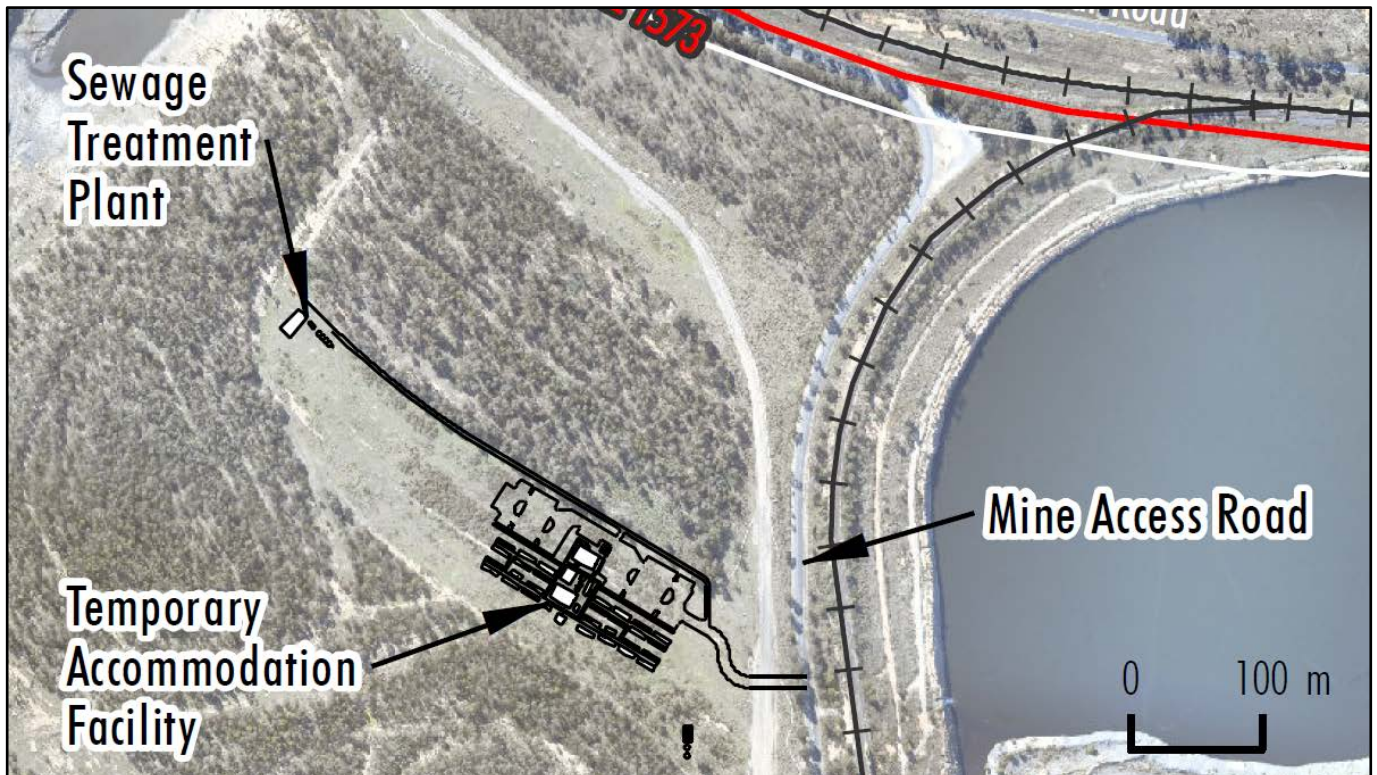


# Wilpinjong Coal Mine Modification 2

State Significant Development Modification Assessment Report (SSD-6764-Mod-2)

