



Airly Mine SSD 5581 MOD1 – Statement of Environmental Effects

Introduction:

Airly Mine is located 5 kilometres (km) northeast of the village of Capertee within the Lithgow Local Government Area, approximately 40 km north-northwest of Lithgow and approximately 171 km northwest of Sydney.

On 15 December 2016 Centennial Airly Pty Limited (Centennial Airly) were granted State Significant Development (SSD) consent 5581 for the Airly Mine Extension Project (MEP) by the Planning Assessment Commission of NSW, as delegate of the Minister of Planning.

Centennial Airly are seeking to modify SSD 5581 pursuant to Section 4.55(1A) of the Environmental Planning and Assessment Act 1979 (EP&A Act). The modification is proposed to amend the current wording of Schedule 3 Condition 1 of the SSD 5581 development consent to remove restrictions on mining activities that do not reflect the intent of the Airly Mine Independent Review Panel (IRP) report (2016).

This Statement of Environmental Effects is provided to support the proposed modification.

Existing Consent Condition:

The Airly Mine Extension Project development consent (SSD_5581) currently places the following restrictions on mining (Schedule 3 Condition 1).

“The Applicant must not:

- *carry out any second workings in the Panel and Pillar Zone or the Partial Pillar Extraction Zone that are within an angle of draw 26.5 degrees of the Cliff Line Zone and Zone of First Workings before it has completed mining in at least four adjacent extraction panels in the Panel and Pillar Zone beneath Mount Airly., or*
- *carry out any second workings within an angle of draw 26.5 degrees plus 50 metres from the New Hartley Shale Mine Potential Interaction Zone.”*

As a result of the way this condition has been worded, it implies:

1. No splitting and quartering can be undertaken anywhere within the *Partial Pillar Extraction Zone* throughout ML1331 until it has completed mining in at least four adjacent extraction panels in the *Panel and Pillar Mining Zone* beneath Mount Airly, as splitting and quartering is considered to be second workings by SSD_5581; and
2. No secondary workings can occur within an angle of draw 26.5 degrees plus 50 metres from the New Hartley Shale Mine Potential Interaction Zone (i.e. the *zone* boundary), rather than from the actual New Hartley Shale Mine workings. The zone boundary already includes a setback from the workings, so the existing terminology (when interpreted literally) unintentionally double the required setback.

Centennial Airly regard the objective of the IRP Report (2016) was to limit the Panel and Pillar Zone workings to no closer than 26.5° angle of draw from the cliffs identified in the EIS until at least four adjacent panels had been mined under Mount Airly. No other mining was expected to have an impact on the cliffs. Additionally, the IRP Report (2016) did not specifically recommend excluding mining in the New Hartley Shale Mine Potential Interaction Zone (NHSM PIZ) as the consent condition is currently worded. The EIS specifically assessed mining *within* this area and options were provided by the IRP to provide protection to key surface features, which recommended an increase in the setback to proposed Panel and Pillar Mining of a further 50 metres in addition to the 26.5° angle of draw originally described in the EIS. The most conservative option was adopted by DPE in the issued consent, however as noted above the reference was incorrectly made to the *Zone* (which already included a setback) rather than to the actual historical mine workings as intended.

Accordingly, in November 2017 Centennial Airly commenced consultation with the NSW Department of Planning and Environment (DP&E) and the IEP regarding the proposed modification. The implications of the current wording of Condition 1 noted above are discussed further by the IEP in their letter report for the proposed modification in **Appendix 2**.

