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Our ref: 06_0286
Your ref:

Mr Matthew Somers
Hunter Energy Pty Ltd
106 King Street
SYDNEY NSW 2001

Dear Mr Somers

**Proposed Wallumbilla to Hexham High Pressure Gas Transmission Pipeline
(Application: 06_0286)**

I refer to your request for Director-General's requirements for the abovementioned proposal. The Director-General's Environmental Assessment Requirements for the abovementioned project are attached, pursuant to section 75F(2) of the *Environmental Planning and Assessment Act 1979*. Please note that these requirements supersede and replace the Director-General's requirements previously issued for this project under Division 4, Part 5 of the Act.

Under section 75F(3) of the Act, the Director-General may alter or supplement these requirements if necessary in light of any additional information that may be provided prior to the proponent seeking approval for the proposal.

Given the scale of the proposed project, the Director-General's requirements have been drafted with a particular focus on a tiered assessment of impacts. With respect to each relevant impact, the Environmental Assessment should present a considered screening of potential impacts along the length of the project, to identify areas of potentially significant impact for further, more detailed assessment. In addition to detailed assessment of areas of potentially significant impact, other areas along the length of the project should be assessed in a more general manner, with a particular focus on the development of frameworks for the mitigation, management and monitoring of more minor and generic environmental issues.

The Environmental Assessment should be prepared using valid and accepted technical and scientific tools and methodologies, focussing on key environmental impacts and robust mitigation measures to address potential impacts from the project. You should also ensure that you consult with the Department prior to submission of a draft Environmental Assessment to determine:

- fees applicable to the application;
- consultation and public exhibition arrangements that will apply; and
- number and format (hard-copy and/or CD-ROM) of the Environmental Assessments that will be required.

Once you have lodged the Environmental Assessment, the Department will consult with the relevant authorities to determine the adequacy of the Environmental Assessment. Following this review period the Environmental Assessment will be made publicly available for a minimum period of 30 days.

You should keep the contact officer for this project, Scott Jeffries ((02) 9228 6426 or scott.jeffries@planning.nsw.gov.au), up to date with the progress of preparation of the Environmental Assessment, and seek clarification of any issues that may be unclear or may arise during this process.

Yours sincerely



14.11.06

Chris Wilson
Executive Director
As delegate for the Director-General

WALLUMBILLA TO HEXHAM HIGH PRESSURE GAS TRANSMISSION PIPELINE – MOREE PLAINS, NARRABRI, GUNNEDAH, LIVERPOOL PLAINS, UPPER HUNTER, MUSWELLBROOK, SINGLETON, CESSNOCK, MAITLAND AND NEWCASTLE LOCAL GOVERNMENT AREAS

ENVIRONMENTAL ASSESSMENT REQUIREMENTS UNDER PART 3A OF THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

Project	<p>Construction and operation of a high pressure natural gas transmission pipeline from the New South Wales – Queensland border near Boomi to Hexham (for connection to the Queensland component of the pipeline connecting to the Wallumbilla Gas Hub in South Central Queensland), with capacity in excess of 100 petajoules. The project includes:</p> <ul style="list-style-type: none"> • construction and operation of compressor stations, pigging stations, valve stations and connection points (to other pipelines and facilities); • erection of perimeter security fences, security and service lighting and signage; • installation of communication and telemetry towers; • installation of cathodic protection devices; • excavation, drilling and interim spoil storage, replacement, remediation or disposal; • erosion and sedimentation control works; • construction of pipeline corridor access tracks; • rivers and creek crossings; • road and railway crossings; • temporary fencing around work sites and open excavations; • clearing of native vegetation; • transportation of pipes and associated equipment by road or rail and temporary storage sites; • establishment and removal of construction camps; and • provision and disposal of water for pipeline hydrostatic testing.
Site	Land within the following local government areas: Moree Plains, Narrabri, Gunnedah, Liverpool Plains, Upper Hunter, Muswellbrook, Singleton, Cessnock, Maitland and Newcastle.
Proponent	Hunter Energy Pty Ltd
Date of Issue	14 November 2006
Date of Expiration	14 November 2008
General Requirements	<p>The Environmental Assessment must be prepared to a high technical and scientific standard and must include:</p> <ul style="list-style-type: none"> • an executive summary; • a description of the proposal, including construction, operation, and staging; • an assessment of the environmental impacts of the project, with particular focus on the key assessment requirements specified below; • justification for undertaking the project with consideration of the benefits and impacts of the proposal; • a draft Statement of Commitments detailing measures for environmental mitigation, management and monitoring for the project; and • certification by the author of the Environment Assessment that the information contained in the Assessment is neither false nor misleading.
Key Assessment Requirements	<p>The Environmental Assessment must include assessment of the following key issues:</p> <ul style="list-style-type: none"> • Strategic Planning and Project Justification – the Environmental Assessment must provide a strategic assessment of the project, including justification of the need, scale, scope and location for the project, with particular reference to the existing Australian pipeline network, the location of gas reserves and areas of gas demand and expected demand growth. The Environmental Assessment must include an analysis of the required capacity of the project, having regard to existing gas supplies and the potential for additional known reserves to be connected into the project.

