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Ref: 05-115-659

13 June 2017

The Secretary
Department of Planning and Environment
GPO Box 39,
Sydney,
NSW 2001

Attention: Mr David Kitto

Dear David

RE: BOGGABRI MINE PROJECT APPROVAL 09_0182 – MINOR MODIFICATION

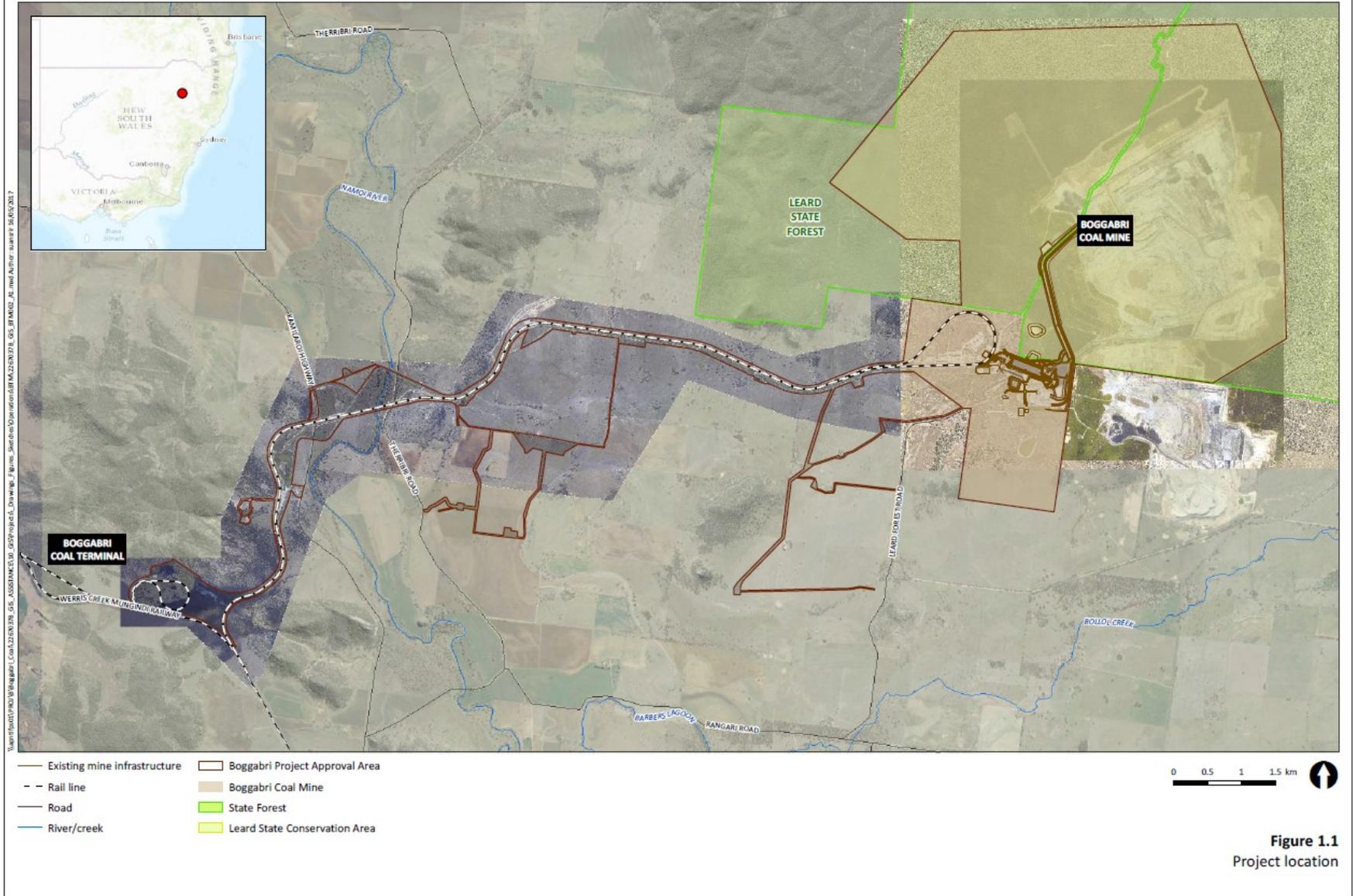
As discussed at our meeting on the 28th of March 2017, Boggabri Coal Operations Pty Limited (BCOPL) is seeking a minor amendment to condition 12, schedule 2 of the Boggabri Coal Project Approval PA 09_0182 (Boggabri Project Approval).

