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Dear Jessie,

RE: DENDROBIUM MINE MODIFICATION 11 – SCOPING LETTER

The purpose of this Scoping Letter is to provide an overview of a proposed modification to the Dendrobium Mine Development Consent (DA 60-03-2001). This letter also seeks confirmation of the approval pathway, assessment scope and provides an overview of the proposed consultation.

Introduction

The Dendrobium Mine is an underground coal mine situated in the Southern Coalfield of New South Wales (NSW) approximately 8 kilometres (km) west of Wollongong (Figure 1).

Illawarra Coal Holdings Pty Ltd (Illawarra Metallurgical Coal [IMC]), a wholly owned subsidiary of South32 Limited (South32), is the owner and operator of the Dendrobium Mine (Figure 1).

The Dendrobium Mine currently extracts coal within Consolidated Coal Lease (CCL) 768 using underground longwall mining methods, within approved mining Areas 1, 2 and 3. Run-of-mine (ROM) coal from the Dendrobium Mine is transported to the Dendrobium Coal Preparation Plant (CPP) located within the BlueScope Port Kembla Steelworks (up to 5.2 million tonnes per annum [Mtpa]).

The Dendrobium Pit Top is located adjacent to Mount Kembla village near the top of Cordeaux Road (Figure 2). Access to the Dendrobium Pit Top is off Cordeaux Road, approximately 8 km west of Wollongong, NSW.

The Kemira Valley Rail Line is a private rail line, approximately 9 km long. ROM coal is transported from the Kemira Valley Coal Loading Facility to the Dendrobium CPP at Port Kembla via the Kemira Valley Rail Line.

IMC has undertaken a review of key surface facilities at the Dendrobium Mine and identified a requirement to improve current land management practices at the Dendrobium Pit Top and other ancillary works required to maintain safe and effective surface operations (the Modification).

Background

Land Management at the Dendrobium Pit Top

Due to higher-than-average rainfall in 2022 and 2023, a section of the steep slope adjacent to the Dendrobium Pit Top failed, causing debris flow, tree falls and rock falls into the Dendrobium Pit Top. Rectification work was undertaken in accordance with Special Condition E2 of EPL3241 (Plate 1) (expired September 2023) to ensure the safety of the Dendrobium Pit Top could be maintained (Figure 2).

