

ASSESSMENT REPORT

PEPPERTREE QUARRY

High Voltage Power Line and Rail Passing Line Extension Modification (06_0074 Mod 3)

1 BACKGROUND

Boral Resources (NSW) Pty Ltd (Boral) owns the Peppertree Quarry, located approximately 10 kilometres (km) southeast of Marulan (see Figure 1).

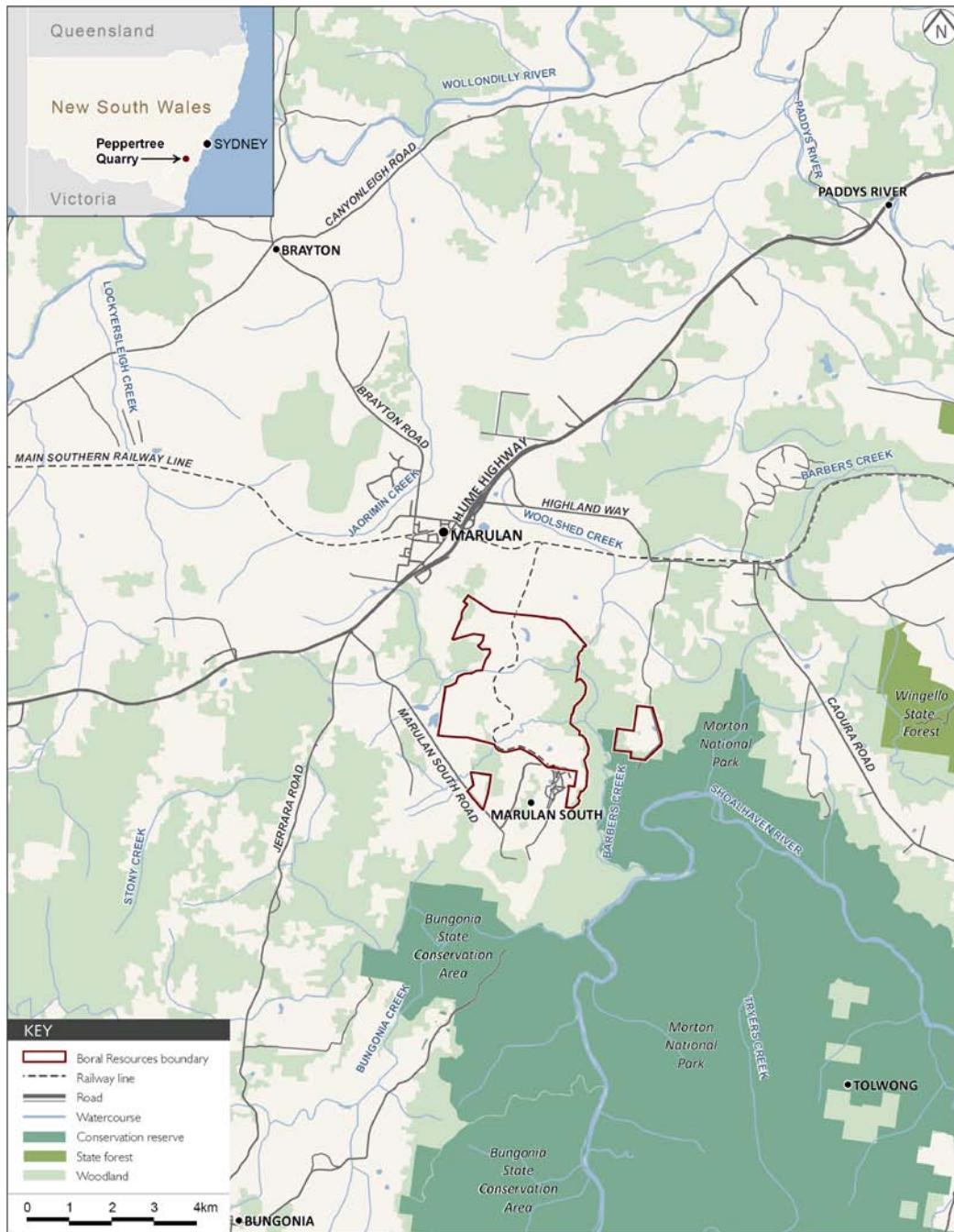


Figure 1: Quarry Location

On 28 February 2007, the then Minister for Planning granted project approval for the construction and operation of the quarry. The project approval was modified in March 2009 to establish an exploratory test pit within the approved quarry footprint and further modified in November 2011 for infrastructure and site layout changes (see Appendix A compendium to the Environmental Assessment (EA)).

The modified approval allows the extraction of a granodiorite resource of 105 million tonnes over a 30 year period, with the production of up to 3.5 million tonnes per annum (Mtpa) of quarry products (hard rock, aggregate and manufactured sand). The approval also involves the construction and operation of a processing plant, rail loading facility, water management system and transportation of the quarry products by rail to the Sydney construction materials market. The approval is due to lapse in 2038. The quarry is partially constructed and is expected to commence operations in 2013. A plan depicting the approved quarry layout is provided in Figure 2 below.