July 2024





# Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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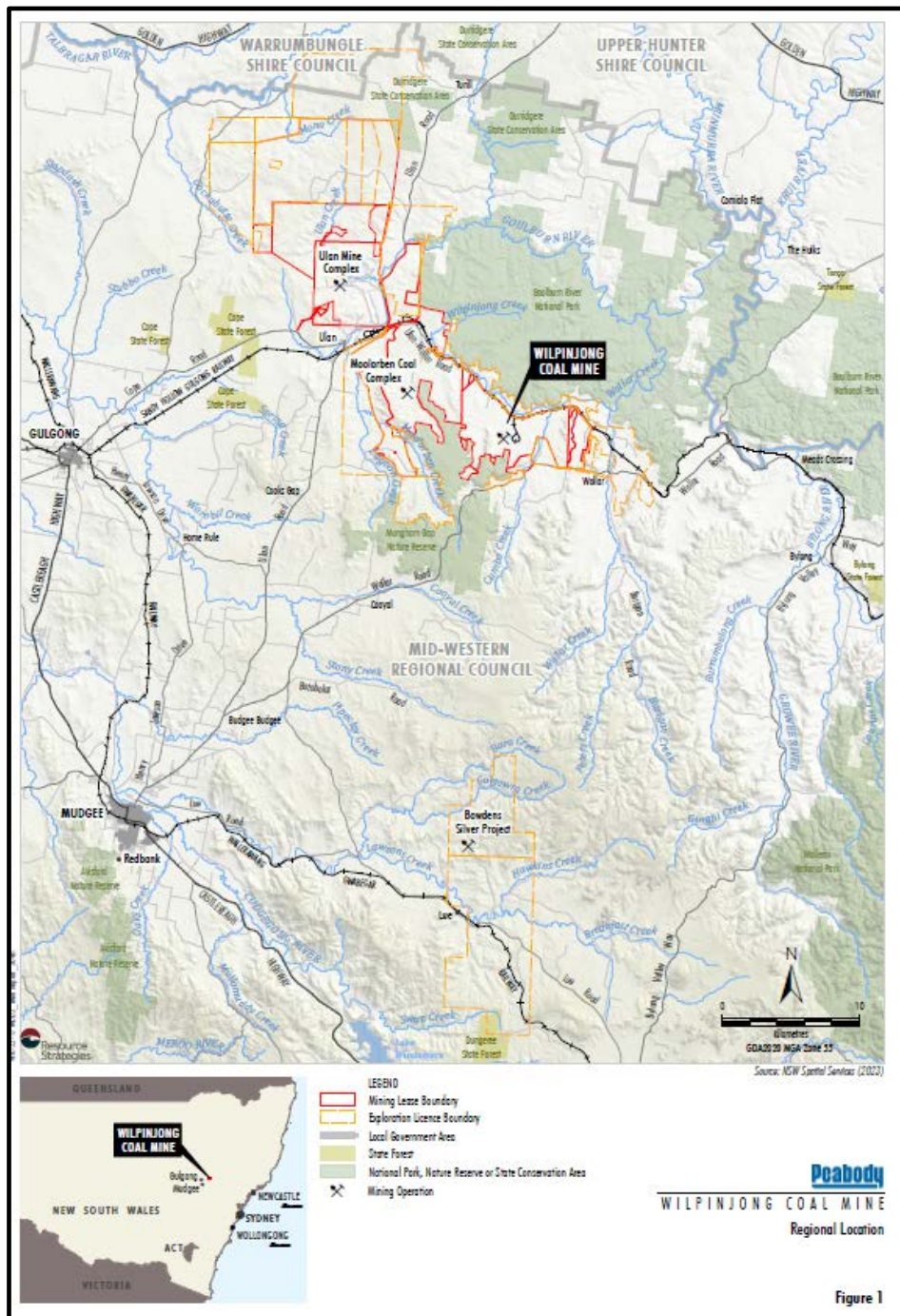
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# 1 Introduction

Wilpinjong Coal Pty Ltd (WCPL), a wholly owned subsidiary of Peabody Energy Australia Pty Ltd (Peabody), owns and operates the Wilpinjong Coal Mine, an open cut coal mine located approximately 40 kilometres (km) north-east of Mudgee within the Mid-Western Regional Local Government Area (LGA).



**Figure 1 | Regional context (Source: Modification Report)**

In April 2017, the Planning and Assessment Commission of NSW, as a delegate of the then Minister for Planning, approved the Wilpinjong Extension Project (SSD-6764) (the consent). The consent required the surrender of the existing project approval for the mine (MP05-0021).