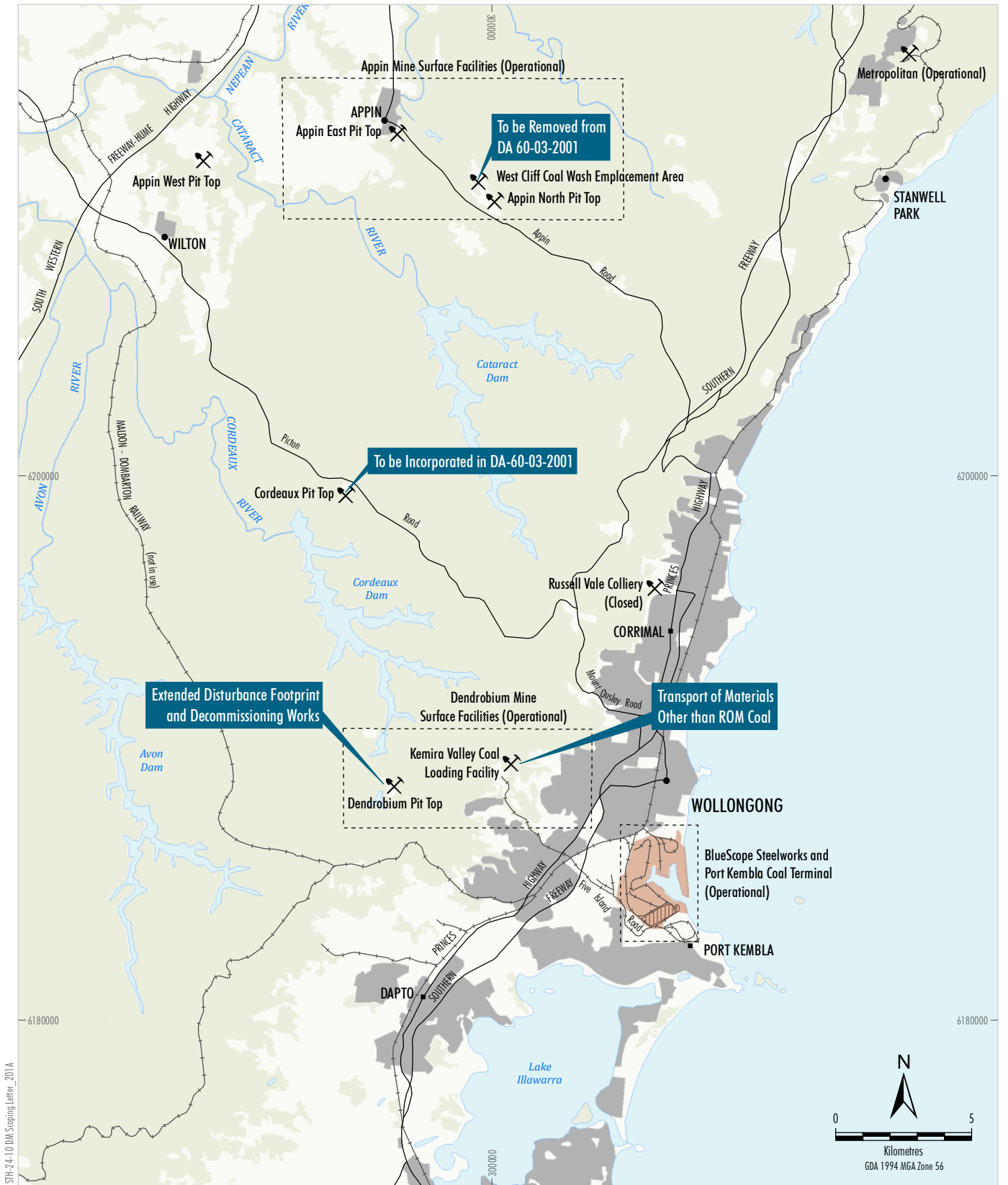
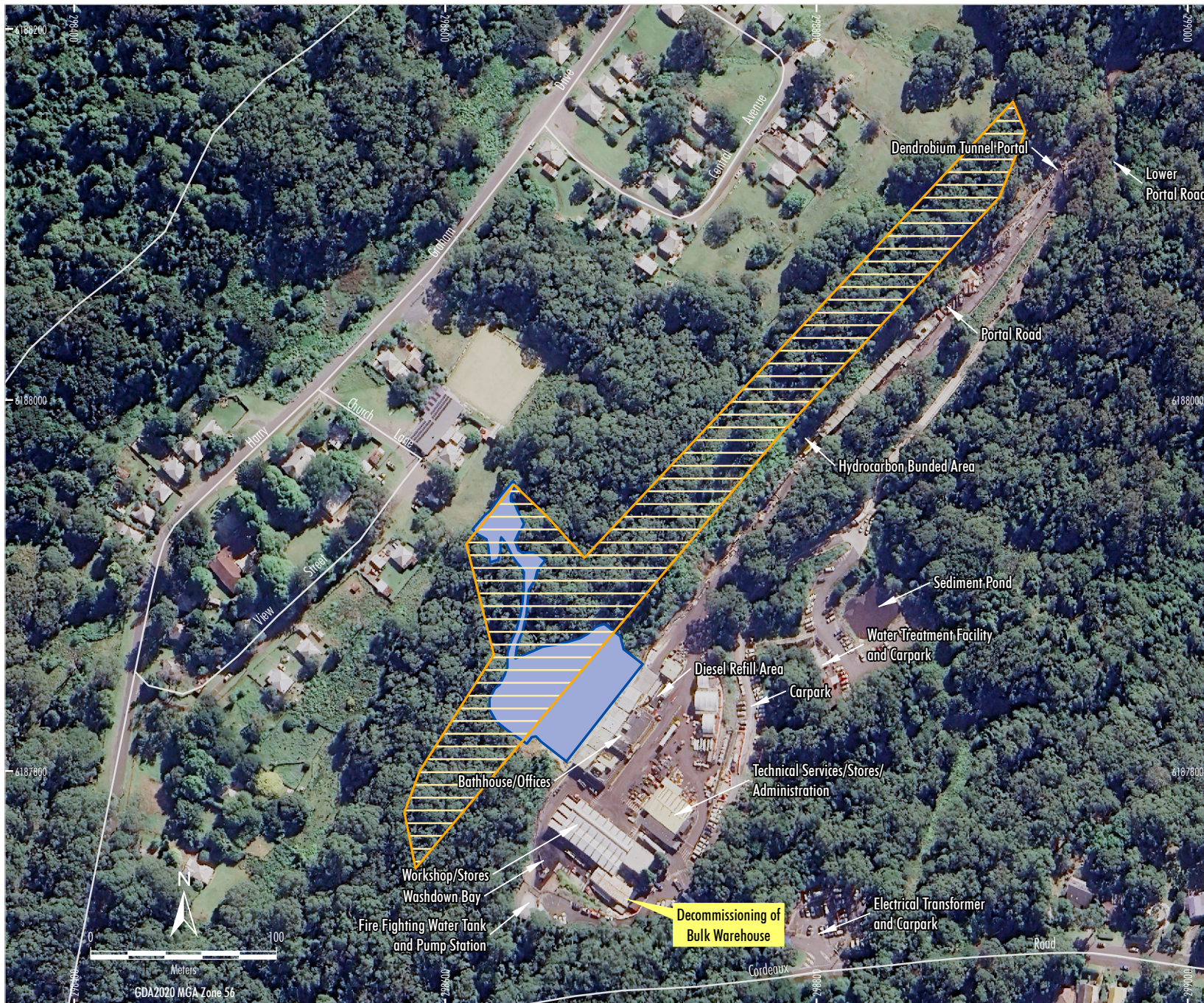


