



Mr Anthony Russo
Manager Project Approvals
HV Operations Pty Limited
PO Box 315
Singleton NSW 2330

Anthony
Dear Mr Russo

**Hunter Valley Operations South - Modification 5 (PA 06_0261 MOD 5)
Request for Response to Submissions**

The public exhibition of the Environmental Assessment (EA) for Hunter Valley Operations (HVO) South Modification 5 concluded on Friday 10 March 2017. In response to the exhibition, the Department received 31 submissions from community members, 6 submissions from special interest groups/local businesses and 5 submissions from government agencies. Please note the Department is expecting an additional submission from the Department of Primary Industries (DPI), which it will provide once received.

The Secretary now requests that you prepare and submit a Response to Submissions (RTS) document, detailing your responses to all issues raised in the submissions. The submissions can be viewed on the Department's website www.majorprojects.planning.nsw.gov.au.

The Department notes that there are a number of members in the local community who are opposed to this modification for a range of reasons, including concerns over:

- increased noise, dust, blasting, visual amenity and health impacts;
- increased size of the final void and its function as a perpetual groundwater sink;
- additional groundwater drawdown and potential impacts to groundwater dependent ecosystems;
- increased mine water discharges into the Hunter River;
- cumulative impacts to the Hunter region;
- uncertainty surrounding flow-on public benefits; and
- increased greenhouse gas emissions.

The Department further notes that similar issues were identified during the proponent's early engagement program, as summarised in Table 5.1 of the EA. Considering the high level of residual concerns over these matters, please carefully consider each submission and provide a well-thought-out response.

The Department also requests additional information be provided in the RTS on the matters raised in **Attachment A**. If you wish to discuss the above, please contact Megan Dawson on 9274 6391.

Yours sincerely,

Howard Reed

Howard Reed

21.3.17

Director Resource Assessments

Attachment A

General

- Section 4.4 of the EA states that two referrals were made to the Commonwealth to determine if any aspects of the proposed modification are 'controlled actions' requiring assessment and approval under the *Environment Protection and Biodiversity Conservation Act 1999*. Please provide additional information on the outcomes of these referrals.
- The modification proposes to increase run-of-mine (ROM) coal production at HVO South from 16 to 20 million tonnes per annum (Mtpa). The Department notes that HVO South and HVO North (DA 450-10-2003) have integrated operations and are managed as a complex. The Department further understands that all ROM coal extracted from HVO South is currently hauled to the Hunter Valley Coal Handling and Preparation Plant (CHPP) at HVO North for processing. Considering that HVO North is currently restricted to receiving no more than 16 Mtpa of coal from mining operations south of the Hunter River and that the Lemington CHPP at HVO South is decommissioned, please provide further justification for how HVO intends to process the additional 4 Mtpa from HVO South.

Emplacement Areas and Final Landform

- The Department notes that additional overburden material would be produced as a result of extracting the deeper coal seams. The Department recognises that there are a number of emplacement options to accommodate the additional overburden material and that HVO has opted to add this material to the existing Cheshunt overburden emplacement area, using this opportunity to redesign the entire final landform to be more in keeping with the surrounding natural landscape. Please explain further what other emplacement options were considered and what opportunities and/or constraints ultimately guided HVO's final landform design.
- The Department considers the proposed design is a substantial improvement to the traditional flat tops and uniform slopes. However, the Department requests that HVO consider what opportunities may exist for further refinements, such as incorporating more topographic variation to the external slopes of the emplacement areas to improve visual amenity. For example, the northern area of the Cheshunt emplacement area, with views from Maison Dieu (see Figure 9.3), appears to have been uniformly increased in height with minimal macro relief features built into the design.
- The Department considers that it may be possible for some additional material to be directed towards reducing the final void or improving its shape and/or slopes. While it is noted that HVO has designed the final void to be further away from the Hunter River, with a smaller surface water catchment, gentler low-wall slopes and more useable surface area, these improvements do not extend to the final highwall. The final highwall slope appears to now be significantly steeper and the southwest corner of the highwall terminates in an almost 90 degree angle (refer to Figure 13.4). Please consider further refinements to make the highwall less angular and more natural in shape. Please also provide further information on the long term stability and safety of this final highwall design.
- The Department understands that while the movement of rejects (coarse and fine) between HVO South and HVO North is approved, all fine tailings are currently emplaced at HVO North tailings storage facilities. Please demonstrate that the HVO complex has approved tailings storage capacity to accommodate processing of an additional 56.8 Mt of ROM coal.

Socio-economics

- Justification for the proposed modification includes reference to the regional and local economic and social benefits from the operation. The economic benefits of the modification are identified as being approximately \$243 million in royalties and \$160 million in taxes based on 21 percent of revenue. However, it is unclear what additional social benefits are expected to be generated by the modification, beyond those of the approved project. Please provide additional information on these social benefits.

Air Quality

- The proposed modification results in air quality impacts that would exceed the trigger levels for voluntary acquisition at at least 8 properties under the *Voluntary Land Acquisition and Mitigation Policy* (VLAMP). While all of these properties are already entitled to acquisition from other neighbouring mines, HVO is responsible for managing its respective impacts. The Department therefore requests that HVO provide additional information on its proportional impacts and mitigation measures to reduce these impacts, where necessary.
- The air quality assessment in the EA includes a brief comparison of predicted impacts compared to the approved project. This is done through illustrations of 24-hour average PM₁₀ extent. While this visual illustration is helpful, please provide additional information on the change in predicted impacts at key sensitive receivers.
- HVO provided a supplementary air quality assessment on 6 March 2017 in accordance with the Environment Protection Authority's recent release of the *Approved Methods for the Modelling and Assessment of Air Pollutants in New South Wales 2016*. Please provide an updated Table 8.3 to reflect the outcomes of the supplementary air quality assessment.