinity of the Project. The proposed Biodiversity Offset Package will result in an offset ratio of 4:1 and encompasses high quality "like for like" habitats.

Conclusions

The environmental and social costs of the Revised CCP have been identified with certainty. The Revised CCP provides balance, control and confidence across all of the key areas of concern as follows;

- **Amenity impacts on local community** – very good track record of noise & dust control, low modelled impact levels, commitment to real time monitoring & enhanced operational controls
- **Biodiversity impacts** – significant avoidance of sensitive areas, structured management plans and expanded offset package
- **Geodiversity impacts** – significant avoidance of sensitive areas, staged approach to mining adjacent to sensitive areas and minimised subsidence
- **Rehabilitation** – 193ha successfully rehabilitated to date with proven performance
- **Future conservation** – proposed offset package supports future conservation in the local area

The Revised CCP also provides a range of economic and community benefits exceeding **\$1 billion** including;

- Long term, low cost fuel supply to NSW youngest, cleanest and most efficient coal power station;
- **293** direct and indirect local jobs and **519** direct and indirect jobs in NSW;
- **\$9 million** contribution to Local Government Area rates revenue;
- **\$5 million** to provide reticulated sewerage system to Cullen Bullen community under VPA
- Signed agreement with local Aboriginal community to provide long term education, training and employment opportunities to their members

In considering the benefits of the Revised CCP outlined above, an overlooked but otherwise self-evident fact is that, if the Revised CCP does not proceed, none of these community and economic benefits will be realised. Further, the premature closure of the mine will result in a suboptimal final landform and ongoing land management and remediation liabilities for the State that would be avoided by the orderly and logical conclusion of mining over the currently planned 21 year mine life.

There are serious, long-term social and demographic implications for Lithgow and surrounding communities if the Revised CCP does not go ahead and it places in question the future of those industries that create jobs and support ongoing economic activity in the area.

The Revised CCP is materially different from the Exhibited Project assessed by the PAC Review, with substantially reduced scale and hence impacts (particularly on the Significant Pagoda Landform), and can be approved with appropriate conditioning.