Figure 1



LEGEND
 [Yellow hatched box] Disturbance Footprint Extension
 [Blue hatched box] Rectification Area #

Source: Niche (2024); South32 (2024); NSW Spatial Services (2024)
 Aerial: Google Earth Satellite (2024)

Rectification works undertaken in accordance with Special Condition E2 EPL 324



D E N D R O B I U M M I N E

Dendrobium Pit Top
 Modified General Arrangement

Figure 2



Plate 1 – Rectification Works Undertaken in Accordance with Special Condition E2 of EPL3241

Additional land management activities (i.e. stabilisation works) may be required in an area adjacent to the existing Dendrobium Pit Top (Figure 2) to prevent future slope failures occurring during higher-than-average rainfall events. Vegetation clearance would only be required within the proposed extended Dendrobium Pit Top disturbance footprint when various triggers (e.g. commencement of slope failure mechanisms such as soil movement and cracking) are indicating a potential slope failure may occur. Land management activities would include establishment of access tracks, installation of erosion and sediment controls at Dendrobium Pit Top, improvements to drainage, environmental monitoring works and other associated activities to ensure the area remains safe and stable.

Bulk Warehouse

The Bulk Warehouse (constructed in 1951) located at the Dendrobium Pit Top was designed to store mining equipment. Given the age, individual components of the structure are displaying significant material degradation, and the building is no longer fit for its original purpose. Decommissioning of the Bulk Warehouse is required to allow for the installation of a safer, more suitable general-purpose building.

Helicopter Operations

Helicopters can be used to improve health and safety procedures (i.e. evacuations in remote areas) and operational support such as civil works, environmental monitoring and site remediation in remote areas, such as the Metropolitan Special Area. The Dendrobium Mine gas plant was recently commissioned, in a remote area within the Metropolitan Special Area. Helicopter operations would be required to transport personnel and materials to ensure safe operation of the Dendrobium Mine gas plant. Helicopter operations would also be used to support other IMC infrastructure and activities associated with the Dendrobium Mine.