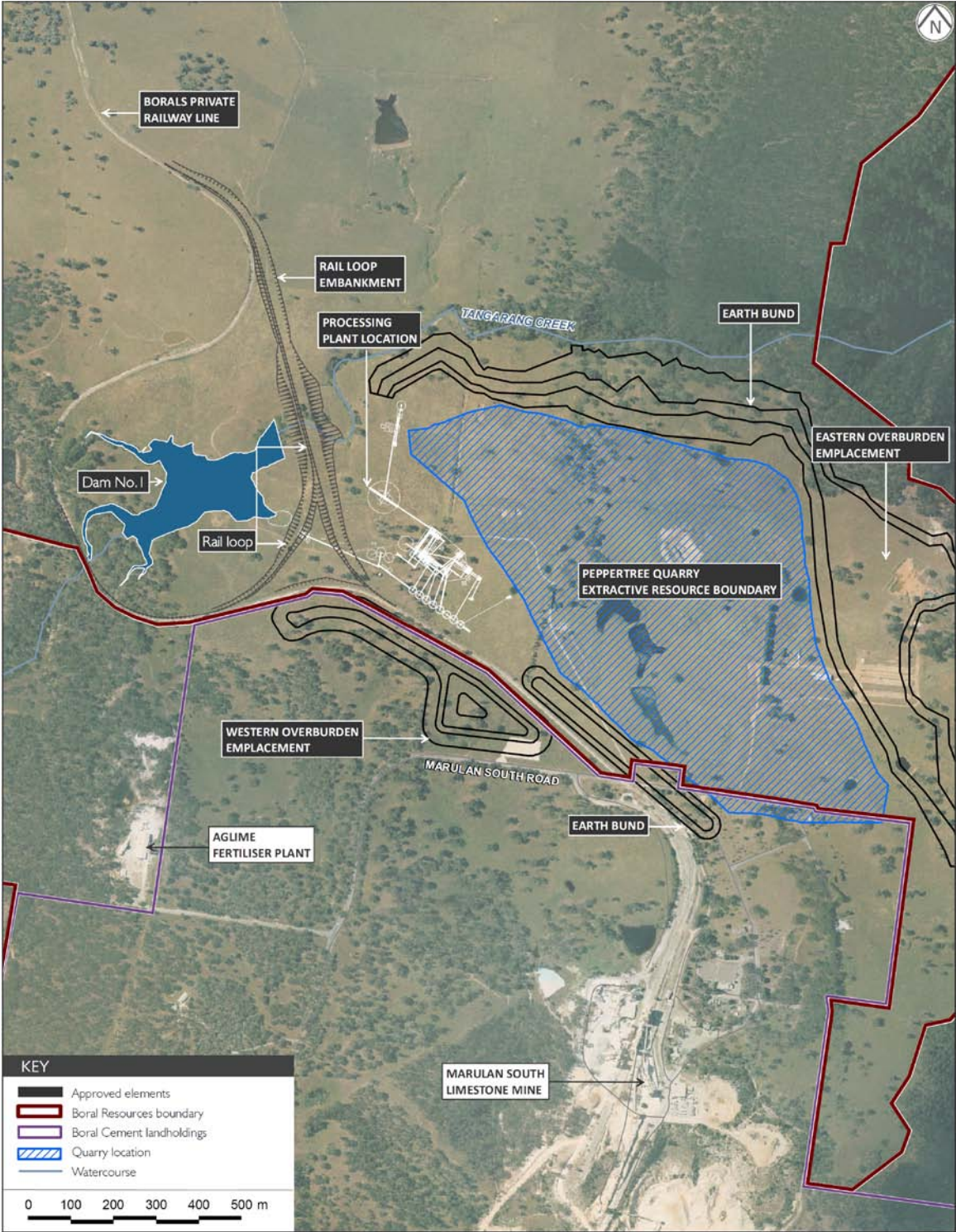


Figure 2: Approved Quarry Layout

2 PROPOSED MODIFICATION

Boral has sought a modification to its existing conditions of approval. The proposed modification has two components (see Figure 3):

- a high voltage (HV) power line; and
- a rail passing line extension.

The proposed modification is described in full in the EA, which is attached as Appendix A.