Proposed Modification:

Following consultation with DP&E and the IEP (outlined further below), the following final changes are proposed to Condition 1 of Schedule 3:

Restrictions on Mining

1. The Applicant must not carry out any second workings:

- a) in the Panel and Pillar Zone that are within an angle of draw 26.5 degrees of the tops of cliffs identified in the Cliff Line Zone of First Workings before it has completed mining in at least four adjacent extraction panels in the Panel and Pillar Zone beneath Mount Airly;*
- b) within 30 metres on the downslope side of cliffs identified in the Cliff Line Zone measured horizontally from the base of these cliffs;*
- c) on the downslope side of the Cliff Line Zone except where these second workings:
 - i. are long term stable when all adjacent extraction has been undertaken*
 - ii. and do not cause impacts or environmental consequences greater than specified in Table 1 of Schedule 3;**
- d) within an angle of draw 26.5 degrees plus 50 metres from the edge of the New Hartley Shale Mine workings.*

Reasoning for the final wording above proposed by Centennial is outlined in the following sections and further commentary in the IEP's letter report in **Appendix 2**.

Consultation:

Consultation for the proposed modification has been undertaken with the NSW Department of Planning & Environment (DPE) and the Independent Expert Panel (IEP) as required by DPE. A copy of the IEP's letter report in response to the proposed modification supporting all proposed changes 1a) to 1d, is provided in **Appendix 2**. Feedback received from the NSW Resources Regulator in relation to risk management under WHS (Mines and Petroleum Sites) legislation has also been considered.

Risks:

Substantial consultation was undertaken with the IEP to develop revised wording for Condition 1 which **further** clarifies key restrictions to mining to protect sensitive features such as cliffs. This included providing additional clarity in the proposed restrictions on secondary extraction within the *Partial Pillar Mining Zone* for splitting and quartering. This is discussed in detail in the IEP's final letter report which assesses each of the proposed wording changes as Conditions 1a to 1d). Refer the report in **Appendix 2** for full details).

Consequently, the IEP's review of the final proposed wording for the modification (described earlier above), in context to the intentions of the 2016 IRP report, **resulted in endorsement of each of the requested changes in items 1(a) to 1(d) above**. As noted further below, consultation with the NSW Resources Regulator in relation to WHS (Mines and Petroleum Sites) legislation, which includes risk management requirements, has also been considered.

Mitigation and Management:

Centennial Airly has employed a conservative approach to mine design throughout mine planning, assessment and approval processes for development consent SSD_5581. The process included expert review by the Independent Review Panel (IRP) during the pre-approval phase, and subsequently by the IEP during the post-approval phase. The final wording for the proposed modification to Condition 1 was specifically developed in consultation with the IEP to provide **additional clarity** to the restrictions on mining for secondary extraction in Condition 1 which are consistent with the intentions of the IRP Report (2016). These clarifications include appropriate separation (or 'de-coupling' as the IEP refers to it) of mining within the *Panel and Pillar Mining Zone* from other forms of secondary extraction in the other approved mining zones such as the Partial Pillar Mining Zone.

Accordingly, following consideration of IEP feedback on the initial proposed wording of amendments to Condition 1 of Schedule 3, revised final proposed wording by Airly Mine is detailed above within the section titled '*Proposed Modification*'.

Timing for Modification:

Consultation for the proposed modifications commenced in November 2017 as detailed below. Centennial Airly are seeking to commence splitting and quartering within the Partial Pillar Zone and Shallow Zone in Q2 2018 (subject to Extraction Plan approval).

Conclusion:

The NSW DP&E has confirmed a Section 4.55(1A) modification would be required for the changes proposed to two dot points within Condition 1 of Schedule 3 in development consent SSD_5581.

Centennial Airly has developed the final proposed modified wording for Condition 1, Schedule 3 in consultation with the NSW Department of Planning and Environment (DP&E), the Independent Expert Panel (IEP) and the NSW Resources Regulator (Mine Safety) as described earlier above. Feedback from the NSW Resources Regulator has been considered. The IEP have concurred with all changes proposed for Conditions 1a) to 1d), as detailed in the IEP's letter report in **Appendix 2**.

Enclosed Appendices:

- Appendix 1:** SSD_5581 Extract - Schedule 3 Condition 1
- Appendix 2:** IEP Final Review Letter Report