The helicopter operations would be undertaken in accordance with the relevant guidelines to ensure compliance with the Civil Aviation Safety Authority.

Kemira Valley Rail Line

The Kemira Valley Rail Line is a private rail line currently used to transport ROM coal from the Dendrobium Mine to the Dendrobium CPP within the BlueScope Port Kembla Steelworks. The Kemira Valley Rail Line provides an opportunity to transport other material (i.e. construction waste) from the Kemira Valley Rail Line to the Blue Scope Steelworks and Port Kembla Coal Terminal which would avoid the need for heavy vehicles on public roads in suburban areas, as waste material could be transported directly via the Kemira Valley Rail Line. IMC has identified the requirement to use the Kemira Valley Rail Line to transport material other than ROM coal from the Dendrobium Mine, including for planned decommissioning and rehabilitation works.

Cordeaux Colliery

The Cordeaux Colliery is owned and operated by Endeavour Coal Pty Ltd, a wholly owned subsidiary of South32. The Cordeaux Colliery is located within CCL 768 (Figure 1). The Cordeaux Pit Top currently functions under Development Consent D74/134, as a storage facility and office space for IMC staff undertaking environmental, survey and exploration activities within IMC tenements. IMC has identified the benefit of incorporating the Cordeaux Colliery into Development Consent (DA 60-03-2001) and subsequently the surrender of Development Consent D74/134.

Administrative Update to Development Consent (DA 60-03-2001) – West Cliff Coal Wash Emplacement

Condition 8, Schedule 5 of Development Consent (DA 60-03-2001) states:

All references in this consent (including conditions 3 – 7 of this schedule and Appendix 3) that have direct application to the West Cliff Coal Wash Emplacement shall cease to have force and effect subsequent to the grant of any project approval under Part 3A of the Environmental Planning & Assessment Act 1979 which includes the West Cliff Colliery and the West Cliff Coal Wash Emplacement Area.

The Bulli Seam Operations Project Approval (MP08_0150) was issued under Part 3A of the NSW *Environmental Planning and Assessment Act 1979* (EP&A Act) in 2011, which included conditions regarding the operation of the West Cliff Coal Wash Emplacement. Development Consent (DA 60-03-2001) is no longer required to refer to the West Cliff Coal Wash Emplacement Area as emplacement operations are administered under the Project Approval (MP08_0150). Conditions 3 to 7, Schedule 5 and Appendix 3 of Development Consent (DA 60-03-2001) are therefore proposed to be removed.

Update to Schedule of Lands in Development Consent (DA 60-03-2001)

Updates to the Schedule of Lands presented in Appendix 1 of Development Consent (DA 60-03-2001) are required to reflect the current status of land parcels within the Development Application Area, the inclusion of the Cordeaux Colliery operations and removal of West Cliff Coal Wash Emplacement. The Modification Report would also include updated site maps of the development for inclusion in Appendix 2 of Development Consent (DA 60-03-2001).

Modification Overview

In summary, the Modification would involve the following:

- extension of the Dendrobium Pit Top disturbance footprint to facilitate access and the continuation of land management activities (Figure 2);
- decommissioning of the Bulk Warehouse at the Dendrobium Pit Top and installation of a general-purpose building;
- use of helicopters for mining support activities (i.e. environmental monitoring, site remediation and redundant infrastructure demolition) (noting operation in compliance with the Civil Aviation Safety Authority);
- transportation of materials other than ROM coal on the Kemira Valley Rail Line;
- incorporation of Cordeaux Colliery operations into Development Consent (DA 60-03-2001);
- removal of Conditions 3 to 7, Schedule 5 and Appendix 3 of Development Consent (DA 60-03-2001) relating to the West Cliff Coal Wash Emplacement Area; and
- update of the Schedule of Lands in Development Consent (DA 60-03-2001).