Background

The Boggabri Coal Mine is an open cut coal mine located about 15 kilometres (km) north east of the Boggabri township in North Western NSW, operated by BCOPL on behalf of Idemitsu Australia Resources, a subsidiary of Idemitsu Kosan Co. Ltd. The project location is shown on **Figure 1.1**.

The Boggabri Coal Mine Expansion Project was approved by the Planning Assessment Commission on 18 July 2012, with capacity to extract up to 8.6 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal until the end of December 2033. The approval included the construction and operation of the train loading facility, rail loop and rail spur line. Transportation of up to 7Mtpa of product coal by rail was approved from the site.

The Boggabri Project Approval was modified on 17 February 2015 (Mod 2) to allow the transport of 10Mtpa of coal on the Boggabri Rail Spur Line including up to 3Mtpa coal from the neighbouring Tarrawonga Coal Mine, subject to agreement between the mine owners. A 10 Mtpa capacity for the rail spur operation was included in the environmental impact assessment (Parsons Brinckerhoff, 2013) prepared for the Boggabri Project Approval Mod 2 and approved by the Secretary.



Statutory Context

The Boggabri Project Approval was originally granted under the former Part 3A of the Environmental Planning and Assessment Act 1979 (EP&A Act). The project remains a “transitional Part 3A project” under schedule 6A of the EP&A Act.

This minor amendment is sought under section 75W of the EP&A Act.

Environmental Assessment

The Mod 2 application was lodged on 22 May 2013 seeking a modification of the Boggabri Project Approval to permit the transportation of an additional 3Mtpa coal from the neighbouring Tarrawonga Coal Mine on the Boggabri Rail Spur Line, taking the total capacity of the Boggabri Rail Spur Line to 10Mtpa.

Tarrawonga Coal Mine's current project approval (PA 11_0047) does not authorise Tarrawonga to transport coal to the Boggabri CHPP and utilise the Boggabri rail infrastructure unless it reaches agreement with BCOPL to do so. To date no agreement has been reached. Tarrawonga continues to utilise alternate approved coal processing and transport arrangements.

As part of BCOPL's Mod 2 application, potential impacts from the increase in the approved rail spur capacity from 7Mtpa to a total of 10Mtpa capacity were included in the environmental impact assessment (Parsons Brinckerhoff, 2013). A noise impact assessment was undertaken by specialist consultants Wilkinson Murray (WM, 2013) who considered the potential for increased noise impacts from the Boggabri Project including rail transport noise emissions from the privately owned Boggabri Rail Spur Line. Wilkinson Murray concluded:

It can be seen that the worst case incremental increase in the total noise levels predicted in the Boggabri EA Noise Assessment is limited to a negligible 0.2 dB for the closest privately-owned receivers to the Boggabri Infrastructure Facilities. This represents an insignificant change in the predictions of operational noise presented in the Boggabri EA Noise Assessment. (WM 2013, Section 5.1).

Potential noise impacts were also considered from increased rail movements on the public rail network between the Boggabri Rail Spur Line and Werris Creek. The rail movements beyond Werris Creek represented less than 10% of total rail movements, and therefore in accordance with relevant requirements at the time, were not required to be assessed. Wilkinson Murray concluded:

Consistent with the conclusions and results of the Tarrawonga EA Noise Assessment, rail movements associated with the Modification would result in the following potential rail noise impacts:

- *The maximum increase in distance from the track to meet the ARTC criteria as a result of the Modification rail movements, compared with the existing/approved plus proposed movements, would be 1 m for daytime operations and 2 m for operations at night.*
- *The maximum increase in distance from the track to meet the OEH criteria as a result of the Modification rail movements, compared with the existing/approved plus proposed movements, would be 2 m for 24 hour operations.*
- *There would be no change in the maximum passby noise. (WM 2013, Section 5.3)*

The potential increase in noise impacts due to Mod 2 on both the Rail Spur Line and the public rail network were considered to be negligible.

