



NSW GOVERNMENT
Department of Planning

Industry & Mining
Major Development Assessment
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Mr Eduard Haegel
Chief Operating Officer
Hunter Valley Energy Coal Pty Ltd
Private Mail Bag 8
MUSWELLBROOK NSW 2333

Our Ref: S02/02202-27

Dear Mr Haegel

Mount Arthur Coal Project (09_0062)
Director-General's Requirements

The Department has received your application for the Mount Arthur 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 public authorities, and are based on the information you have provided to date. I have also attached a copy of the authorities' 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 in Canberra (6274 1111 or <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:

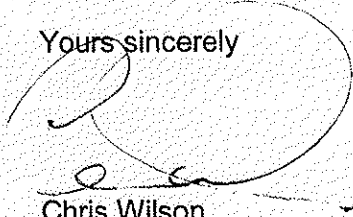
- applicable fee (see Division 1A, Part 15 of the Environmental Planning and Assessment Regulation 2000); and
- number of copies (hard-copy and CD-ROM) of the Environmental Assessment that will be required for exhibition purposes.

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.

If you have any enquiries about these requirements, please contact Rohan Tayler on 9228 6438 or rohan.tayler@planning.nsw.gov.au.

Yours sincerely



21.4.09

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	09_0062
Project	The Mount Arthur Coal Project, which includes: - expanding open cut mining operations at the mine, and increasing the extraction rate of these operations from 20 to 28 million tonnes of raw coal a year; - processing up to 36 million tonnes of raw coal on site (that is, the coal from both the open cut and underground mining operations); - augmenting, upgrading and using the existing surface infrastructure at the mine, including the construction of a new coal loader; - relocating a section of Edderton Road; - exporting up to 27 million tonnes of product coal a year from the complex by rail; - rehabilitating the site; and - consolidating all the existing development consents for the open cut mining operations at the mine into a single, modern planning approval.
Location	Approximately 5 kilometres southwest of Muswellbrook
Proponent	Hunter Valley Energy Coal Pty Ltd
Date of Issue	21 April 2009
General Requirements	The Environmental Assessment of the project must include: - an executive summary; - a detailed description of: - existing and approved mining operations and industrial development in the vicinity of the Mount Arthur mining complex; - historical mining operations at the Mount Arthur mining complex; - existing and approved mining operations and infrastructure on the site, including a copy of all relevant statutory approvals; - existing and/or approved biodiversity and heritage offset areas; and - the existing environmental management regime; - a detailed description of the project, including the: - need for the project; - alternatives considered, including justification for the proposed mine plan; - likely staging of the project; - likely interactions between existing and approved mining operations and 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 on this environment, including any cumulative impacts, taking into consideration any relevant laws, policies, guidelines and plans; and - a description of the measures that would be implemented to avoid, minimise, and if necessary offset the potential impacts of the project, including detailed contingency plans for managing any significant risks to the environment; - a statement of commitments, outlining the proposed environmental management and monitoring measures;

	• a conclusion justifying the project, taking into consideration: the suitability of the site; the economic, social and environmental impacts of the project as a whole; and whether the project is consistent with the objects of the <i>Environmental Planning & Assessment Act 1979</i>; and • a signed statement from the author of the Environmental Assessment, certifying that the information contained within the document is neither false nor misleading.
Key Issues	• Air Quality – including a quantitative assessment of potential air quality impacts of the project; • Noise & Blasting – including a quantitative assessment of the potential : - construction, operational and off-site road and rail noise impacts; - blasting impacts of the project on people, livestock and property (paying particular attention to those properties with heritage significance); • Biodiversity – including: - accurate predictions of the proposed vegetation clearing; - a detailed assessment of the potential impacts of the project on any: - o terrestrial and aquatic threatened species, populations, ecological communities or their habitats; and - o existing or approved offset areas; - a revised offset strategy for the mining complex to ensure that the project will maintain or improve the biodiversity conservation value of the region; • Heritage – including a detailed assessment of the potential impacts of the project on the Macleans Hill and Mount Arthur Northwest Slopes Heritage Management Zones; • Soil & Water – including: - a site water balance for the project; - a detailed assessment of the potential impacts of the project, using quantitative modelling, on: - o the quantity and quality of both surface and ground water resources; - o water users, both in the vicinity of and downstream of the project; - o the riparian and ecological values of the watercourses both on site and downstream of the project; - o environmental flows; and - o flooding; - a detailed description of the proposed water management system on site; • Transport – including: - accurate predictions of the road and rail traffic of the project; and - a detailed assessment of the potential impacts of this traffic on the capacity, efficiency, and safety of the road and rail networks; and - a detailed description of the strategy for the proposed relocation of Edderton Road, including conceptual plans for the proposed road works; • Visual – including: - a detailed assessment of the potential visual impacts of the project on the amenity of the surrounding area, paying particular attention to the potential impacts of the project on the residential areas of South Muswellbrook and the views of the project from the surrounding road network; - a detailed description of the measures that would be implemented to minimise these impacts, including the proposed landscaping to screen the surface facilities and operations, and the proposed measures to minimise the potential lighting and signage impacts of the project; • Greenhouse Gas – including: - a quantitative assessment of the potential scope 1, 2 and 3 greenhouse gas emissions of the project;