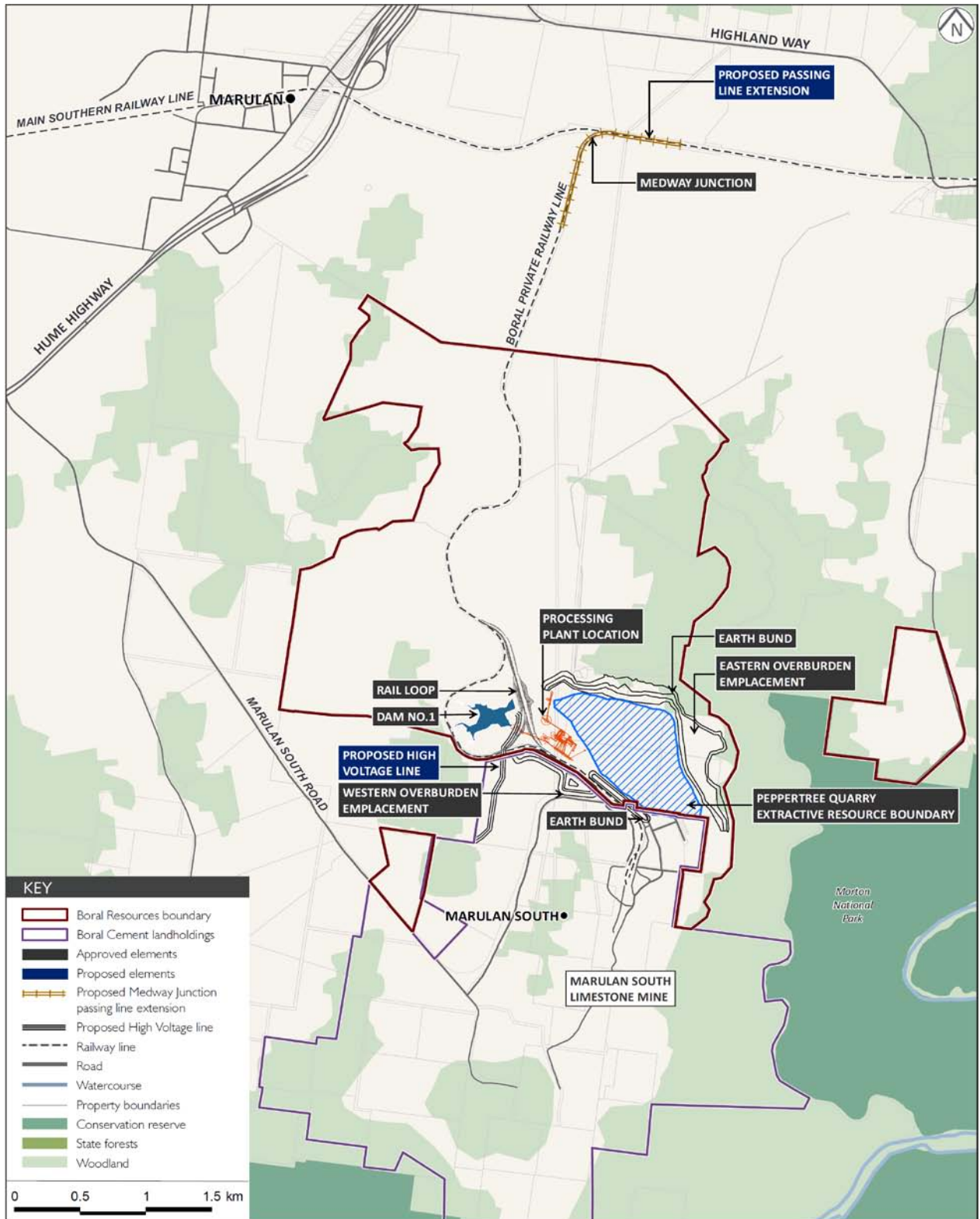


Figure 3: Proposed Quarry Layout

HV Power Line

Boral initially intended to source its power supply from the Limestone Mine, however further studies revealed that there would be insufficient capacity from this source. Boral is now proposing to connect with the existing Essential Energy power line to the Aglime Fertiliser Plant, where it would then extend to the north and connect with the quarry's processing plant.

The proposed HV line would include a total of 13 power poles over a distance of approximately 1 km, with poles ranging from 14.5 metres (m) to 20 m in height. A 25 m wide corridor would be established along the length of the HV line (12.5 m either side) with significant ground disturbance occurring only at the base of each power pole (see Figure 4).