There would be no change to the following due to the Modification:

- longwall mining operations at the Dendrobium Mine;
- mine life or employment numbers associated with the approved Dendrobium Mine;
- mining tenure;
- product coal transport route from the Dendrobium CPP to the BlueScope Port Kembla Steelworks, Port Kembla Coal Terminal (PKCT) or existing domestic customers;
- operating hours (i.e. rail and road transport hours); and
- approved Dendrobium CPP maximum processing rate (5.2 Mtpa).

Enclosure 1 provides a summary comparison of the currently approved Dendrobium Mine (DA 60-03-2001) and the Dendrobium Mine incorporating the Modification.

Statutory Context

The Modification would be sought under section 4.55(1A) of the EP&A Act on the basis it is considered “substantially the same” as the approved Dendrobium Mine and involve “minimal environmental impact”.

It is anticipated that the Modification application, including the Modification Report, would be lodged in Q4 2024.

IMC does not propose to refer the Modification under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*, given no significant impacts to Matters of National Environmental Significance are expected.

Proposed Assessment of Impacts

A Modification Report would be prepared in consideration of the *State Significant Development Guidelines* (NSW Department of Planning, Housing and Infrastructure [DPHI], 2024), in particular *Appendix E – preparing a modification report* (NSW Department of Planning and Environment, 2022).

The following specialist studies are proposed to accompany the Modification Report.

Biodiversity

A Biodiversity Development Assessment Report (BDAR) would be prepared to assess the potential biodiversity impacts of the Modification (i.e. the extended Dendrobium Pit Top disturbance footprint) in accordance with the NSW *Biodiversity Conservation Act 2017* and the NSW *Biodiversity Assessment Method* (BAM) (NSW Department of Planning, Industry and Environment, 2020).

The *Streamlined Assessment Module – Small Area* for assessing small areas would be applied to the BDAR as the area that may be disturbed for stabilisation works at the Dendrobium Pit Top is below the maximum clearing area threshold set in the BAM (≤ 5 hectares).

Aboriginal Cultural Heritage

An Aboriginal heritage due diligence report would be prepared to confirm the Modification would not impact Aboriginal heritage items and could be conducted in accordance with current management practices for the Dendrobium Mine.

Historic Heritage

As the Dendrobium Pit Top is located within two locally listed heritage items (both the Nebo Colliery and Kembla Heights Mining Village), a Statement of Heritage Impact would be prepared to evaluate the heritage value and significance of the Bulk Warehouse at the Dendrobium Pit Top.

Other Environmental Aspects

A review of other potential environmental impacts (e.g. land resources, road transport and hazard/risks) will be included in the Modification Report. In addition, the Modification Report will also outline the proposed rehabilitation strategy (including the final land use and conceptual final landform) for the Cordeaux Pit Top.

Community Engagement and Proposed Consultation

IMC will implement a stakeholder engagement program for the Modification, with key objectives of the program intended to:

- engage with relevant government and community stakeholders about the Modification; and
- seek input from key stakeholders on elements of the Modification.

Consultees would include, but not necessarily be limited to, the following government agencies and stakeholders during preparation of the Modification:

- surrounding landholders and community members including, the Dendrobium Community Consultative Committee;
- DPHI;

- Biodiversity, Conservation and Science Group of the NSW Department of Climate Change, Energy, the Environment and Water;
- WaterNSW;
- Campbelltown City Council;
- Wollongong City Council;
- Wingecarribee Shire Council; and
- Wollondilly Shire Council.

The issues raised during, and outcomes of, the ongoing stakeholder engagement program will be considered in the preparation of the Modification Report, with consultation undertaken summarised accordingly.

Next Steps

IMC is seeking confirmation of the following from DPHI:

- Confirmation the Modification to Development Consent (DA 60-03-2001) can be lodged and considered by DPHI under section 4.55(1A) of the EP&A Act.
- Confirmation that the above-mentioned proposed environmental assessment scope of the Modification Report is sufficient.

If you have any queries please don't hesitate to contact the undersigned on 0438 042 897.

