

Dendrobium Coal Mine Surface Electrical Supply Upgrade Modification (DA 60-03-2001 MOD 8)

Environmental Assessment Report Section 75W of the *Environmental Planning and Assessment Act 1979*

1. BACKGROUND

South32 Illawarra Coal Holdings Pty Ltd (Illawarra Coal) owns and operates the Dendrobium Coal Mine, located approximately 15 kilometres (km) west of Wollongong in the Wollongong and Wingecarribee local government areas (see **Figure 1**).

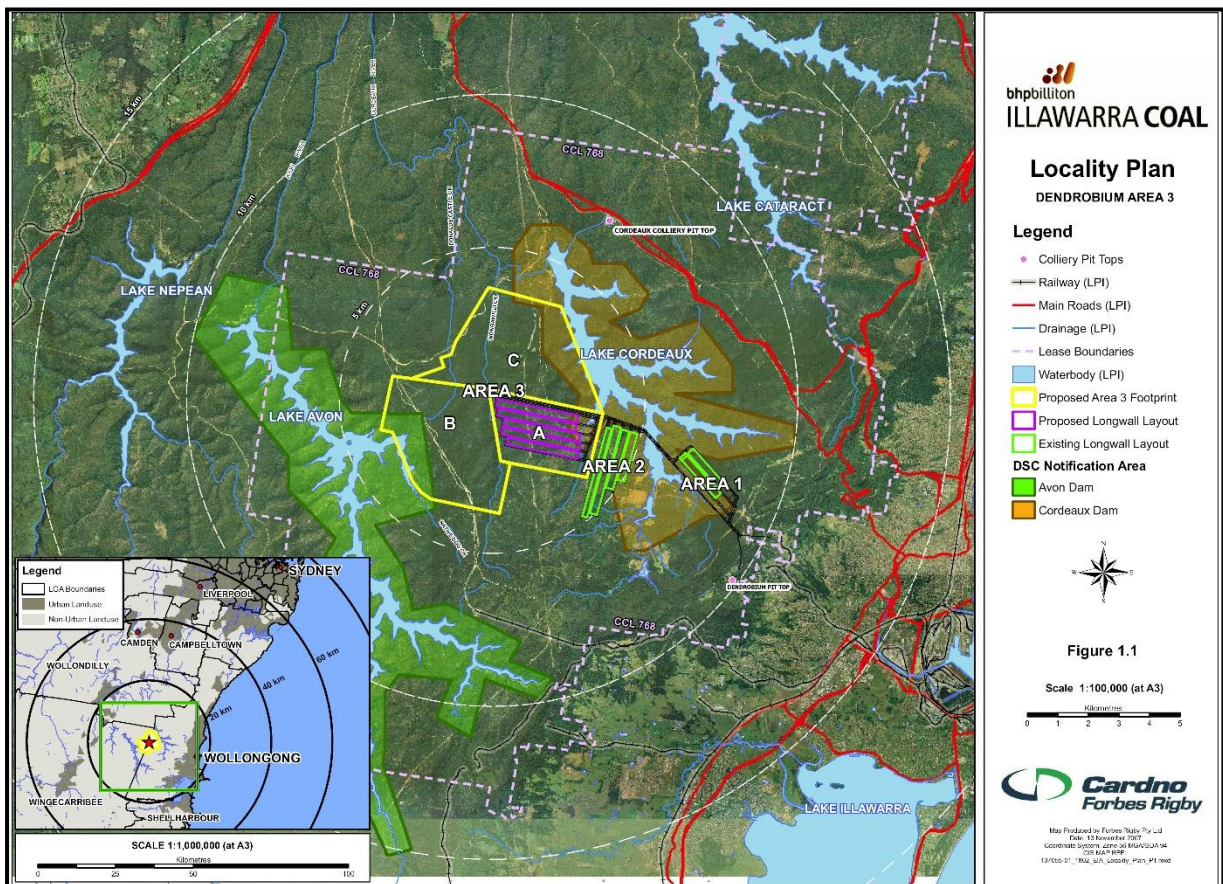


Figure 1: Dendrobium Coal Mine – regional context

The Dendrobium Coal Project was approved by the then Minister for Urban Affairs and Planning on 20 November 2001 with three longwall mining domains (Areas 1, 2 and 3 – see **Figure 1**).

