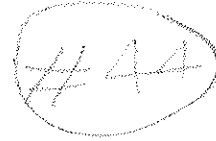




Att: Dinuka McKenzie
Scott Jeffries
Director - Major Infrastructure Assessment
23-33 Bridge St
SYDNEY NSW 2000



Dear Ms McKenzie

**Queensland-Hunter Gas Pipeline, Wallumbilla (QLD) to Newcastle (NSW)
(Major Project Reference: MP 06_0286) – Review of Draft Environmental
Assessment**

Thank you for your letter requesting written submissions providing relevant comments on the environmental assessment (EA) of the above project. The EA is on exhibition from the 19th September 2008 until the 20th October 2008.

The Department of Primary Industries (DPI) is made up of the Divisions of Agriculture & Fisheries, Minerals and Forests NSW. The following information is submitted in the interests of minerals, agriculture and fisheries, with no forestry related matters at this stage.

Ongoing negotiations between DPI Minerals' Coal Advice section and Ross Skerman, CEO of the proponent (Hunter Gas Pipeline Pty Ltd) are being finalised in the short term and as such comments that specifically relate to coal issues will be forwarded separately when available.

The following issues and comments relating to the exhibited EA are presented as follows:

Mineral Issues

The classification system used in the EA for the identified land use impacts classifies the proposed pipeline as having a significant impact on extractive industries and identified resources. Accordingly, an adequate level of assessment on these impacted mineral resources is necessary.

Issues that have been identified by the Land Use and Assessment branch of DPI Minerals are presented as follows. These comments are related to non-coal minerals and petroleum resources (including both conventional and coal seam methane). As stated, the Coal Advice section will forward comments separately when available.

Mineral Resources (Non- coal and petroleum)

In Chapter 13 – Land Use, of the Queensland Hunter Gas Pipeline (QHGP) EA, there is only one extractive operation that is identified within the land use impact assessment as being possibly affected or significantly impact by the pipeline.

This extractive operation, the Ardglen Quarry, is included in Table 13.5, Land use Impact Assessment – Liverpool Plains.

The department recognises that there are several other mineral (non coal) 'occurrences' (including operating quarries, minerals titles and prospective resource areas) which the pipeline could potentially impact. The other main Mineral and Construction Material occurrences identified as being potentially impacted are detailed in Table 1.

The occurrences in Table 1 have been identified as being within 200 meters (in both directions) of the QHGP main line. Included in the table is the name of the occurrence/operation, whether it's an operation or resource/prospect (with associated Title), and what type of material is present. The details on the operator of the quarry or holder of the title and contact telephone number are also included. The exception to this is the Ardglen Quarry with it's extraction boundary approximately 300 metres from the mainline currently. This has been included due to the operation's size and significance.

Table 1 - Mineral or Construction material occurrences within 200 metres of the proposed QHGP

LGA	NAME	OPERATING	TITLE(S)	OPERATER / OWNER	TELEPHONE	MATERIAL
Liverpool Plains	Turiwala Zeolite Deposit	prospect/resource	ELA 3496	Creek Exploration P/L	6744 1041	Zeolites
	Turiwala Zeolite Deposit	prospect/resource	EL 5400 ALA 40	Zeolite Australia P/L	6768 7080	Zeolites
	Manuka	operating	N/A	N/A	6746 1755	Construction Materials
	Ardglen SRA Quarry	operating - very large	N/A	State Rail Authority	8202 2000	Construction Materials
Upper Hunter	Campbells Creek East	operating	N/A	RTA ^{^^}	132 213	Unprocessed Construction Materials
	Murulla North Bentonite Deposit, East	prospect/resource	N/A	Unimin Australia Limited	9458-2929	Bentonite
	Wingen Maid Bentonite	prospect/resource	EL 7142	Plasminex Pty Ltd	9929 5122	Bentonite
	Cressfield Bentonite Mine	operating (worked intermittently)	ML 1508	Unimin Australia Limited; Commercial Minerals Ltd	9458-2929	Bentonite
Maitland	Riverbend Quarry, Gosforth	operating - small (worked intermittently)	N/A	River Bend Quarry P/L	4932 6998	Construction Materials

N/A – No associated Minerals Titles

^^ – Former Owner

Further investigation is required to assess the potential impacts on these minerals occurrences and, if necessary, subsequent options for the detailed alignment of the pipeline ROW (Right of Way). This investigation is essential to

avoid conflicts with current mine or quarry operations and any proposed future expansions.