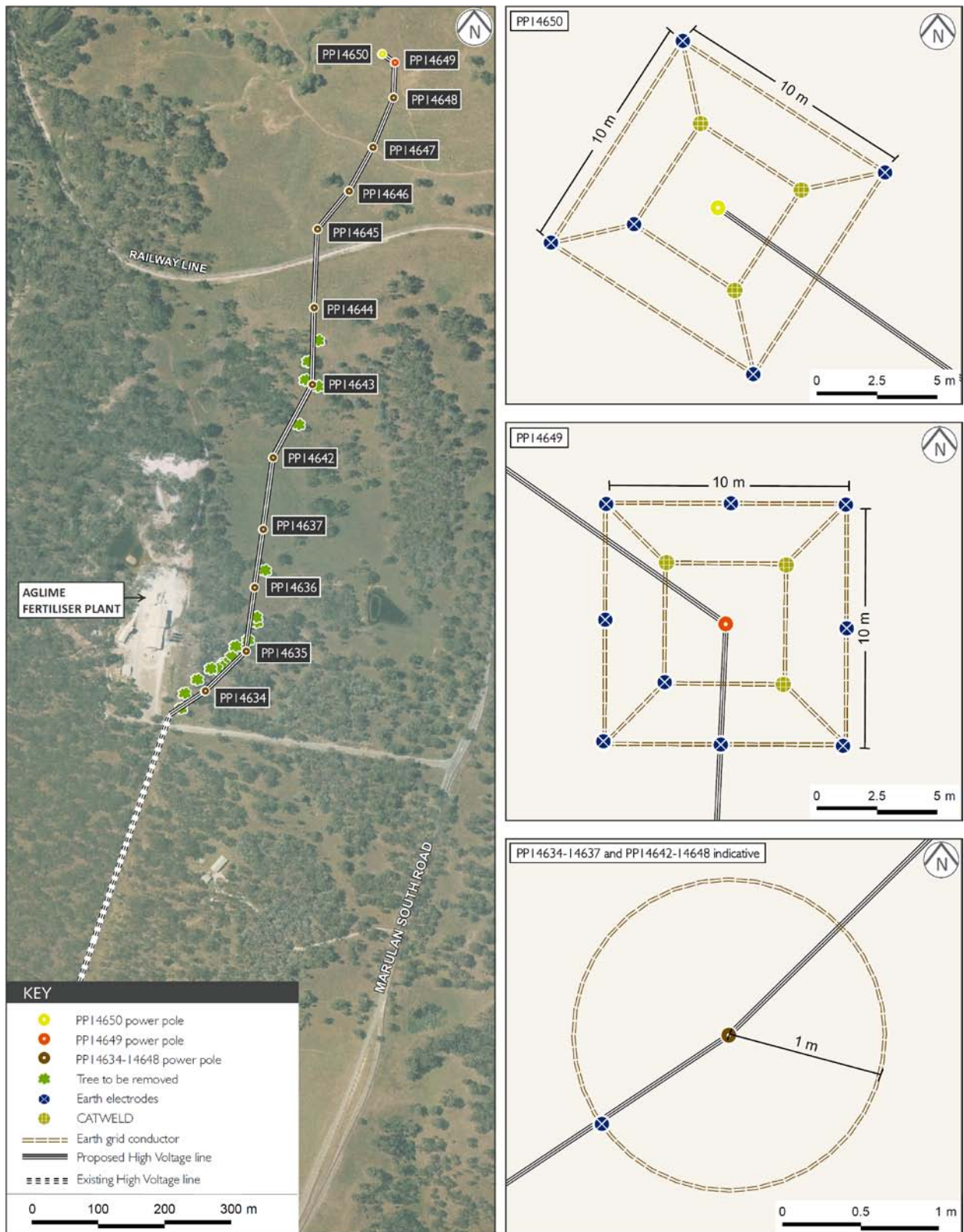


Figure 4: HV Line Route and Construction Works

Rail Passing Line Extension

The proposed rail passing line extension would be constructed adjacent to the existing rail line at Medway Junction. This would increase the available standing room from 330 m to 1,200 m, enabling trains to pass without being held up at Medway Junction or along the Main Southern Railway Line (see Figure 3 and Figure 5). The proposal would not increase the approved number of rail movements.