The Dendrobium development consent has been modified seven times, and currently allows Illawarra Coal to:

- extract up to 5.2 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal using longwall and conventional underground mining methods until 2030;
- construct and use various surface infrastructure;

- transport ROM coal by rail to the Dendrobium Coal Preparation Plant site at the Port Kembla Steelworks for processing; and
- transport and emplace coal rejects at the West Cliff Coal Wash Emplacement Area (West Cliff Emplacement).

2. PROPOSED MODIFICATION

On 26 February 2018, Illawarra Coal lodged an application to modify the development consent under section 75W of the EP&A Act. Dendrobium Coal Mine is currently supplied with electricity by a 33kV overhead powerline that originates from Bluescope Steel. Illawarra Coal is seeking to upgrade this electricity supply by migrating to a local network supplier, namely a 11kV supply from Endeavour Energy.

To make this switch, Illawarra Coal requires a new 2 MVA 11/6.6 kV kiosk style transformer. The Department notes that the proposed transformer would be located on land owned by Illawarra Coal adjacent to the Dendrobium Pit Top Switchyard.

The proposal would not change any of the core elements of the project, including the extraction methods, mining domains, operational hours, annual extraction volumes and processing rates.

A full description of the proposed modification is provided in the Environmental Assessment (EA, see **Appendix A**) which accompanied the modification application.

3. STATUTORY CONTEXT

3.1 Section 75W and Modification of a Minister's Approval

The Dendrobium Coal Mine was originally approved under Part 4 of the EP&A Act. However, due to previous modifications, the project became (and still remains) a 'transitional Part 3A project' under Schedule 2 of the *EP&A (Savings, Transitional and Other Provisions) Regulation 2017*. The power to modify transitional Part 3A projects under section 75W of the Act, as in force immediately before its repeal on 1 October 2011, is being wound up but, as the request for this modification was made before the 'cut-off date' of 1 March 2018, the provisions of clause 3 of Schedule 2 continue to apply. Consequently, this report has been prepared in accordance with the requirements of Part 3A and associated regulations, and the Minister (or delegate) may approve or disapprove the carrying out of the project under section 75W of the EP&A Act.

The proposed modification is of a minor nature, and would not alter the nature or scale of approved operations. Consequently, the Department is satisfied that the proposed modification is within the scope of section 75W, and may be determined accordingly.

3.2 Approval Authority

The Minister for Planning is the approval authority for the proposed modification. However, under the Minister's delegation of 11 October 2017, the Director Resource Assessments may determine the application as there were no public objections, Wollongong City Council did not object to the proposal, and no political donations have been reported by Illawarra Coal.

3.3 Environmental Planning Instruments

A number of environmental planning instruments (EPIs) apply to the modification, including:

- *State Environmental Planning Policy (SEPP) (Mining, Petroleum Production and Extractive Industries) 2007*;
- *SEPP (Infrastructure) 2007*;
- *SEPP (State and Regional Development) 2011*;
- *SEPP No 33 – Hazardous and Offensive Development*, and
- *Wollongong Local Environmental Plan 2009*.

The Department has assessed the proposed modification against the relevant provisions of these EPIs. The Department is satisfied that the proposed modification can be carried out in a manner that is consistent with the aims, objectives and provisions of these instruments.

3.4 Objects of the EP&A Act

The Minister or delegate must consider the objects of the EP&A Act when making decisions under the Act. The objects of the EP&A Act changed on 1 March 2018. The Department has assessed the

proposed modification against the current objects of the EP&A Act (see section 1.3 of the Act). The objects of most relevance to the decision on whether or not to approve the proposed modification are:

- Object 1.3(a): *to promote the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State's natural and other resources;*
- Object 1.3(b): *to facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment;*
- Object 1.3(c): *to promote the orderly and economic use and development of land;*
- Object 1.3(e): *to protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats;*
- Object 1.3(f): *to promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage);*
- Object 1.3(i): *to promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the State; and*
- Object 1.3(j): *to provide increased opportunity for community participation in environmental planning and assessment.*

The Department is satisfied that the proposal would permit the continued proper management and development of a regionally significant coal resource (Objects 1.3(a) and (i)). The Department is also satisfied that the proposal represents an orderly and economic use of land (Object 1.3(c)).

