Illawarra Coal



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Illawarra Coal Holdings Pty Ltd BHP Billiton Illawarra Coal Administration Centre Old Port Road Port Kembla New South Wales 2505 Australia PO Box 514 Unanderra New South Wales 2526 Australia Tel: +61 2 4255 3200 Fax: +61 2 4255 3201 bhpbilliton.com

Attention: Mr Richard Pearson Director-General Department of Planning 23-33 Bridge Street SYDNEY NSW 2000

Dear Mr Pearson

Bulli Seam Operations Project (MP 08_0150) Preferred Project Report

This letter and its attachments form a Preferred Project Report (PPR) in respect of the Bulli Seam Operations Project (MP 08_0150) (the Project) in response to your letter (dated 17 September 2010). This PPR describes the proposed changes to the Project and the consequential minimisation of its environmental impact.

This PPR should be read in conjunction with: the Environmental Assessment prepared for the Project; the responses to submissions provided to the Department of Planning and the Planning Assessment Commission; and other supplementary information provided to the DoP and the PAC.

The changes that BHP Billiton Illawarra Coal propose to the Project are to remove the North Cliff and Appin Area 2 domains, the majority of the Appin Area 3 domain and two longwalls from West Cliff Area 5 domain from the Project as described in the current project application. The modification to the Project as described in the PPR minimises the projects environmental impact.

Yours sincerely

Colin Bloomfield

President

BHP Billiton - Illawarra Coal

Att

Illawarra Coal Holdings Pty Ltd ABN 69 093 857 286

PROPOSED CHANGES

Figure 1 illustrates the key changes that BHP Billiton Illawarra Coal propose to the Project via the PPR. These changes comprise the removal of the North Cliff and Appin Area 2 Extended mining domains, the majority of the Appin Area 3 Extended mining domain and two longwalls from the West Cliff Area 5 mining domain. Longwall mining and associated surface activities in these domains (or parts thereof) are no longer sought as part of the Project.

KEY IMPLICATIONS AND CONSEQUENTIAL ENVIRONMENTAL IMPACTS

Key implications of the changes outlined above include the following:

- Longwall mining and associated surface activities in the Woronora Special Area are excluded.
- Longwall mining and associated surface activities in the O'Hares Creek Special Area are excluded.
- Longwall mining and associated surface activities in the Dharawal State Conservation Area are reduced significantly.
- Longwall mining and associated surface activities in the Metropolitan Special Area are reduced significantly.
- Longwall mining and associated surface activities in the Holsworthy Military Area are excluded.
- Minimum depth of cover within the "Extent of Longwall Mining Area" (as shown on Figure 1) is increased to approximately 400 m.

As a consequence, the Project would no longer involve potential mine subsidence effects, surface disturbance or other mine related effects on the following key environmental aspects associated with the domains (or parts thereof) as described above:

- · streams and other sources of water;
- upland swamps;
- cliff lines;
- Aboriginal sites;
- riparian zones and communities (including potential and known threatened species habitats and threatened ecological communities); and
- various forest, woodland and heath communities (including potential and known threatened species habitats and threatened ecological communities).

Further detail on the consequential environmental impacts to the above listed key environmental aspects is provided below:

• A reduction in the number of streams¹ located above the extent of longwall mining area and within 600 m of the edge of secondary extraction from 47 to 29 streams (i.e. 18 streams removed). The 18 streams removed include:

Cataract River
 Woronora River
 Lizard Creek
 Wallandoola Creek
 Wallandoola East Creek
 Stokes Creek
 Dahlia Creek
 Tributary to O'Hares Creek 1
 Tributary to Punchbowl Creek
 Tributary to Woronora River
 Tributary to Cataract River 1
 Tributary to Cataract River 2

Punchbowl Creek
 Cobbong Creek
 Tributary to Cataract Reservoir 1
 Tributary to Cataract Reservoir 2

- Removal of approximately 72 km of streams located above the extent of longwall mining area and within 600 m of the edge of secondary extraction.
- A reduction in the number of upland swamps located above the extent of longwall mining area and within 600 m of the edge of secondary extraction from 226 to 0 upland swamps (i.e. removal of all 226 upland swamps).
- A reduction in the number of Aboriginal heritage sites located above the extent of longwall mining area and within 600 m of the edge of secondary extraction from 632 to 160 (i.e. removal of 472 Aboriginal heritage sites), including:
 - Seven of the nine sites of particular cultural significance.
 - Twelve of the 14 sites of high archaeological significance.
 - Forty-two of the 65 sites of moderate archaeological significance.
- A reduction of the number of cliff lines located above the extent of longwall mining area and within 600 m of the edge of secondary extraction from 611 to 290 cliff lines (i.e. removal of 321 cliff lines).
- A reduction of the length of cliff lines located above the extent of longwall mining area and within 600 m of the edge of secondary extraction from approximately 25 km to 10 km (i.e. removal of approximately 15 km of cliff line).
- Removal of approximately 205 ha of mapped Threatened Ecological Communities located above the extent of longwall mining area and within 600 m of the edge of secondary extraction.
- Removal of approximately 11,360 ha of mapped vegetation located above the extent of longwall mining area and within 600 m of the edge of secondary extraction.

CONCLUSION

The changes to the Project described in this PPR result in the minimisation of the environmental impacts of the Project. Given that the proposed changes to the Project only include the removal of mining domains there is no requirement for further consideration of the removed domains.

Includes rivers as named on the Appin, Bargo, Bulli, Camden, Campbelltown and Picton 1:25,000 topographic mapping (Lands Department, 2000) and streams of third order or above according to the Strahler stream classification system consistent with the report *Impacts of Underground Coal Mining on Natural Features in the Southern Coalfield Strategic Review* (DoP, 2008).