The consent allows for:

- the continued operations of the existing mine;
- the development of a new open cut pit (Pit 8) and the extension of a number of existing open cut mining areas;
- the production of up to 16 million tonnes of run-of-mine (ROM) coal;
- mining operations until the end of 2033;
- ancillary construction activities that would occur over the life of the mine, including a temporary construction accommodation camp approved under MP05-0021.

WCPL submitted a pre-modification application for changes to water supply infrastructure in 2020 (Modification 1), however this application was later withdrawn. There have been no modifications to the consent.

## 2 Proposed modification

WCPL is seeking to modify the consent to incorporate a temporary accommodation facility and excise four parcels of Crown land from the consent (the modification). A full description of the proposed modification is available in the Modification Report and supporting information provided by WCPL (see **Appendix A**).

### 2.1 Temporary accommodation facility

A temporary accommodation facility near the northern boundary of the site was approved under MP05-0021 but has not been constructed. Due to constraints regarding worker accommodation in the region (refer to **Section 3**), WCPL is proposing to construct and operate a temporary accommodation facility (the facility) for around 100 people, located to the west of the approved camp on an area of land that has been previously mined, backfilled and partially rehabilitated near an existing rail loop (see **Figure 2**). The facility would generally comprise:

- 25 single storey demountable four person accommodation buildings;
- other single storey buildings for supporting facilities including kitchen and dining, recreation and administration; and
- ancillary infrastructure including package sewage treatment plant, on-site fuel storage, car park and internal access roads.

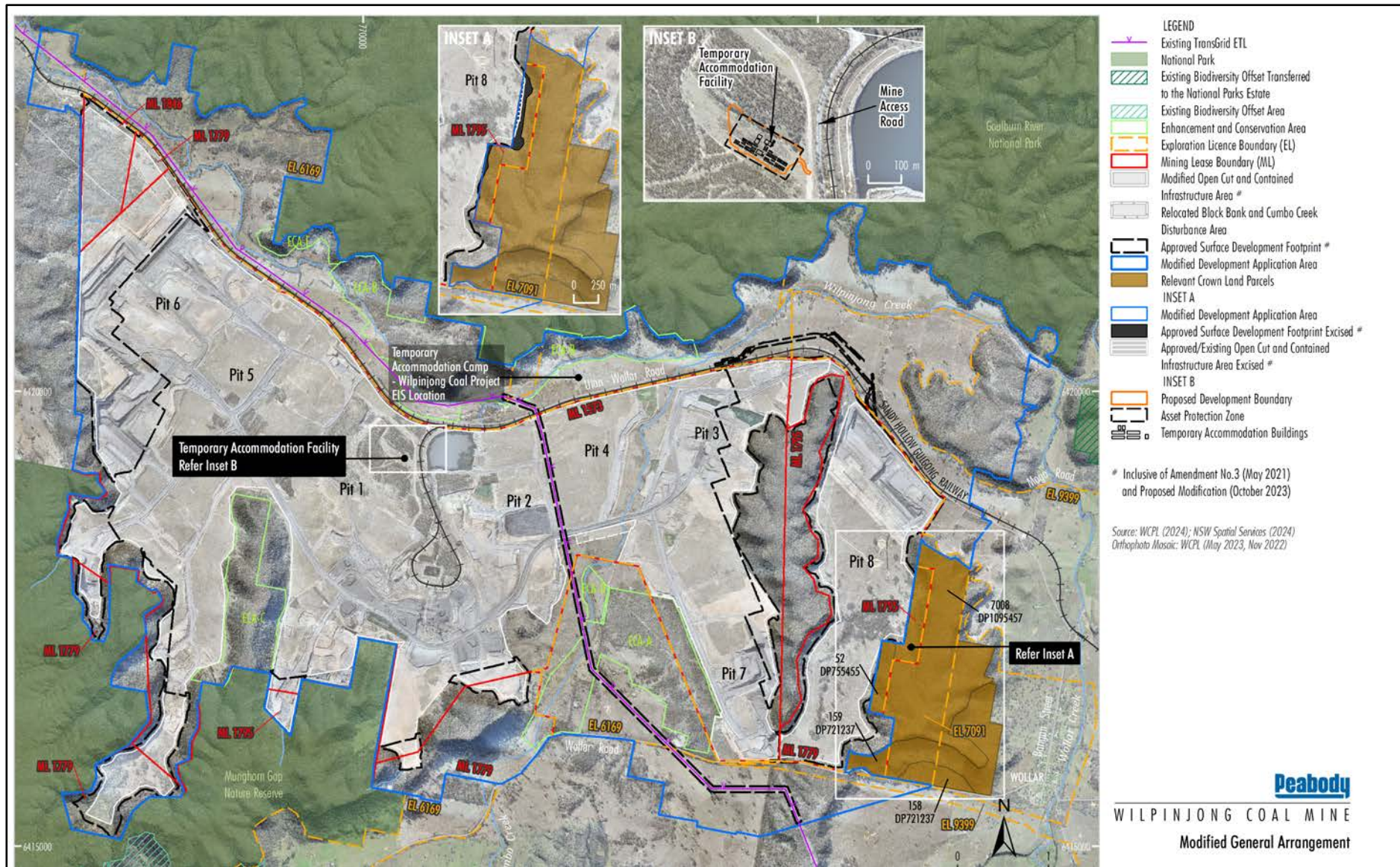
The facility would be used for approximately five years and would then be decommissioned, removed and the site would be rehabilitated. The use of the facility for five years is based on projected housing demand in the region. WCPL would continue to review housing demand and availability to anticipate and manage potential impacts and would consult with Mid-Western Regional Council if it is identified that the temporary accommodation facility should continue to be used after the proposed five-year timeframe.