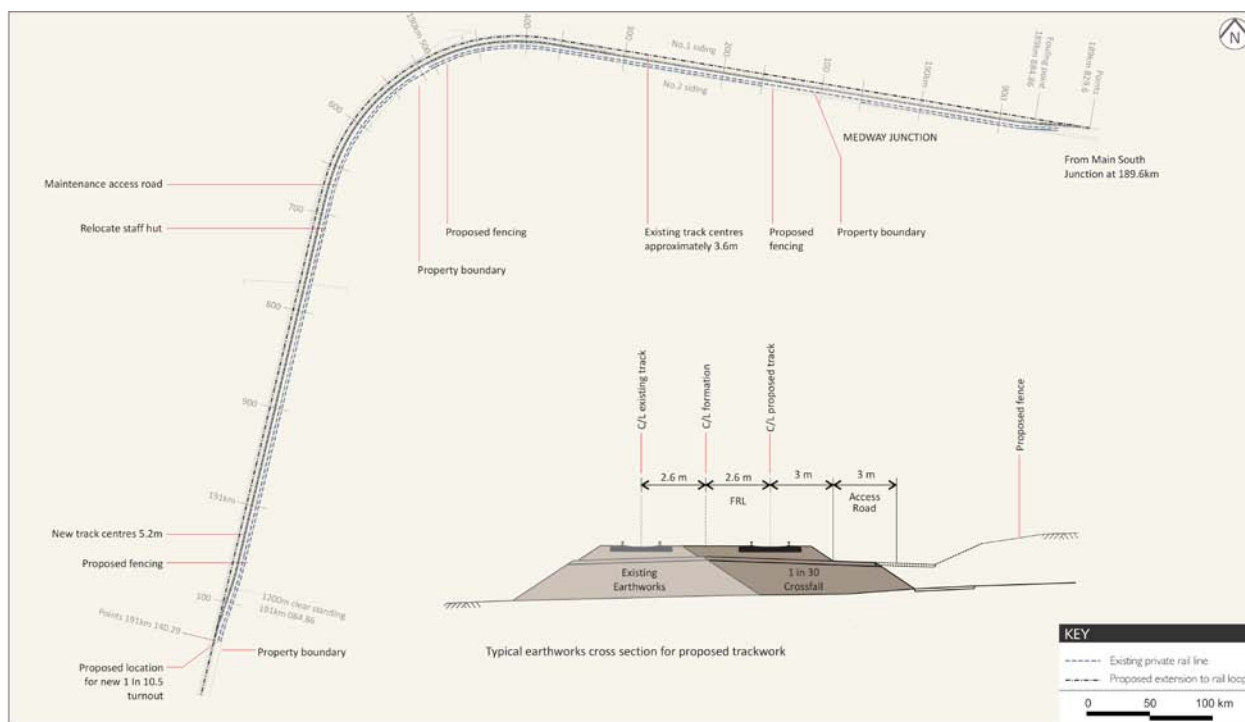


Figure 5: Rail Passing Line Extension Plans

3 STATUTORY CONTEXT

3.1 Transitional Part 3A Project

Although Part 3A of the EP&A Act was repealed on 11 October 2011, the approved operations of the Peppertree Quarry remain a “transitional Part 3A project” under Schedule 6A of the EP&A Act. The proposed modification is therefore being considered under the former Section 75W of the EP&A Act, in accordance with the relevant savings provisions.

3.2 Consent Authority

The Minister has delegated his functions to determine Part 3A applications to the Department where:

- the local council has not made an objection;
- there are less than 25 public submissions objecting to the proposal; and
- a political disclosure statement has not been made in relation to the application.

Six submissions were received from public authorities and council has not objected to the proposal. There has also been no political disclosure statement made for this application or for any previous related application. Accordingly the application is able to be determined by the Director, Mining & Industry Projects under delegation.

3.3 Modification

As the proposal involves making minor changes to the approved infrastructure for the quarry, the Department believes it should be characterised as a modification to the original approval rather than a new project in its own right. Consequently, the Department is satisfied that that the proposed modification is within the scope of Section 75W of the EP&A Act.

3.4 Environmental Planning Instruments

The Department has considered the proposal against the relevant environmental planning instruments, and is satisfied that none of these instruments substantially govern the carrying out of the proposal.

4 CONSULTATION

The Department made the application publicly available on 31 August 2012, and accepted submissions between 31 August and 17 September 2012. The Department received six submissions on the proposal, all of which were from public authorities with no objections raised. Copies of these submissions are contained in Appendix B. Goulburn Mulwaree Council did not make a submission on the proposal.

Five of the six agencies made general recommendations in relation to the proposal, including the NSW Heritage Council, the Sydney Catchment Authority (SCA), the Division of Resources and Energy (DRE), the NSW Office of Water (NOW) and the Environment Protection Authority (EPA). Recommendations related to the management of potential impacts of the proposal on archaeological (non-Aboriginal) relics and surface water, the implementation of updated management plans and adherence to Boral's Environmental Protection License. Boral raised no objections to the implementation of these recommendations.

The Office of Environment & Heritage (OEH) raised specific concerns in relation to biodiversity and Aboriginal cultural heritage. OEH initially advised that Boral's proposed biodiversity management strategies were insufficient and that an offset strategy was required to compensate for the clearing of an endangered ecological community (EEC). OEH also raised concerns with the adequacy of Boral's Aboriginal Heritage Impact Assessment and sought additional information.

Boral has addressed the concerns raised by OEH in a formal response (see Appendix C), and OEH subsequently indicated that it has no further concerns. The Department has considered all issues in the submissions and Boral's response to these issues in its assessment.

5 ASSESSMENT

In assessing the merits of the proposal, the Department has considered a range of material, including the:

- EA for the original proposal;
- existing conditions of approval;
- EA, submissions and response to submissions;
- relevant environmental planning instruments, policies and guidelines; and
- objects of the EP&A Act, including the object to encourage ecologically sustainable development.

The following assessment of biodiversity and cultural heritage relates only to the proposed HV line. The proposed rail passing line extension would be located immediately adjacent to the existing rail line on previously disturbed pasture land containing no native vegetation and would pose no threat to biodiversity or cultural heritage.

5.1 Biodiversity

The EA includes an ecological assessment of the project undertaken by EMGA Mitchell McLennan Pty Limited (EMM) (see Appendix A compendium to EA).

The proposed HV line and associated corridor would require a total disturbance area of 2.5 hectares (ha), including the removal of 15 trees and additional juvenile/regenerating trees and tree branches. The corridor would primarily cross weed infested pasture land, however approximately 0.5 ha of White Box Yellow Box Blakely's Red Gum Woodland endangered ecological community (EEC) would be cleared. Given the small area to be cleared compared with the 18,000 ha of the community mapped in south-eastern NSW, the assessment found that the proposal would not significantly impact the EEC.

The Department is satisfied that Boral has designed the HV line to minimise the amount of vegetation to be cleared, through the preferential selection of cleared areas and the avoidance of mature trees and fauna habitat. Other mitigation measures proposed include typical construction management measures (e.g. delineation of the construction corridor, disturbance minimisation), the collection of seed, relocation of woody material to adjacent woodland and weed management.

