

Major Development Assessment Mining & Extractive Industries

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Level 4 Western Gallery 23-33 Bridge Street GPO Box 39 SYDNEY NSW 2001

Our Ref: S07/00120

Mr Neville McAlary General Manager Helensburgh Coal Pty Ltd PO BOX 402 Helensburgh NSW 2508

Dear Mr McAlary

Director-General's Requirements Metropolitan Coal Project Application Number: 08_0149

The Department has received your application for the Metropolitan Coal Project.

I have attached a copy of the Director-General's requirements for the project. These requirements have been prepared in consultation with the relevant agencies, and are based on the information you have provided to date. I have also attached a copy of the agencies' comments for your information.

Please note that the Director-General may alter these requirements at any time.

If your proposal is likely to have a significant impact on matters of National Environmental Significance, it will require an approval under the Commonwealth Environment Protection Biodiversity Conservation Act 1999 (EPBC Act). This approval is in addition to any approvals required under NSW legislation. It is your responsibility to contact the Department of Environment, Water, Heritage and the Arts (6274)in Canberra http://www.environment.gov.au) to determine if the proposal requires an approval under the EPBC Act. The Commonwealth Government has accredited the NSW environmental assessment process, so if it is determined that an approval is required under the EPBC Act, please contact the Department immediately as supplementary Director-General's requirements may need to be issued.

I would appreciate it if you would contact the Department at least two weeks before you propose to submit your Environmental Assessment for the project. This will enable the Department to determine the:

- applicable fee (see Division 1A, Part 15 of the Environmental Planning and Assessment Regulation 2000); and
- number of copies (hard-copy or CD-ROM) of the Environmental Assessment that will be required for exhibition purposes.

Once it receives the Environmental Assessment, the Department will review it in consultation with the relevant agencies to determine if it adequately addresses the Director-General's requirements, and may require you to revise it prior to public exhibition.

The Department is required to make all the relevant information associated with the project publicly available on its website. Consequently, I would appreciate it if you would ensure that all the documents you subsequently submit to the Department are in a suitable format for the web, and arrange for an electronic version of the Environmental Assessment to be hosted on a suitable website during the exhibition period.

If you have any enquiries about these requirements, please contact Nicholas Hall on 9228 6438 or nicholas.hall@planning.nsw.gov.au.

Yours sincerely

20.7.08

Chris Wilson

Executive Director

Major Project Assessment

As delegate for the Director-General

Director-General's Requirements

Section 75F of the Environmental Planning and Assessment Act 1979

| Application Number | 08_0149 |
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| Project | The Metropolitan Coal Project, which includes: augmenting, upgrading and using the existing infrastructure at the mine; extracting up to 3 million tonnes of run-of-mine coal a year from the Bulli coal seam for a period of 25 years using longwall mining methods; processing run-of-mine coal at the mine; transporting product coal and coal reject from the mine by road and/or rail; disposing of coal rejects at the mine; and rehabilitating the site. |
| Location | Approximately 30 kilometres northwest of Wollongong |
| Proponent | Helensburgh Coal Pty Ltd |
| Date of Issue | 30 July 2008 |
| General Requirements | The Environmental Assessment of the project must include: an executive summary; a detailed description of the following within the Metropolitan Colliery holdings and any associated reject disposal areas: - historical mining operations; - existing and approved mining operations/facilities, including any statutory approvals that apply to these operations/facilities; and - the existing environmental management and monitoring regime; a detailed description of the project, including the: - need for the project; - alternatives considered, including a justification for the proposed mine plan/s and coal rejects disposal strategy on economic, social and environmental grounds; - likely staging of the project; and - plans of any proposed building works; - a risk assessment of the potential environmental impacts of the project, identifying the key issues for further assessment; - a detailed assessment of the key issues specified below, and any other significant issues identified in the risk assessment (see above), which includes: - a description of the existing environment, using sufficient baseline data; - an assessment of the potential impacts of all stages of the project, including any cumulative impacts, taking into consideration any relevant guidelines, policies, plans and statutory provisions (see below), and the findings and recommendations of the recent Southern Coalfield inquiry; - a description of the measures that would be implemented to avoid, minimise, mitigate, rehabilitate/remediate, monitor and/or offset the potential impacts of the project, including detailed contingency plans for managing any potentially significant risks to the environment; a statement of commitments, outlining all the proposed environmental management and monitoring measures; a conclusion justifying the project on economic, social and environmental grounds, taking into consideration whether the project is consistent with the objects of the Environmental Planning & Assessment Act 1979 |