- **Regulatory Interaction** – the Environmental Assessment must include details of the process, timing and coordination of relevant approvals required in other jurisdictions (including Queensland and Commonwealth approvals), and how these approval processes are proposed to be coordinated with approval processes under New South Wales legislation. In this regard, the Environmental Assessment must include indicative timeframes for relevant approvals, and how these timeframes will relate to construction and operation of the project.
The Environmental Assessment must also specifically consider and assess the impacts of the project, if any, on matters of National Environmental Significance under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*.
- **Ecological Impacts** – the Environmental Assessment must include a justified and tiered assessment approach for impacts of the project on native vegetation, threatened species, populations, ecological communities and their habitats for each bioregion (including both terrestrial and aquatic ecology). The Environmental Assessment must:
 - include a review of the length of the project to identify bioregions that will be or may be impacted by the project;
 - for each identified bioregion, include a screening of species, populations, ecological communities and habitats based on ecological significance and the potential for impact as a consequence of the project;
 - for species, populations, ecological communities and habitats with high ecological significance and significant potential for impact, include a detailed impact assessment in accordance with *Guidelines for Threatened Species Assessment* (DEC & DPI, July 2005)
 - for other species, populations, ecological communities and habitats, a general bioregion-based assessment of ecological impacts associated with the project;
 - consider region-based ecological outcomes, including habitat connectivity and distribution of species, and how these may be impacted by the project;
 - demonstrate a design philosophy of impact avoidance on ecological values, and in particular, ecological values of high significance;
 - include full details of any proposed compensatory habitat or off-set strategy, including scale, scope and timing of implementation;
 - include a framework for the consideration of ecological impacts during detailed design of the project, and mitigation of impacts during construction and operation.
- **Human Amenity Impacts** – the Environmental Assessment must include a justified and tiered assessment approach for impacts on human amenity, including noise and vibration, air quality (dust and odour) and traffic impacts during construction and operation of the project. The Environmental Assessment must:
 - include a review of the length of the project to identify human receptors that will be or may be impacted by the project;
 - characterise potentially impacted human receptors in terms of receptor type (eg isolated receptors, receptor areas (such as residential zones) and sensitive receptors (such as schools, hospitals etc)) and the potential for amenity impacts through noise and vibration, air quality (dust and odour) and traffic generation;
 - identify those receptors and receptor types likely to be significantly impacted by the project in terms of noise and vibration, air quality (dust and odour) and traffic generation, and include a detailed assessment of impacts on those receptors and receptor types;
 - include a noise impact assessment for all receptors and receptor types likely to be significantly affected by operation of the project, particularly around compressor stations, pigging stations, valve stations and connection points, in accordance with the *NSW Industrial Noise Policy* (EPA, 2000);
 - include a framework for the mitigation, management and monitoring of noise impacts during construction of the project, particularly with respect to receptors and receptor types likely to be significantly impacted by the project and with specific reference to noise- and vibration-intensive construction works/ activities (drilling, blasting, bulk excavation, heavy vehicle movements etc);