WCPL noted the location of the proposed facility is preferred over the original accommodation camp given accessibility and safety benefits, ease of integration with existing infrastructure and services, and the opportunity to avoid vegetation clearance.

## 2.2 Changes to consent boundary

Several parcels of Crown Land are approved for open cut mining and surface development activities under the consent. WCPL have identified that four parcels of Crown Land on the eastern boundary of the development application area in the consent are not required for operational purposes. WCPL proposes to excise these parcels of land from the consent. Only a small proportion of the land parcels are approved for mining activities and therefore there would be a minor reduction of approved direct open cut mining and surface development impacts for the proposed modification, including

- reduction in the approved Pit 8 open cut area of approximately 1.4 hectares (ha);
- reduction in approved surface development footprint of approximately 7.3 ha;
- reduction of 0.2 million tonnes (Mt) of ROM coal resource from the approved Pit 8; and
- some adjustment or relocation of clean water management infrastructure and ancillary infrastructure (e.g. internal roads, etc.).



**Figure 2 | The proposed modification (Source: Response to Request for Information May 2024)**

## 3 Strategic context

### 3.1 Accommodation constraints in the Mid-Western Regional LGA

The Mid-Western Regional LGA is subject to constraints regarding the supply and cost of suitable worker accommodation, particularly in Mudgee and Gulgong. Since 2019 there has been significant growth in house prices and tightening of the rental market, with very few rental dwellings available and extremely low vacancy rates as identified in the *Draft Mudgee and Gulgong Urban Release Strategy 2023 Update* (HillPDA, 2023) commissioned by Mid-Western Regional Council (Council).

Pressure on accommodation availability is forecast to continue with the development of the Central-West Orana Renewable Energy Zone (HillPDA, 2023).

Constraints around worker accommodation have been a challenge for local industry to attract and retain suitable staff.

In June 2021 the NSW Government established the Regional Housing Taskforce in response to increasing pressures on the supply and affordability of housing in Regional NSW. In August 2022, the NSW Government adopted all recommendations of the Regional Housing Taskforce as part of a comprehensive response to support delivery of 127,000 new homes needed to house the growing population of the regions over the next 10 years.

## 4 Statutory context

### 4.1 Scope of modification

The modification application was lodged under Section 4.55(1A) of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The Department has reviewed the scope of the modification application and considers that the modification would not significantly increase the environmental impacts of the projects as approved and that the project would remain substantially the same as originally approved.

Therefore, the Department is satisfied that the proposal can be assessed as a modification under 4.55(1A) of the EP&A Act.