To offset the 0.5 ha of EEC to be cleared, Boral proposes to supplement the existing 12 ha habitat management area (HMA) with an additional 1.5 ha area (see Figure 6). This would be managed consistent with the HMA as prescribed in the quarry's Landscape and Rehabilitation Management Plan (LRMP), including additional perimeter fencing to prevent grazing and regeneration with native vegetation characteristic of the EEC.

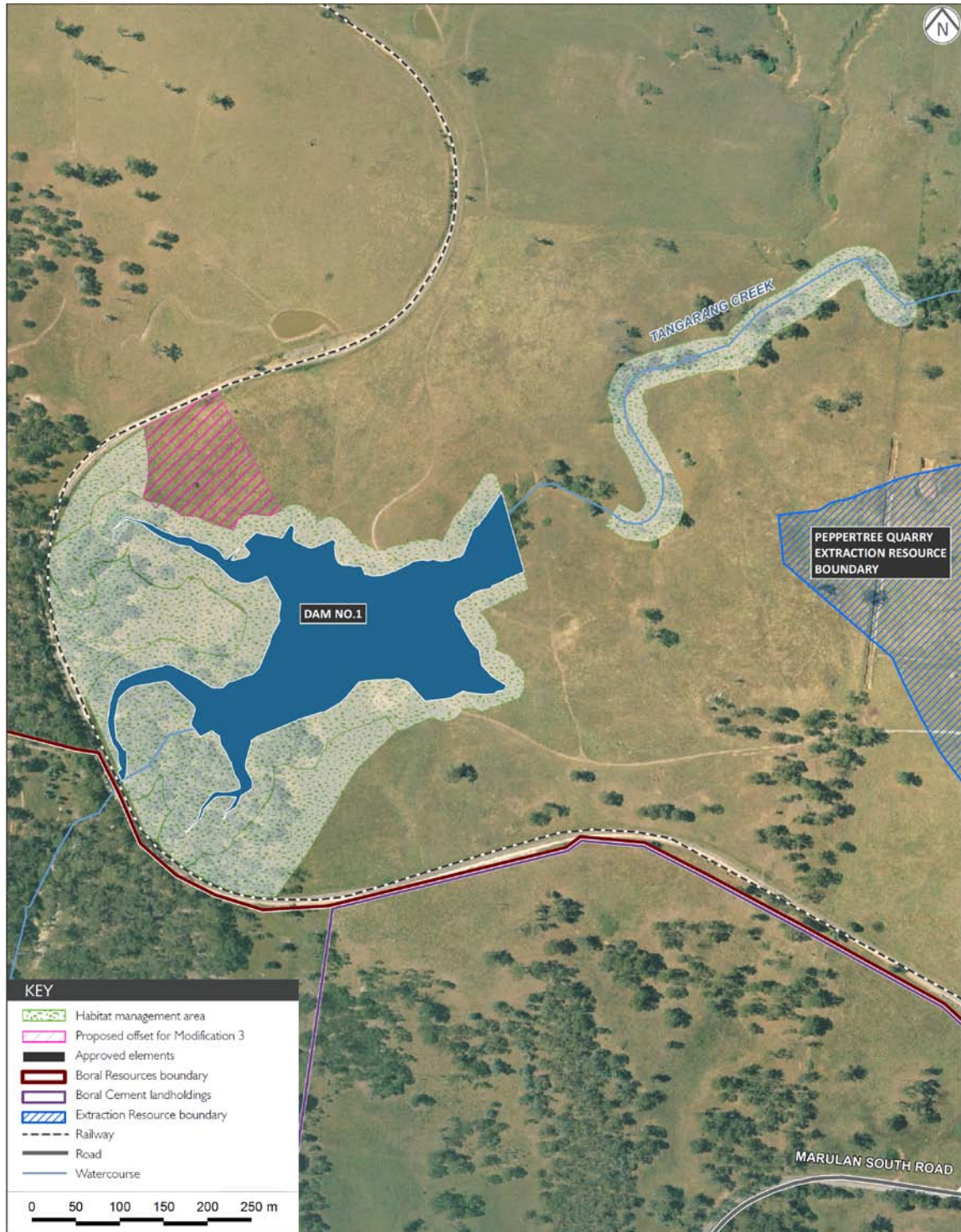


Figure 6: Heritage Management Area and Proposed Offset Area

The existing 12 ha HMA is in place to offset the disturbance of 2.6 ha of EEC associated with Dam 1. Although the proposal would disturb 0.5 ha of EEC, only 8 trees would be removed and the only significant ground disturbance would occur at the base of each pole. Consequently, a higher level of groundcover habitat would be retained compared with previous EEC disturbance by the project. Therefore the Department considers the additional 1.5 ha to be sufficient for the nature and extent of the impacts of the proposed modification.

The LRMP would be reviewed and updated to incorporate the additional area in accordance with the existing conditions of approval. Subject to the implementation of the measures proposed in the EA and as set out in the LRMP, the Department is satisfied that the biodiversity impacts of the proposal would be minimal.