- include a framework for the mitigation, management and monitoring of air quality impacts during construction of the project, particularly with respect to receptors and receptor types likely to be significantly impacted by the project and with specific reference to excavation works in and around receptors and major centres;
- include a framework for the mitigation, management and monitoring of heavy vehicle movements during construction of the project, particularly with respect to impacts in and around major centres, and with respect to large/ long loads and peak vehicle movement generation (for example, haulage of spoil or other materials).
- **Socio-Economic Implications** – the Environmental Assessment must assess the potential for the project to influence the socio-economic profile of major centres and regions along the project route, including demographic change, increased development demand, increased need for social infrastructure and services, economic and employment influences and the potential for connection of other gas resources to the project. The Environmental Assessment must also include assessment of the potential for domestic, commercial and industrial connection to gas supplies in major centres in future, and where relevant, reflect a design philosophy to support such connections where feasible and appropriate in future.
- **Land Use Planning Impacts** – the Environmental Assessment must assess the potential for the project to generate land use conflicts, particular with respect to mineral reserves, conservation areas, land of high agricultural value and areas of significant scenic or visual value;
- **Hazards and Risk Impacts** – the Environmental Assessment must include an assessment of the hazards and risk impacts of the project, prepared generally consistent with the approach outlined in *Hazardous Industry Planning Advisory Paper No. 6* (DoP, 1992) and *Multi-level Risk Assessment* (DUAP, 1997), and with specific reference to applicable Australian Standards (including AS2885 Pipelines - Gas and Liquid Petroleum – Operation and Maintenance). The Environmental Assessment shall specifically consider on-going maintenance and safety management of the project, including potential impacts on and from bushfires.
- **Surface and Groundwater Impacts** – the Environmental Assessment must include a justified and tiered assessment approach for impacts on surface water and groundwater. The Environmental Assessment must:
 - include a review of the length of the project to identify major surface water bodies and watercourses (for example, third order streams or higher) that will be or may be impacted by the project;
 - include assessment of the impacts on identified major water bodies and watercourses, with details of how those major water bodies or watercourses would be traversed (where relevant), and how water quality and hydrology would be protected during construction and operation of the project;
 - make specific reference to how erosion and sedimentation would be managed and riparian vegetation would be protected, where relevant, during construction and operation of the protection;
 - include a general assessment of impacts of the project on minor water bodies and watercourses, with provision of a framework for the environmental management of construction works in and around minor water bodies and watercourses;
 - include a framework for the management of groundwater, with specific reference to quality and hydrology, should any aspect of the construction or operation of the project require intersection with or indirect impacts on groundwater;
 - reflect a design philosophy of avoidance of significant water resources, including wetland areas, drinking water sources and catchments and major aquifers.
- **Infrastructure Impacts** - the Environmental Assessment must include a justified and tiered assessment approach for impacts on infrastructure, including roads, rail, electricity, gas and water supply infrastructure. The Environmental Assessment must:
 - include a review of the length of the project to identify major infrastructure that will be or may be impacted by the project, with specific reference to

	<p>major roads (freeways, highways, state roads etc), high voltage electricity transmission lines, major water supply pipelines and high pressure gas supply infrastructure;</p> <ul style="list-style-type: none"> ◦ include an assessment of the impacts of the project on identified major infrastructure, with specific reference to how the infrastructure would be traversed (where relevant) and how conflicts between the project and the infrastructure would be mitigated and managed (for example, access arrangements, induction issues etc); ◦ include a framework for the management of impacts associated with the construction and operation of the project in and around other infrastructure (for example, in and around domestic water and electricity supplies in populated areas). <ul style="list-style-type: none"> • General Environmental Risk Analysis – notwithstanding the above key assessment requirements, the Environmental Assessment must include an environmental risk analysis to identify potential environmental impacts associated with the project (construction and operation), proposed mitigation measures and potentially significant residual environmental impacts after the application of proposed mitigation measures. Where additional key environmental impacts are identified through this environmental risk analysis, an appropriately detailed impact assessment of the additional key environmental impact(s) must be included in the Environmental Assessment.
<p>Consultation Requirements</p>	<p>You must undertake an appropriate and justified level of consultation with the following parties during the preparation of the Environmental Assessment:</p> <ul style="list-style-type: none"> • Commonwealth Department of Environment and Heritage; • NSW Department of Environment and Conservation; • NSW Department of Primary Industries; • NSW Department of Natural Resources and relevant Catchment Management Authorities; • NSW Department of Energy, Utilities and Sustainability, Country Energy and Transgrid; • NSW Roads and Traffic Authority, State Rail Corporation and Australian Rail Track Corporation; • NSW Department of Lands, relevant Landcare Groups and relevant Rural Lands Protection Boards; • NSW Mine Subsidence Board; • relevant local aboriginal communities and Local Aboriginal Land Councils; • local councils of Moree Plains, Narrabri, Gunnedah, Liverpool Plains, Upper Hunter, Muswellbrook, Singleton, Cessnock, Maitland and Newcastle. <p>In addition, appropriate consultation with the local community should be undertaken. The Environmental Assessment must clearly indicate issues raised by stakeholders during consultation, and how those matters have been addressed in the Environmental Assessment.</p>
<p>Deemed refusal period</p>	<p>Under clause 8E(2) of the <i>Environmental Planning and Assessment Regulation 2000</i>, the applicable deemed refusal period is 60 days from the end of the Proponent's environmental assessment period for the project.</p>