### 4.2 Consent authority

The Minister for Planning and Public Spaces is the approval authority for the modification under Section 4.5(a) of the EP&A Act. However, under the Minister's delegation dated 9 March 2022, the Executive Director, Energy and Resource Assessments may determine the modification application

as the Applicant has not made any reportable political donations, Council did not object to the proposed modification and there were less than 50 objections to the proposed modification.

### 4.3 Biodiversity development assessment report

Section 7.17 of the *Biodiversity Conservation Act 2016* specifies that if the approval authority is satisfied a modification would not increase the impact on biodiversity values, a Biodiversity Development Assessment Report (BDAR) is not required. The Department's assessment concluded that there would be no increase on impacts to biodiversity values and therefore a BDAR is not required.

### 4.4 Mandatory matters for consideration

The Department has previously conducted an assessment of the approved project against the mandatory matters for consideration. The Department considers that the modification would not result in significant changes that would alter the mandatory matters for consideration under section 4.15 of the EP&A Act and conclusions made as part of the original assessment.

### 4.5 Objects of the EP&A Act

All decision-making under the EP&A Act is underpinned by objects of the EP&A Act. When determining a development application under the EP&A Act, these principles must be considered by the consent authority. The Department has therefore assessed the modified project against the objects found in Section 1.3 of the EP&A Act.

## 5 Engagement

The Department exhibited the modification application and the accompanying documents for 19 days and made these documents publicly available on its website from 27 November 2023. The Department also consulted with relevant government agencies and Council.

The Department received 40 submissions, including 38 in objection, one in support and one comment, from 28 individuals, 11 public interest groups and Council.

Submissions from individuals and public interest groups relevant to the proposed modification primarily related to alternatives to the temporary accommodation facility, including building new permanent accommodation to assist in addressing regional housing constraints, or using existing or refurbished WCPL owned properties in the town of Wollar. Submitters also raised concern regarding WCPL's management and maintenance of the existing properties in Wollar.

Issues raised by submitters not relevant to the proposed modification included objections to ongoing approved mining and associated environmental impacts. The Department notes that the proposed



modification does not propose changes to approved mining operations, other than a minor reduction in the open cut mining area associated with the removal of the Crown Land parcels from the consent.

A summary of the key matters raised and recommendations by the government agencies, including Council, throughout the assessment process is provided in **Table 1**.

**Table 1 | Summary of agency consultation**

Agency	Key issues and recommendations
<b>Crown Lands</b>	<ul style="list-style-type: none"> <li>No objection to the removal of the proposed Crown Land parcels from the development consent</li> </ul>
<b>Rural Fire Service (RFS)</b>	<ul style="list-style-type: none"> <li>Requested further information regarding site plans, procedures for emergencies and evacuations, and assessment of the bushfire risk associated with adjacent vegetation.</li> <li>Recommended the proposed asset protection zones (APZs) be extended in accordance with relevant guidelines.</li> <li>Following additional consultation with RFS, WCPL submitted a revised Bushfire Hazard Assessment Report prepared by an accredited bush fire consultant. The revised report recommended APZs consistent with the advice from RFS.</li> </ul>
<b>NSW Environment Protection Authority (EPA)</b>	<ul style="list-style-type: none"> <li>Noted the environment protection licence (EPL) 12425 would not be required to be varied if the modification is approved as the existing operational conditions are adequate to manage potential environmental impacts associated with the accommodation facility.</li> </ul>
<b>Mining, Exploration and Geoscience</b>	<ul style="list-style-type: none"> <li>No issues raised</li> </ul>
<b>Mid-Western Regional Council</b>	<ul style="list-style-type: none"> <li>Consultation prior to the lodgement of the modification application between WCPL and Council in June 2023 noted that Council considered a temporary workers accommodation camp to be an appropriate measure to mitigate the mine's impacts on the community with regard to housing availability in the LGA.</li> <li>Requested further detail in the Modification Report regarding site plans, water supply, wastewater treatment and waste disposal</li> </ul>

WCPL provided a Submissions Report incorporating responses to the community, government agencies and Council (see **Appendix A**). The Department's assessment of these matters is detailed in **Section 6** of this report.