5.2 Cultural Heritage

The EA includes a heritage assessment of the project, including Aboriginal and non-Aboriginal heritage (see Appendix A compendium to EA).

The southern section of the HV line corridor consists of 95% grass cover, therefore reducing the potential to locate surface artefacts. Consequently, the site inspection did not identify any additional Aboriginal sites in this section. The northern section of the HV line corridor passes through an area of archaeological sensitivity associated with Tangarang Creek, however only a very small proportion (0.45%) of the approximately 600 ha area would be disturbed.

An additional Aboriginal site (PTQ 1 – see Figure 7) was identified in this area during an archaeological inspection for the modification. Site PTQ 1 is an artefact scatter containing 6 objects of low scientific value, with low potential for subsurface material.

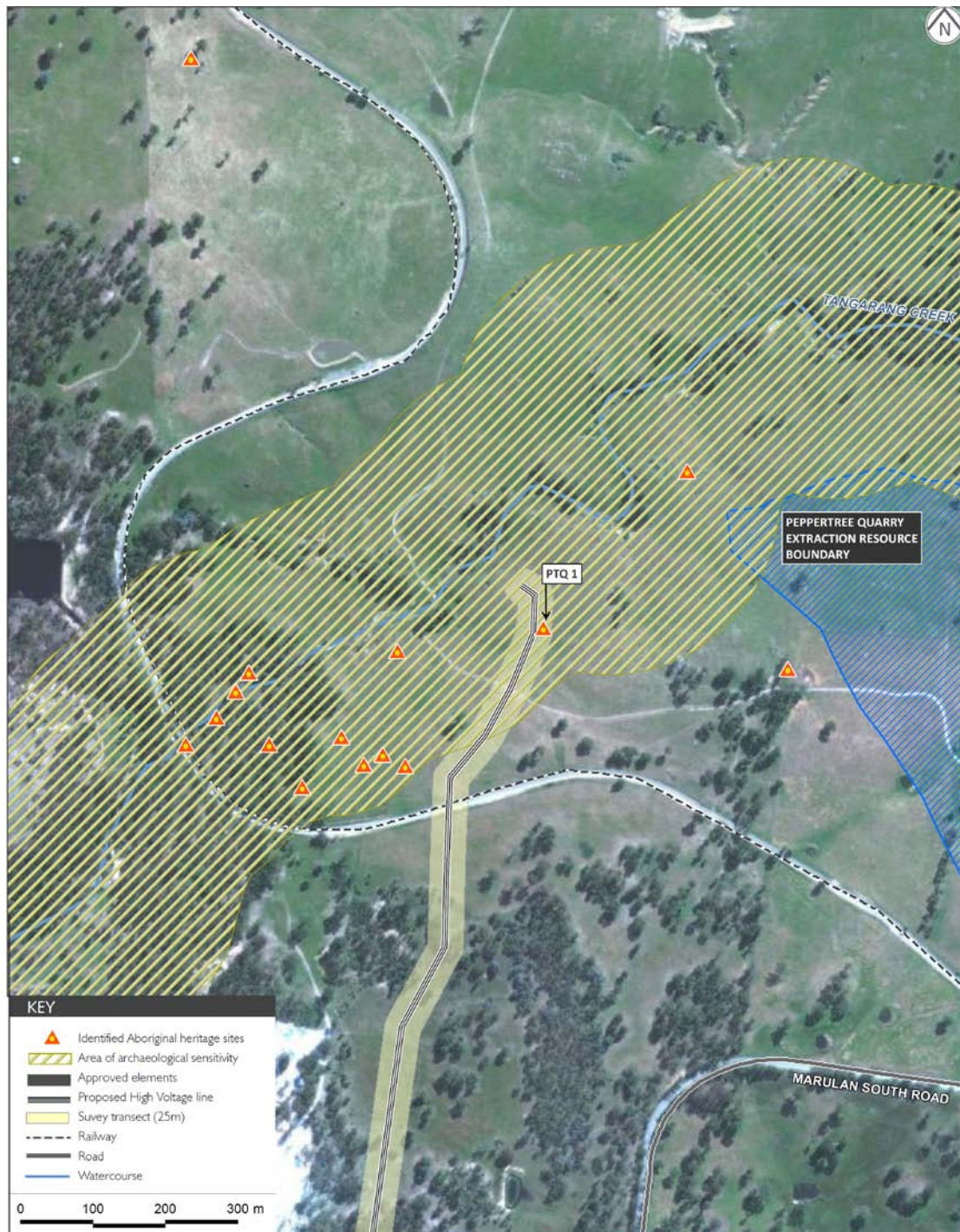


Figure 7: Archeologically Sensitive Area

Boral left all artefacts in situ and has fenced off PTQ 1 to avoid further disturbance. Three power poles were relocated further away from PTQ 1 such that the closest pole would be located approximately 2 m away. Proposed mitigation measures include:

- monitoring of excavation activities at all pole locations by members of the Aboriginal Management Committee and in accordance with the quarry's Aboriginal Heritage Management Plan (AHMP); and
- salvaging of any artefacts identified during monitoring in accordance with the AHMP.