The Department has considered the principles of ecologically sustainable development (ESD, Object 1.3(b)) in its assessment of the proposed modification. The Department considers that the proposal may be carried out in a manner that is consistent with the principles of ESD. The Department's assessment has sought to integrate all significant environmental, social and economic considerations.

The Department has carefully considered the environmental impacts of the proposal, including potential impacts on the natural, cultural and built environments (Objects 1.3(e) and (f)). The key findings of the Department's assessment are summarised in **Section 5** of this report.

The Department made the modification application and EA publicly available (Object 1.3(j)) The outcomes of the consultation process are outlined in **Section 4** below.

4. CONSULTATION

Under section 75W of the EP&A Act, the Department is not required to exhibit the modification application. However, after accepting the modification application, the Department notified relevant Government agencies and placed a copy of the application and EA on the Department's website.

4.1 Submissions

The Department received four submissions from Government agencies. No public submissions were received.

The **Heritage Council of NSW** (Heritage Council) did not object to the proposal and made a few recommendations including that Illawarra Coal is required to:

- implement the recommendations contained within the EA's Statement of Heritage Impact; and
- undertake photographic archival recording of significant built and landscape elements affected by the proposal prior to commencement, during works and after completion of works.

The **Department of Industry – Lands and Water** (DoI) noted that works within 40 metres of the high bank of America Creek should be undertaken in accordance with the *Guidelines for Controlled Activities on Waterfront Land*. DoI also recommended a condition requiring the preparation of a Construction Management Plan.

The Department's **Division of Resources & Geoscience** (DRG) and **Resource Regulator** did not object to the proposal and raised no further concerns or comments. **WaterNSW** also did not object or raise concerns.

The **Environment Protection Authority, Office of Environment and Heritage** and **Wollongong City Council** did not respond to requests for comment from the Department.

Copies of all agency submissions are included in **Appendix B**.

5. ASSESSMENT

The Department has assessed the merits of the proposed modification in accordance with the relevant objects and requirements of the EP&A Act. In assessing these merits, the Department has considered the:

- Environmental Impact Statement for the original development application;
- conditions of consent for the project, as subsequently modified;
- modification application, EA and submissions; and
- relevant environmental planning instruments, policies and guidelines.

The Department considers that the key assessment issue relates to historic heritage.

5.1 Historic Heritage

5.1.1 Introduction

Niche Environment and Heritage Pty Ltd (Niche) was commissioned by Illawarra Coal to prepare a Statement of Heritage Impact (SoHI) for the proposed modification. The purpose of the SoHI was to identify whether the proposed modification would have an impact on the heritage significance of the Nebo Colliery (see **Section 5.1.2**).

The proposed kiosk transformer would be installed adjacent to an existing switchyard which is currently used as an electrical substation supplying Dendrobium Coal Mine with electricity.

5.1.2 Assessment of Significance

The Dendrobium Coal Mine site is listed in the *Wollongong Local Environmental Plan 2009* under “Nebo Colliery” as an item of local heritage significance. Under the *NSW Heritage Act 1977*, local heritage significance (in relation to a place, building, work, relic, moveable object or precinct) means ‘*significance to an area in relation to the historical, scientific, cultural, social, archaeological, architectural, natural or aesthetic value of the item*’.

The Department considers it important in this case to distinguish between the significance of Nebo Colliery as a site and the significance of the existing 33kV substation.

Nebo Colliery

The Nebo Colliery opened in 1947 and was the first fully mechanised mine. Nebo Colliery ceased operations in 1993 and in 2001 the remaining surface facilities were incorporated into the new Dendrobium Coal Mine. The following Statement of Significance has been adapted from the State Heritage Inventory sheet for Nebo Colliery:

This site is significant as it was the first mine to be opened as a fully mechanised mine in 1947. It was a green field mine development and its surface facilities were of the most modern design being fully mechanised upon opening. It is also significant for its association with Mt Kembla village and the surrounding area, for its relationship between mines, mining companies and their workers and for the joint ownership of the mine and the associated steel works. It is also significant for its association with the new Dendrobium Mine for which its facilities were chosen to support.

The Department accepts that the former Nebo Colliery is significant from a local heritage perspective.