# 6 Assessment

The proposed facility would be located on an area of land that has previously been disturbed by mining operations. The Department notes that potential impacts would be temporary and considers that social and economic impacts are the key assessment issue for the proposed modification (see **Section 6.1**). The Department's assessment of the other residual issues is provided in **Section 6.2**.

## 6.1 Social and economic

The key issue raised in public submissions was concern about the temporary accommodation facility in the context of housing constraints in the Mid-Western LGA and potential alternatives the proposed modification were identified including:

- building new permanent accommodation to assist in addressing regional housing constraints; or
- using existing or refurbished WCPL owned properties in the town of Wollar and ceasing the progressive demolition of mine-owned housing.

### 6.1.1 Housing constraints in the Mid-Western LGA

In the Submissions Report, WCPL noted that housing constraints are a key challenge to attract and retain staff in the Mid-Western LGA. WCPL stated that the proposed modification would mitigate pressures on housing availability in the Mid-Western Regional LGA and provide a suitable accommodation solution for workers that do not already reside in the LGA. WCPL has advised that the facility is targeted at accommodating short-term specialist roles (such as superintendents and technical specialists) as well as other roles and professionals where there are recruitment constraints.

WCPL consulted with Council prior to the lodgement of the modification application in June 2023 and Council considered that a temporary accommodation camp would be an appropriate measure to mitigate the mine's impacts on the community with regard to housing availability in the LGA.

### 6.1.2 Maintenance and demolition of WCPL owned properties in Wollar

Properties in Wollar owned by WCPL are managed through the Social Impact Management Plan (SIMP) which is required under SSD-6764. The SIMP has been approved by the Department and was prepared in consultation with Council, the Community Consultative Committee, and the local community of Wollar. The SIMP requires WCPL to:

- facilitate rental tenancy of local mine-owned dwellings where it is safe to do so; and

- implement a progressive demolition program at a minimum rate of five properties per year, to safely remove vacant local dwellings assessed as unsafe for tenancy and to improve amenity in the village of Wollar.

WCPL leases around 40 dwellings to a combination of WCPL workforce and the private rental market including previous owners and members of the local community. These dwellings are made available as rentals where they are assessed as being safe for tenancy on the advice of a real-estate agent and WCPL undertakes maintenance on the basis of this advice.

WCPL described that the demolition program is designed to safely remove vacant local dwellings that have been assessed as unsafe for tenancy. These structures are in very poor condition with limited access to services (see **Figure 3**)

The most recent independent environmental audit (RPS, 2021) confirmed that the SIMP has been prepared and is being implemented in compliance with the requirements of SSD-6764.



**Figure 3** | Examples of WCPL owned structures in SIMP demolition program (Source: Modification Report)

### 6.1.3 Conclusion

The Department agrees with WCPL's conclusion in the Modification Report that that an on-site facility would mitigate pressures on housing availability in the Mid-Western Regional LGA by providing accommodation for up to 100 staff.

Given the facility is proposed to be used for five years, the Department does not consider that it is justified to require WCPL to construct permanent housing, given the timing constraints associated with securing land and the design, development approval and construction of permanent dwellings.

The Department considers that addressing pressure on housing availability in the Mid-Western Regional LGA is a strategic policy issue which is currently being addressed by Council and the NSW Government through strategic planning and policy measures including the *Draft Mudgee and Gulgong*

*Urban Release Strategy 2023 Update* and the adoption of the recommendations of the Regional Housing Taskforce by the NSW Government (refer **Section 3**).

The Department has examined the concerns regarding the management of WCPL owned properties in Wollar and has determined that WCPL is operating in accordance with the approved SIMP. There are limited additional opportunities to use this existing housing to address workforce accommodation pressures as habitable dwellings are currently leased to WCPL workers and the private rental market and dwellings that are not safe for tenancy are being progressively demolished in accordance with the SIMP to improve the amenity of Wollar.

The Department has determined the existing conditions of consent including the SIMP are appropriate to manage the social and economic impacts of the proposed modification.

## 6.2 Other issues

The Department’s consideration of other issues is summarised in **Table 1** below.