Yours sincerely



Gary Brassington
Manager Approvals
Illawarra Metallurgical Coal – South32

ENCLOSURE 1

SUMMARY OF THE APPROVED DENDROBIUM MINE AND PROPOSED MODIFICATION

Table 1
Comparison of the Approved Dendrobium Mine and Modified Dendrobium Mine

Component	Approved Dendrobium Mine	Dendrobium Mine Incorporating the Modification
Mine Life	<ul style="list-style-type: none"> Until 31 December 2030. 	<ul style="list-style-type: none"> No change.
Mining Method	<ul style="list-style-type: none"> Underground extraction using longwall mining methods. 	<ul style="list-style-type: none"> No change.
Mining Area	<ul style="list-style-type: none"> Mining within CCL 768. 	<ul style="list-style-type: none"> No change.
Annual Production	<ul style="list-style-type: none"> Handling and processing of up to 5.2 Mtpa of ROM coal. 	<ul style="list-style-type: none"> No change.
Coal Handling and Processing	<ul style="list-style-type: none"> Transport of coal from underground workings to the Kemira Valley Coal Loading Facility via an underground conveyor network. 	<ul style="list-style-type: none"> No change.
	<ul style="list-style-type: none"> Sizing and stockpiling of coal at the Kemira Valley Coal Loading Facility prior to transport to the Dendrobium CPP via the Kemira Valley Rail Line, in accordance with the approved hours of operation. 	<ul style="list-style-type: none"> Transport of non-coal material via the Kemira Valley Rail Line.
	<ul style="list-style-type: none"> Processing of up to 5.2 Mtpa of sized ROM coal at the Dendrobium CPP. 	<ul style="list-style-type: none"> No change.
Management of Mining Waste	<ul style="list-style-type: none"> Transportation of up to approximately 1.1 Mtpa of coal wash by road from the Dendrobium CPP to the West Cliff Coal Wash Emplacement Area. 	<ul style="list-style-type: none"> No change.
	<ul style="list-style-type: none"> Supply of coal wash to customers for engineering purposes (e.g. civil construction fill) or for other beneficial uses. 	<ul style="list-style-type: none"> No change.
General Surface Infrastructure	<ul style="list-style-type: none"> Dendrobium Pit Top. Kemira Valley Coal Loading Facility. Kemira Valley Rail Line. Dendrobium CPP. Dendrobium Shafts Nos 1, 2 and 3. 	<ul style="list-style-type: none"> Extension of Dendrobium Pit Top footprint to facilitate land management activities. Installation of a general-purpose building. Inclusion of the Cordeaux Colliery operations (i.e. Cordeaux Pit Top).
Product Transport	<ul style="list-style-type: none"> Delivery of product coal from the Dendrobium CPP to the BlueScope Port Kembla Steelworks or to PKCT for transport to Liberty Primary Steel Whyalla Steelworks or for export. 	<ul style="list-style-type: none"> No change.
Water Management	<ul style="list-style-type: none"> Water management infrastructure to separate clean, oily and dirty water. 	<ul style="list-style-type: none"> No change.
	<ul style="list-style-type: none"> Use of a combination of recycled treated mine water and potable water purchased from Sydney Water in underground and surface operations. 	<ul style="list-style-type: none"> No change.
	<ul style="list-style-type: none"> Release of water in accordance with the conditions of Environment Protection License 3241. 	<ul style="list-style-type: none"> No change.
Workforce	<ul style="list-style-type: none"> Current workforce of approximately 650 operational personnel. 	<ul style="list-style-type: none"> No change.
Hours of Operation	<ul style="list-style-type: none"> Operated on a continuous basis, 24 hours per day, 7 days per week. 	<ul style="list-style-type: none"> No change.
	<ul style="list-style-type: none"> Trains do not travel on the Kemira Valley Rail Line between 11.00 pm and 6.00 am, unless written approval is obtained from the NSW Environment Protection Authority for emergency use of the rail line. 	<ul style="list-style-type: none"> No change.