Existing 33kV Substation

The Dendrobium (formally Nebo) switchyard was constructed circa 1962 and as such was not part of the original construction. Niche contends that the elements of the Nebo Colliery with high heritage significance are predominately associated with the 1940s administration building and bathhouse, which were built in an iconic post-war international architectural style.

It is noted that the northern tower has been decommissioned for a significant period and does not have any observable structural or engineering alterations. The tower is also in poor condition with the steel supports exhibiting significant rust. The southern tower is also in a poor state of repair, albeit to a lesser extent. This tower has been upgraded and updated with modern transformer equipment and insulators.

Given that the switchyard was not part of the original construction of Nebo Colliery and it is either in poor physical condition or has been modified, Niche determined the switchyard to be of low heritage value to the overall heritage significance of listed Nebo Colliery. The Department and Heritage Council do not have any objections to this determination of significance.

5.1.3 Management and Mitigation

To install the kiosk transformer, parts of the existing switchyard structures must first be removed. Once the kiosk transformer has been commissioned, the remaining switchyard structures would become redundant and due to poor condition are proposed to be removed. The proposed work area is located adjacent to the entrance gate and car park for the mine site.

The location of the switchyard prevents the proposed works being visible from the more significant parts of Nebo Colliery (ie the administration buildings and bathhouse). The existing infrastructure is proposed to be replaced with similar infrastructure with existing fencing also replaced with modern non-conductive fencing.

Niche and the Heritage Council both recommended that the switchyard is subject to archival recording. The Department notes that an archival recording report (prepared by Niche) was submitted as part of the modification application. The Heritage Council considers that archival recording should also take place during works and upon completion of works in accordance with the relevant guidelines. The Department has recommended conditions to this effect.

Niche also recommended that in, the unlikely event that unexpected archaeological artefacts are uncovered during ground disturbance works, work in the area should cease and a suitably trained archaeologist should attend site to inspect the find. In the event the find is identified as having heritage significance, appropriate consultation with Government agencies should occur and any relevant approval should be sought before works continue. The Department has recommended conditions to this effect.

5.1.4 Conclusion

It is generally accepted that demolition and replacement of the switchyard is a necessary remediation option for long-term electrical supply at Dendrobium Coal Mine. The existing switchyard is of low value to the overall heritage significance of the listed Nebo Colliery. As such, its removal and replacement would result in a negligible impact to the heritage significance of Nebo Colliery.

6. RECOMMENDED CONDITIONS

The Department has drafted a recommended notice of modification (see **Appendix C**) and a consolidated version of the consent as it is proposed to be modified (see **Appendix D**). The Department considers that the heritage impacts of the project can be appropriately managed under the modified conditions of consent. The Department has also taken the opportunity to update environmental management conditions, predominantly Schedule 8, to reflect current drafting and policy standards.

Illawarra Coal has reviewed and accepted the recommended conditions.

7. CONCLUSION

The Department has assessed the modification application and EA in accordance with the relevant requirements of the EP&A Act. The Department has carefully considered the proposal's potential impacts on the cultural environment. The Department has concluded that these impacts can be suitably managed under modified conditions.

The Department is satisfied that the proposal is a necessary remediation option for long-term electrical supply at Dendrobium Coal Mine and would not have a significant impact on the heritage significance of Nebo Colliery. The Department is satisfied that the proposal may be carried out without increasing the environmental impacts of the project. The Department is therefore satisfied that the modification is in the public interest and should be approved, subject to revised and strengthened conditions.

Following its assessment of the project, the Department considers that the project is approvable, subject to the proposed conditions of consent (see **Appendix D**).

8. RECOMMENDATION

It is recommended that the Director, Resource Assessments, as delegate of the Minister for Planning:

- **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 application of the project under section 75W, subject to conditions; and
- **signs** the attached notice of modification (**Appendix C**).

Recommended by:

 13/07/2018

Jessie Evans
Team Leader
Resource Assessments

9. DECISION

The recommendation is: Adopted / Not adopted by:



Howard Reed
Director
Resource Assessments
as delegate of the Minister for Planning

APPENDIX A: ENVIRONMENTAL ASSESSMENT

See: http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=9145

APPENDIX B: SUBMISSIONS

See: http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=9145

APPENDIX C: NOTICE OF MODIFICATION

APPENDIX D: CONSOLIDATED APPROVAL