**Table 1 | Assessment of other issues**

Issue	Findings and conclusions	Recommended conditions
<b>Bushfire</b>	<ul style="list-style-type: none"> <li>• The temporary accommodation facility is located on bush fire prone land as designated under Section 10.3 of the EP&amp;A Act</li> <li>• The Modification Report included a bushfire assessment in accordance with the guideline <i>Planning for Bushfire Protection 2019</i> (Rural Fire Service) (PBP)</li> <li>• The bushfire assessment identified the relevant controls to manage bushfire risk in accordance with the PBP including:               <ul style="list-style-type: none"> <li>○ maintenance of a 20 metre asset protection zone (APZ);</li> <li>○ construction of the accommodation facility to a Bushfire Attack Level (BAL)-19 standard;</li> <li>○ construction and maintenance of access roads, services and landscaping in accordance with the PBP; and</li> <li>○ preparation of a Bushfire Emergency Management and Evacuation Plan.</li> </ul> </li> <li>• RFS disagreed with the characterisation of the vegetation surrounding the accommodation facility as woodland as described in the bushfire assessment and considered it should be characterised as forest vegetation.</li> <li>• Following additional consultation, RFS provided recommended conditions based on the characterisation of</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that the development complies with the relevant requirements of <i>Planning for Bushfire Protection 2019</i></li> <li>• Prepare a Bush Fire Emergency Management and Evacuation Plan</li> </ul>

Issue	Findings and conclusions	Recommended conditions
	<p>the surrounding vegetation as forest and this included an APZ of 29 m to the north, east and west and 24 m to the south of the facility.</p> <ul style="list-style-type: none"> <li>• WCPL submitted a revised Bushfire Hazard Assessment Report prepared by an accredited bush fire consultant. The revised report recommended APZs consistent with the advice from RFS.</li> <li>• The Department considers that bushfire risks are acceptable subject to the recommended conditions.</li> </ul>	
<b>Biodiversity and Heritage</b>	<ul style="list-style-type: none"> <li>• The facility is located on land previously disturbed by mining operations and so would not require additional impacts to biodiversity, Aboriginal heritage or non-Aboriginal heritage.</li> <li>• The removal of the Crown Land parcels from the consent would result in the avoidance of direct impacts to around five hectares of native vegetation and four Aboriginal cultural heritage sites including three rock shelters and one water hole.</li> </ul>	None
<b>Amenity</b>	<ul style="list-style-type: none"> <li>• The facility would not be visible to residential receivers.</li> <li>• WCPL considered that based on the noise and air quality assessments undertaken in the Environmental Impact Statement for the original development application, the construction and operation of the facility would not change to the approved potential noise and air quality impacts, due to the scale of the facility and its central location within the project site.</li> <li>• The Department agrees with this conclusion and notes WCLP would implement existing management controls to manage potential amenity impacts.</li> <li>• Construction of the facility would be undertaken within the approved construction hours under the consent.</li> </ul>	None
<b>Traffic</b>	<ul style="list-style-type: none"> <li>• Vehicle movements required for the construction of the facility would be consistent with approved vehicle movements for the project.</li> <li>• The operation of the facility is likely to result in a minor reduction to daily employee traffic flows on the public road network, to and from the Wilpinjong Coal Mine (e.g. typically</li> </ul>	None

Issue	Findings and conclusions	Recommended conditions
	between site and Mudgee/Gulgong).	
<b>Water resources</b>	<ul style="list-style-type: none"> <li>Additional sewage generated at the facility would be managed in accordance with the existing on-site effluent treatment and management processes within the existing operational water management area and in accordance with EPL 12425.</li> <li>The proposed modification would not result in any new or additional impacts to surface water or groundwater resources compared to the approved Wilpinjong Coal Mine.</li> </ul>	None
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>The facility would be used for approximately five years and would then be decommissioned, removed and the site would be rehabilitated.</li> </ul>	None
<b>Schedule of the land</b>	<ul style="list-style-type: none"> <li>The Department has updated the approval and the schedule of land to include the remove the four Crown Land parcels which are no longer required for the project</li> </ul>	Update schedule of land and figures in the consent

## 7 Evaluation

The Department has assessed the modification application and supporting information in accordance with the relevant requirements of the EP&A Act, including the objects of the of the EP&A Act, and advice from government agencies.