| Key Issues | Subsidence – including; accurate predictions of the potential subsidence effects of the proposed mine plan/s, and a sensitivity analysis of these predictions; and a detailed assessment of the potential impacts of these subsidence effects on both the natural and built environment, paying particular attention to significant features of this environment; Soil & Water – including; a detailed assessment of the potential impacts of the project on the quantity, quality and long-term integrity of the surface and ground water resources in the project area, paying particular attention to the Waratah Rivulet and Lake Woronora; site water balance, a detailed description of the measures that would be implemented on site to minimise the water use of the project; Biodiversity – including: accurate estimates of any vegetation clearing associated with the project; a detailed assessment of the potential impacts of the project on any terrestrial and aquatic threatened species, populations, ecological communities or their habitats; and a detailed description of the measures that would be implemented to maintain or improve the biodiversity values of the surrounding region in the medium to long term; Heritage – including the potential Aboriginal and non-Aboriginal heritage impacts of the project; Noise – including the potential construction, operational and on-site and off-site road and rail noise and vibration impacts; Air Quality; Greenhouse Gas – including: a quantitative assessment of the potential scope 1, 2 and 3 greenhouse gas emissions of the project, and qualitative assessment of the potential impacts of these emissions on the environment; and a detailed description of the measures that would be implemented on site to ensure that the project is energy efficient; Transport - including: robust estimates of the quantity and nature of the potential waste streams of the |
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| References | While not exhaustive, the following attachment contains a list of the guidelines, policies, and plans that may be relevant to the environmental assessment of the project. |
| Consultation | During the preparation of the Environmental Assessment, you should consult with the relevant local, State or Commonwealth Government authorities, service providers, community groups or affected landowners. In particular you must consult with the: Department of Environment and Climate Change; Department of Primary Industries; Department of Water and Energy; Sydney Catchment Authority; Dam Safety Committee; Mine Subsidence Board; Roads and Traffic Authority; |

| | Department of Lands; and Wollongong, Wollondilly and Campbelltown Council. The consultation process, and the issues raised during this process, must be described in the Environmental Assessment. |
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| Deemed refusal period | 120 days |