	- a qualitative assessment of the potential impacts of these emissions on the environment; and - an assessment of all reasonable and feasible measures that could be implemented on site to minimise the greenhouse gas emissions of the project and ensure it is energy efficient; • Waste – including: - accurate estimates of the quantity and nature of the potential waste streams of the project, including tailings and coarse reject; and - a detailed description of the measures that would be implemented to minimise the production of waste on site, and ensure that any waste produced is appropriately handled and disposed of; • Rehabilitation – including a detailed description of the proposed rehabilitation strategy for the mining complex, having particular regard to: - the key objectives and principles in the Strategic Framework for Mine Closure (ANZMEC/MCA); - any relevant strategic land use planning or resource management plans or policies; - the potential for integrating this strategy with any other offset strategies in the region; • Social & Economic – including: - an assessment of the potential impacts of the project on the local and regional community, paying particular attention to the demand it may generate for the provision of additional infrastructure and services; - a detailed assessment of the costs and benefits of the project as a whole, and whether it would result in a net benefit for the NSW community.
References	The environmental assessment of the key issues listed above must take into account relevant guidelines, policies, and plans. While not exhaustive, the following attachment contains a list of some of the guidelines, policies, and plans that may be relevant to the environmental assessment of this 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; • Roads and Traffic Authority; and • Muswellbrook Council. The consultation process, and the issues raised during this process, must be described in the Environmental Assessment.
Deemed refusal period	120 days

Policies, Guidelines & Plans

Aspect	Policy /Methodology
Risk Assessment	AS/NZS 4360:2004 Risk Management (Standards Australia) HB 203: 203:2006 Environmental Risk Management – Principles & Process (Standards Australia)
Air Quality	Protection of the Environment Operations (Clean Air) Regulation 2002 Approved Methods for the Modelling and Assessment of Air Pollutants in NSW (EPA) Approved Methods for the Sampling and Analysis of Air Pollutants in NSW (EPA)
Noise & Blasting	NSW Industrial Noise Policy (EPA, 1999) Environmental Criteria for Road Traffic Noise (EPA, 1999) Interim Guideline for the Assessment of Noise From Rail Infrastructure Projects (DECC) Draft NSW Construction Noise Guideline (DECC, 2008) ANZECC Guideline to Minimise Annoyance Due to Blasting Overpressure & Ground Vibration (ANZECC)
Biodiversity	Draft Guidelines for Threatened Species Assessment under Part 3A of the <i>Environmental Planning and Assessment Act 1979</i> (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 Guidelines for Developments Adjoining DEC Land (DEC)
Heritage	Draft Guidelines for Aboriginal Cultural Heritage Impact Assessment and Community Consultation (DEC, 2005) The Burra Charter (The Australia ICOMOS charter for places of cultural significance) NSW Heritage Manual (NSW Heritage Office & DUAP)
Soil and Water	Rural Land Capability Mapping (DLWC) Agricultural Land Classification (DPI)
Soil	Australian and New Zealand Guidelines for the Assessment and Management of Contaminated Sites (ANZECC & NHMRC) National Environment Protection (Assessment of Site Contamination) Measure 1999 (NEPC, 1999) State Environmental Planning Policy No. 55 – Remediation of Land Managing Land Contamination – Planning Guidelines SEPP 55 – Remediation of Land (DOP)
Surface Water	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) 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) Using the ANZECC Guideline and Water Quality Objectives in NSW (DEC) State Water Management Outcomes Plan Hunter Regulated River Water Source Water Sharing Plan (DIPNR, 2004)

Groundwater	Draft Hunter Unregulated and Alluvial Water Sources Water Sharing Plan 2008
	NSW Government Water Quality and River Flow Objectives (DECC)
	Approved Methods for the Sampling and Analysis of Water Pollutants in NSW (DEC)
	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)
	Environmental Guidelines: Use of Effluent by Irrigation (DECC)
	National Water Quality Management Strategy Guidelines for Groundwater Protection in Australia (ARMCANZ/ANZECC)
	NSW State Groundwater Policy Framework Document (DLWC)
	NSW State Groundwater Quality Protection Policy (DLWC)
	Draft NSW State Groundwater Quantity Management Policy (DLWC)
Transport	Murray-Darling Basin Groundwater Quality. Sampling Guidelines. Technical Report No 3 (MDBC)
	Murray-Darling Basin Commission. Groundwater Flow Modelling Guideline (Aquaterra Consulting Pty Ltd)
Greenhouse Gas	Guidelines for the Assessment & Management of Groundwater Contamination (DECC, 2007)
Waste	Guide to Traffic Generating Development (RTA)
	Road Design Guide (RTA)
Rehabilitation	National Greenhouse Accounts (NGA) Factors (AGO)
	Guidelines for Energy Savings Action Plans (DEUS)
Hazards	Environmental Guidelines: Solid Waste Landfills (EPA)
	Waste Classification Guidelines (DECC)
Social & Economic	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)
	Strategic Framework for Mine Closure (ANZMEC/MCA)
	Synoptic plan: Integrated Landscapes for Coal Mine Rehabilitation in the Hunter Valley of NSW (DMR, 1999)
Social & Economic	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
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)