In its submission OEH recommended test pitting, as opposed to monitoring, prior to the installation of the power poles. Given that PTQ 1 has low potential for subsurface artefacts, and that only a very small portion of the archeologically sensitive area is to be disturbed, the Department considers the monitoring measures proposed by Boral to be sufficient. Furthermore, the small area of significant ground disturbance associated with the installation of each power pole would allow for the identification of Aboriginal artefacts during monitoring and such measures would be in accordance with the AHMP.

The Department is therefore satisfied that, with the implementation of monitoring to the satisfaction of the Aboriginal Management Committee and an updated AHMP, the potential impacts of the modified project on Aboriginal heritage would be appropriately minimised, managed and monitored.

5.3 Other Issues

The Department's assessment of five other relevant issues is summarised in the table below. All other issues have been reviewed by the Department and are considered to have negligible environmental impacts over and above those already assessed and approved for the project, and do not warrant discussion in this report or further management measures or conditions.

Issue	Consideration
<i>Noise</i>	Construction and operational noise emissions from the modified project are not expected to exceed the current conditions of approval. Construction noise would be short term and would occur during daytime hours only. Furthermore, the proposed rail passing line would run directly parallel to the approved rail line, with no increase in the number of train movements. Boral proposes to update and implement the Construction Noise Management Plan to manage noise emissions. The Department is therefore satisfied that potential noise impacts would be adequately managed.
<i>Surface Water</i>	The construction activities associated with the proposed modification would potentially generate minor levels of sediment laden runoff during the construction phase of the project. Boral has committed to install sediment fences downhill of the disturbance areas, to remove displaced soil from the site and to stabilise and rehabilitate the disturbed areas upon completion of construction. The Department is therefore satisfied that the potential impacts of erosion and sedimentation would be adequately managed.
<i>Air Quality</i>	The construction activities associated with the proposed modification would generate minor levels of dust emissions through the clearing of vegetation, the operation of construction machinery and from construction traffic movements. The likely levels of dust generated from these sources would be minor, intermittent and short term. Furthermore, Boral has committed to remove displaced soil from the site to reduce dust emissions during construction. The Department is therefore satisfied that dust emissions would be short lived and imperceptible in comparison to the approved quarrying activities.
<i>Traffic and Transport</i>	The modified project would generate a small increase in staff vehicle movements and delivery truck movements during construction. The traffic assessment undertaken for the original project found that construction vehicles would have a minimal impact on the capacity of the local road network. Given that the predicted additional impacts associated with the modified project would be limited in scale and duration, the Department is satisfied that the proposed modification would have minor road traffic impacts. The proposed rail passing line extension would not increase the approved number of rail movements and would allow trains to pass without being held up, therefore the proposal would likely result in a positive impact on the rail network.
<i>Visual Amenity</i>	The modified project would have negligible impacts on visual amenity. Vegetation would screen views of the HV line from Marulan South Road and it would be unlikely for the HV line to be seen from key view points surrounding the quarry. The rail passing line extension would be at the same grade as the existing rail line and would therefore meet the current conditions of approval. The Department is therefore satisfied that the potential visual impacts of the modification would be very low.

6 RECOMMENDED CONDITIONS

The Department has prepared recommended conditions for the modification. These conditions include an additional offset area added to the existing HMA and measures to be implemented in the unlikely event of the discovery of non-Aboriginal heritage items. The Department also updated the conditions to reflect

changes to government agency names, acquisition by Boral of three surrounding receivers and the relevant administrative changes to incorporate the modification. Boral has reviewed and accepted these conditions.

7 CONCLUSION


The Department has assessed the proposed modification in accordance with the relevant requirements of the EP&A Act, including the objects of the Act and the principles of ecologically sustainable development. The assessment found that the environmental impacts of the modified project would not be significantly different from the project as originally approved.

Overall, the Department is satisfied that, with the implementation of the recommended conditions and the proposed mitigation measures, the impacts of the proposed modification are minor and can be adequately mitigated, managed, and/or compensated for. The Department is satisfied that the benefits of the proposal outweigh any residual costs, and that it is in the public interest and should be approved, subject to conditions.

8 RECOMMENDATION

It is RECOMMENDED that the Director, Mining and Industry Projects, as delegate of the Minister:

- **consider** the findings and recommendations of this report;
- **determine** that the proposed modification is within the scope of section 75W of the EP&A Act;
- **approve** the proposed modification under section 75W of the EP&A Act; and
- **sign** the attached Notice of Modification (Appendix D).


2/11/12

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2/11/12

David Kitto
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Appendix A – Environmental Assessment

The EA and appendices can be viewed on the Department's website at the following link:
http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5543

Appendix B – Submissions

Submissions can be viewed on the Department's website at the following link:
http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5543

Appendix C – Response to Submissions

The Response to Submissions can be viewed on the Department's website at the following link:
http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5543

Appendix D – Notice of Modification