The proposed modification involves the construction and operation of a temporary accommodation facility for around 100 people on-site at the Wilpinjong Coal Mine, located on an area of land that has been previously mined, backfilled and partially rehabilitated. The facility would be used for approximately five years and would then be decommissioned, removed and the site would be rehabilitated.

The key assessment issue for the proposed modification is social and economic issues related to the temporary accommodation facility in the context of housing constraints in the Mid-Western LGA. This was the key concern raised in submissions from individuals and public interest groups on the proposed modification during the public exhibition of the proposed modification. Submissions included suggestions and concerns regarding existing properties owned by WCPL in the town of Wollar.

The Department has concluded that an on-site accommodation facility would mitigate pressures on housing availability in the Mid-Western Regional LGA by providing accommodation for up to 100 staff.

The Department considers that addressing pressure on housing availability in the Mid-Western Regional LGA is a strategic policy issue which is currently being addressed by Council and the NSW Government.

The Department has examined the concerns regarding the management of WCPL owned properties in Wollar and has determined that WCPL is operating in accordance with the approved SIMP and there are negligible additional opportunities to use this existing housing to address workforce accommodation pressures. The Department has determined the existing conditions of consent including the SIMP are appropriate to manage the social and economic impacts of the proposed modification.

The proposed modification would result in some negligible environmental impacts to those approved under the development consent and these impacts can be managed to an acceptable level under existing and recommended conditions of consent. The removal of the Crown Land parcels from the consent would result in the avoidance of direct impacts to five hectares of native vegetation and four Aboriginal cultural heritage sites including three rock shelters and one water hole.

The Department considers the modification to be in the public interest, and should be approved, subject to the recommended revised conditions of consent (**Appendix B**), as outlined in the Instrument of Modification (**Appendix C**).

## 8 Determination

It is recommended that the Executive Director, Energy, Resource and Industry Assessments, as delegate of the Minister for Planning and Public Spaces:

- **considers** the findings and recommendations of this report;
- **determines** that the application SSD-6764-Mod-2 falls within the scope of section 4.55(1A) of the EP&A Act;
- **forms the opinion** under section 7.17(2)(c) of the *Biodiversity Conservation Act 2016* that a biodiversity development assessment report is not required to be submitted with this application as the modification would not increase the impact on biodiversity values on the site;
- **accepts and adopts** the findings and recommendations in this report as the reasons for making the decision to approve the modification;
- **modifies the approval** for the Wilpinjong Coal Mine (SSD-6764); and
- **signs** the attached instrument of modification (**Appendix C**).

Recommended by:



**Jack Turner**  
A/ Team Leader  
Resource Assessments



**Steve O'Donoghue**  
Director  
Resource Assessments

The recommendation is **adopted**/~~not adopted~~ by:



3/7/24

**Clay Preshaw**  
Executive Director Energy, Resource and Industry Assessments



# Appendices

## Appendix A – List of referenced documents

**A1 – Modification Report:** Refer to the folder ‘Modification Application’ under the ‘Assessment’ tab on the Department’s Major Projects Planning Portal: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-2-workers-accommodation-facility>

**A2 – Submissions:** Refer to the ‘Submissions’ tab on the Department’s Major Projects Planning Portal: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-2-workers-accommodation-facility>

**A2 – Agency Advice:** Refer to the folder ‘Agency Advice’ under the ‘Assessment’ tab on the Department’s Major Projects Planning Portal: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-2-workers-accommodation-facility>

**A3 – Submissions Report:** Refer to the folder ‘Response to Submissions’ under the ‘Assessment’ tab on the Department’s Major Projects Planning Portal: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-2-workers-accommodation-facility>

**A4 – Additional Information:** Refer to the folder ‘Additional Information’ under the ‘Assessment’ tab on the Department’s Major Projects Planning Portal: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-2-workers-accommodation-facility>

## Appendix B – Consolidated Approval

Refer to the folder ‘Determination’ under the ‘Assessment’ tab on the Department’s Major Projects Planning Portal: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-2-workers-accommodation-facility>

## Appendix C – Instrument of Modification

Refer to the folder ‘Determination’ under the ‘Assessment’ tab on the Department’s Major Projects Planning Portal: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-2-workers-accommodation-facility>