The pipeline traverses some mineral tenements, where the pipeline may have impact on exploration activities. To this end, the proponent should consult the relevant companies and titleholders regarding the proposed pipeline corridor, and current and future exploration activities or proposed mining or quarrying operations.

Consultation with DPI Mineral resources is available to assist in the facilitation of these assessments and communication.

The location of exploration and mining titles in NSW may be accessed by the general public using the online utility "TAS Map". Map images can be printed straight from the screen display or saved and inserted directly into word processing documents. An intuitive tool set allows the user to seamlessly pan, zoom as well as inquire about different Titles via a simple report. This online service is available at:

<http://www.dpi.nsw.gov.au/minerals/titles/online-services/tasmap>

Petroleum Resources

A number of petroleum titles are intersected by the QHGP. It is recommended that the proponent contact the petroleum title holders to discuss the planned pipeline route. The relevant companies and Petroleum Exploration Lease (PEL), along with the contact details, were provided with DPI's response to the Draft EA (dated 25 June 2008), forwarded to the Department of Planning.

Any queries relating to petroleum resources should be directed to the following contact:

Petroleum Geoscience -
Ricky Mantaring - Manager
ricky.mantaring@dpi.nsw.gov.au
Phone: (02) 4931 6686

Should you wish to discuss any of the mineral resources matters mentioned above please contact Simon Francis (Geoscientist) of the Minerals Division via email (simon.francis@dpi.nsw.gov.au) or on (02) 4931 6707.

Fisheries Issues

The Department of Primary Industries' Aquatic Habitat Protection Unit (DPI AHPU) needs to be consulted with regards to the crossing methodology and site specific mitigation measures for watercourses outlined in Table 15.3 *Watercourse Crossings requiring fieldwork*, to include how methods of dredging, trenching or directional drilling are to be used near waterways, duration and timing of works, and the proposed mitigation measures to protect riparian and aquatic habitat. Another concern the department has where the methodology has not been established is the requirement to avoid temporary waterway crossings for heavy machinery wherever possible. DPI AHPU need to be

consulted with regards to any temporary measures that will result in blocking fish passage. This includes coffer dams or redirecting flows whilst works are conducted.

Applying the appropriate methodology for creek crossings will in effect relate to the impacts on threatened species listed under the *Fisheries Management Act 1994* and the relevant mitigation measures and appropriate risk assessments undertaken.

Should you have any queries regarding fisheries issues please contact Scott Carter (Senior Conservation Manager) within the Hunter region on 4916 3931 and David Ward (Conservation Manager) on 6763 1255 regarding the Namoi, Gwydir and Border River regions.

Agriculture Issues

The high level of commitment by QHGP Pty Ltd displayed in the consultation with various stakeholders is acknowledged by the agricultural division of DPI. In particular, the consultation with landowners for such purposes as advanced notification or negotiation is critical in minimising land use impacts.

Section 5.7.1 / 7.2.4 addresses most issues surrounding water and Hydrostatic Testing. However, there is no commitment to negotiate with other water users/owners during extraction. It is recommended that a commitment be made to negotiate before and throughout the extraction process.

Should you have any queries from DPI Agriculture regarding agriculture issues please contact Andrew Scott, Resource Management Officer on 6763 1142.

Upon formulation of the Government Liaison Group, DPI expresses interest in being involved in this initiative, primarily to assist with the implementation of the project's adaptive management strategy. This is in accordance with the natural resource issues involved, specifically in relation to minerals, agriculture, fisheries and state forests.

Any alignment modifications to the pipeline corridor should be referred to DPI. The assessment of land use impacts required with this type of major project can be complex, and consequently the provision of accurately representative GIS-based information which correctly defines the pipeline route is critical in making the response efficient and precise.

Yours faithfully,



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Iain Paterson

A/Chief Geoscientist, Land Use

Minerals & Land Use Assessment

Geological Survey of NSW - Department of Primary Industries

Phone: (02) 4931 6704

21 October 2008