Policies, Guidelines & Plans

| Aspect | Policy /Methodology |
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| Risk | |
| | AS/NZS 4360:2004 Risk Management (Standards Australia) |
| | HB 203: 203:2006 Environmental Risk Management – Principles & Process (Standards Australia) |
| | Risk Management Handbook for the Mining Industry (DPI) |
| | Risk Management Policy Framework for Dam Safety (Dam Safety Committee) |
| Subsidence | |
| | Guideline for Application for Subsidence Management Approvals (DMR) |
| Soil and Water | |
| | Rural Land Capability Mapping (DLWC) |
| | Agricultural Land Classification (DPI) |
| | Australian and New Zealand Guidelines for the Assessment and |
| | Management of Contaminated Sites (ANZECC & NHMRC) |
| Soil | National Environment Protection (Assessment of Site Contamination) |
| 0011 | Measure 1999 (NEPC) |
| | Draft Guidelines for the Assessment & Management if Groundwater |
| | Contamination (DECC) |
| | State Environmental Planning Policy No. 55 – Remediation of Land |
| | Managing Land Contamination – Planning Guidelines SEPP 55 – |
| | Remediation of Land (DOP) |
| | National Water Quality Management Strategy: Water quality management - an outline of the policies (ANZECC/ARMCANZ) |
| | National Water Quality Management Strategy: Policies and principles - a |
| | reference document (ANZECC/ARMCANZ) National Water Quality Management Strategy: Implementation guidelines |
| | (ANZECC/ARMCANZ) |
| | National Water Quality Management Strategy: Australian Guidelines for |
| | Fresh and Marine Water Quality (ANZECC/ARMCANZ) |
| | National Water Quality Management Strategy: Australian Guidelines for |
| | Water Quality Monitoring and Reporting (ANZECC/ARMCANZ) |
| | Using the ANZECC Guideline and Water Quality Objectives in NSW (DEC) |
| | State Water Management Outcomes Plan |
| | NSW Government Water Quality and River Flow Environmental Objectives |
| | (DECC) |
| Surface Water | Approved Methods for the Sampling and Analysis of Water Pollutants in NSW (DEC) |
| | Drinking Water Catchments Regional Environmental Plan No. 1 |
| | Managing Urban Stormwater: Soils & Construction (Landcom) |
| | Managing Urban Stormwater: Treatment Techniques (DECC) |
| | Managing Urban Stormwater: Source Control (DECC) |
| | Floodplain Management Manual (DNR) |
| | Floodplain Risk Management Guideline (DECC) |
| | A Rehabilitation Manual for Australian Streams (LWRRDC and CRCCH) |
| | Technical Guidelines: Bunding & Spill Management (DECC) |
| | National Water Quality Management Strategy: Guidelines for Sewerage |
| | Systems - Effluent Management (ARMCANZ/ANZECC) |
| | National Water Quality Management Strategy: Guidelines for Sewerage |
| | Systems – Use of Reclaimed Water (ARMCANZ/ANZECC) |
| | Environmental Guidelines: Use of Effluent by Irrigation |
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| | National Water Quality Management Strategy Guidelines for Groundwater Protection in Australia (ARMCANZ/ANZECC) |
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| | NSW State Groundwater Policy Framework Document (DLWC) |
| Groundwater | NSW State Groundwater Quality Protection Policy (DLWC) |
| | NSW State Groundwater Quantity Management Policy (DLWC) Draft |
| | Murray-Darling Basin Groundwater Quality. Sampling Guidelines. Technical |
| | Report No 3 (MDBC) |
| | Murray-Darling Basin Commission. Groundwater Flow Modelling Guideline (Aquaterra Consulting Pty Ltd) |
| Flora and Fauna | (Aquateria Consulting Fty Etu) |
| | Draft Guidelines for Threatened Species Assessment under Part 3A of the Environmental Planning and Assessment Act 1979 (DEC) |
| | NSW Groundwater Dependent Ecosystem Policy (DLWC) |
| | Policy & Guidelines - Aquatic Habitat Management and Fish Conservation (NSW Fisheries) |
| | Policy & Guidelines - Fish Friendly Waterway Crossings (NSW Fisheries) |
| | State Environmental Planning Policy No. 44 – Koala Habitat Protection |
| Heritage | |
| Aboriginal | Draft Guidelines for Aboriginal Cultural Heritage Impact Assessment and Community Consultation (DEC) |
| A1 . 2.1.1 | NSW Heritage Manual (NSW Heritage Office & DUAP) |
| Non- Aboriginal | The Burra Charter (The Australia ICOMOS charter for places of cultural significance) |
| Noise | |
| | NSW Industrial Noise Policy (DECC) |
| | Environmental Criteria for Road Traffic Noise (NSW EPA) |
| | Environmental Noise Control Manual (DECC) |
| Air Quality | |
| | Protection of the Environment Operations (Clean Air) Regulation 2002 |
| | Approved Methods for the Modelling and Assessment of Air Pollutants in NSW (DEC) |
| | Approved Methods for the Sampling and Analysis of Air Pollutants in NSW (DEC) |
| Greenhouse Gas | |
| | AGO Factors and Methods Workbook (AGO) |
| - | Guidelines for Energy Savings Action Plans (DEUS, 2005) |
| Transport | Ocida ta Tasffia Ocassafias Davidamenta (DTA) |
| | Guide to Traffic Generating Development (RTA) |
| | Road Design Guide (RTA) |
| Waste | W + A + 1 |
| | Waste Avoidance and Resource Recovery Strategy 2007 (DECC) |
| | Environmental Guidelines: Solid Waste Landfills (EPA) |
| | Environmental Guidelines: Assessment, Classification, and Management o Non-Liquid and Liquid Waste (EPA) |
| Hazards | |
| | State Environmental Planning Policy No. 33 – Hazardous and Offensive Development |
| | Applying SEPP 33 – Hazardous and Offensive Development Application Guidelines (DUAP) |
| | Hazardous Industry Planning Advisory Paper No. 6 – Guidelines for Hazard Analysis |
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| Rehabilitation | |
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| | Mine Rehabilitation – Leading Practice Sustainable Development Program |
| | for the Mining Industry (Commonwealth of Australia) |
| | Mine Closure and Completion – Leading Practice Sustainable Development Program for the Mining Industry (Commonwealth of Australia) |
| Social & Economic | |
| | Draft Economic Evaluation in Environmental Impact Assessment (DOP) |
| | Techniques for Effective Social Impact Assessment: A Practical Guide (Office of Social Policy, NSW Government Social Policy Directorate) |
| Strategic Plans | |
| | Illawarra Regional Strategy (DOP) |
| | Illawarra Regional Environmental Plan No. 1 |
| | Special Areas Strategic Plan of Management 2007 (SCA & DEC) |