Mod 2 was approved on 17 February 2015, allowing the transportation of up to 10Mtpa coal on the Boggabri Rail Spur Line.

Current Rail Spur Approval in Boggabri Project Approval

The operation of the Boggabri Rail Spur Line is approved under the current Boggabri Project Approval condition 12, schedule 2 which states:

12. The Proponent may transport up to:

- (a) 7 million tonnes of product coal from the Boggabri coal mine in any calendar year; and*
- (b) 3 million tonnes of product coal from the Tarrawonga coal mine in any calendar year.*

The Boggabri Rail Spur Line location is contained within the Boggabri Project Approval Boundary shown on **Figure 1.1**.

Proposed Minor Amendment

BCOPL are seeking a minor administrative amendment to condition 12, schedule 2 to address the current underutilisation of the Boggabri Rail Spur Line.

It is reiterated that the transportation of coal on the Boggabri Rail Spur Line has previously been assessed at a full capacity of 10Mtpa. As part of this modification, BCOPL is not proposing an increase in:

- the approved capacity of the rail spur line;
- the 8.6Mtpa ROM limit at the Boggabri Mine, and
- any environmental emissions limits relating to the Boggabri Rail Spur Line, including operational noise limits specified in the Boggabri Project Approval (PA 09_0182 Mod 5) Schedule 3 conditions 25, 26, 27, 28, 29 and 30 and air quality criteria specified in schedule 3 conditions 3, 4, 5, 6, 7, 8, 11, and 12.

BCOPL requests that condition 12, schedule 2 of the Boggabri Project Approval be amended to provide that:

- 12. The Proponent may transport up to 10 million tonnes of product coal via the Boggabri Rail Spur Line in any calendar year.*

Justification

Our justifications for the proposed amendment are:

- (a) the impacts of the transportation of 10Mtpa of coal via the Boggabri Rail Spur Line have already been fully assessed in the Environmental Assessment (Parsons Brinckerhoff, 2013) carried out for Mod 2, and approved by the Secretary;
- (b) the Boggabri Project Approval already authorises the transportation of a total of 10Mtpa of coal via the Boggabri Rail Spur Line;
- (c) BCOPL is not proposing to increase the total approved capacity of the Boggabri Rail Spur Line. The proposed rewording of condition 12, schedule 2 does not require an increase to the currently approved production limit for the Boggabri Coal Mine. BCOPL remains bound by extraction and processing limits elsewhere in the Boggabri Project Approval;
- (d) the current limitation of 7Mtpa on the transportation product coal from the Boggabri Coal Mine on its rail spur restricts the amount of coal that can be transported on the rail spur to less than the currently approved ROM coal capacity of the Boggabri Coal Mine. This

- unnecessarily limits the opportunity for BCOPL to transport more than 7Mtpa of product coal from the mine in the event that either product coal processing is optimised, or there is an opportunity to sell more ROM coal from the Boggabri mine;
- (e) since the approval of Mod 2 in February 2015, no commercial agreement has been negotiated for Tarrawonga Coal Mine to utilise the Boggabri rail spur line. The Tarrawonga Coal Mine utilises alternate approved coal processing and transport arrangements;
 - (f) the Boggabri Rail Spur Line is significantly underutilised because of the current restrictions in the Boggabri Project Approval;
 - (g) BCOPL should be permitted to transport more than 7Mtpa, up to the fully approved production capacity of the Boggabri Coal Mine, via its currently approved Boggabri Rail Spur Line, and
 - (h) BCOPL is at a significant unnecessary commercial competitive disadvantage because of the current 7Mtpa restriction placed on the use of the Boggabri Rail Spur Line for transportation of Boggabri Coal product coal. This underutilisation of the capital asset results from the restrictions contained in current Boggabri Project Approval. BCOPL continues to be responsible for all the ongoing operating and maintenance costs associated with the asset without gaining the full commercial benefit.

We would appreciate your earliest possible response on this matter. Please feel free to contact Dan Yates on mobile: 0439 606 107 if you wish to discuss.

Yours sincerely



RAY BALKS
General Manager Operations