



Department of Primary Industries

OUT13/26061

22 OCT 2013

Mr Matthew Sprott
Department of Planning and Infrastructure
GPO Box 39
SYDNEY NSW 2001

Dear Mr Sprott

Thank you for your email of 2 September 2013 concerning Review of the Agricultural Impact Statement for the proposed Bengalla Coal Mine – Continuing Operations.

The Office of Agricultural Sustainability & Food Security (OAS&FS) has reviewed the AIS provided by Bengalla Mining Company Pty Ltd dated July 2013. Specific issues are included in Attachment 1 enclosed. A brief summary follows:

The details regarding agricultural land resource issues are adequate. Aspects include:

- landforms and topography, and current land use;
- investigation of soils and capability; and
- soil material available for land rehabilitation.

It is noted that a review of the mapped Biophysical Strategic Agricultural Lands (based on the Strategic Regional Land Use Plan for the Upper Hunter 2012) indicates 28 ha is within the project area, while the verification investigation shows that only 1 ha is to be affected in the disturbance area. Based on the 2012 CIC maps, none of the 35 ha of equine CIC in the project area is to be disturbed and 369 ha of the 494 ha of viticultural CIC land identified will be disturbed. The amended CIC maps as per the NSW Government announcement in "Getting the Balance Right – NSW Land Use" of early October 2013, indicate that there is less viticultural CIC land in the project area. This land is currently used for grazing activities and does not support any existing viticultural enterprises, so this loss is not considered a concern given the proposed remediation.

The socio-economic aspects have been assessed reasonably including:

- regional community and agricultural support services, processing and value adding industries and regional employment; and
- agricultural lands enterprises and infrastructure, landscape values and impacts on tourism infrastructure.

The Office recommends that:

- a tree planting program at the boundary of the mine expansion be undertaken in consultation with the olive grove management to reduce the impact on that enterprise; and
- an assessment be undertaken on the issues raised by the community (such as decline of land values in the area) and how these concerns have been rated and dealt with.

This advice from the Office of Agricultural Sustainability & Food Security is forwarded directly to the Department of Planning & Infrastructure in accordance with agreed arrangements for mining applications that affect agricultural land.

Additional advice from the other divisions within the Department of Primary Industries may be forwarded by separate letter.

If you wish to discuss the issue further please call Rob Williamson on telephone 02 6391 3166 or by email robert.williamson@dpi.nsw.gov.au

Yours sincerely



Dr Regina Fogarty
Director Office of Agricultural Sustainability & Food Security

Encl

Specific Agricultural Impact Assessment Issues

A. Agricultural issues

There is adequate detail that deals with current land use in the area, landscape description and a suitable level of detail associated with the investigation of soil and land capability addressing soil materials available for reclamation use.

It is noted that mapped Strategic Regional Land Use Plan Lands (SRLUP) indicate 28 hectares is within the project area, while the verification investigation shows that only 1 ha is to be affected in the disturbance area. None of the 35 hectares of equine CIC in the project area is to be disturbed and 369 ha of the 494 ha viticultural CIC land identified by verification will be disturbed. The amount of these lands is considered to now be less with the amended maps available per the DP&I announcement in 'Getting the Balance Right – NSW Land Use' in early October 2013. This aspect and the fact that the land is used for grazing with the nearest vineyard 6 kilometres south of the project area leads us to determine that the impact on the viticultural industry is minimal.

B. Socio-economic Assessment:

The following provides a review of the socio-economic components of the Agricultural Impact Statement (AIS) provided as part of the Continuation of Bengalla Mine Environmental Impact Statement (EIS). The AIS and supporting documentation were reviewed with reference to the following material: Strategic Regional Land Use Policy Delivery Guideline – Guideline for AISs (March 2012), AIS Fact Sheet (September 2012), and the Strategic Regional Land Use Policy Guideline for AISs (Re-issued October 2012).

1. Impacts on agricultural enterprises, including farm productivity, land values and flow on impacts to regional communities and the environment.

a) Farm productivity

The AIS Executive Summary outlines that "approximately 964 ha will be temporarily removed from agriculture (Disturbance Boundary)"; that "land within the Disturbance Boundary has a relatively low productivity"; and that the "gross value of production from the beef enterprises within the Disturbance Boundary is estimated to be \$129,313 per annum" (p.3). This is discussed in detail in AIS Section 8.1.1. This impact is considered minimal.

b) Land values

The proposed development is an expansion of an existing mine within the area for which the proponent has an exploration licence, in a landscape dominated by mining. Community consultation reported in EIS Section 6 – Stakeholder Engagement indicates that the community is concerned about the potential impact of the Project on "Property devaluation in the local area" (p.111, Table 23). The proponent claims to have addressed this issue in EIS Section 8.14 – Social, but this is not the case. Hence, no assessment can be made.

c) Flow on impacts to regional communities

The AIS presents information regarding the flow on impacts to the regional agricultural community and concludes that there would be minimal adverse impacts (AIS Section 8.1.4). We consider that sufficient information has been provided and that this claim is reasonable given that the proposed development would result in minimal loss of arable land.

2. Any water that is transferred or will no longer be available for agricultural use.

The AIS indicates that the Project would require up to 2,420 ML per annum from Hunter River surface and ground water sources, for which the gross value of lost production from irrigated agriculture has been estimated would be \$1,003,597 per annum, assuming 100% allocation (AIS Section 8.1.2). We consider that this claim is reasonable.

3. Impacts on agricultural support services, processing and value adding industries and regional employment.

a) Agricultural support services

The AIS indicates that minimal adverse impact is expected (AIS Section 8.9). We consider that this claim is reasonable given that the Project would result in minimal loss in agricultural activity.

b) Processing and value adding industries

The AIS indicates that minimal adverse impact is expected (AIS Sections 8.1.3, 8.1.4 and 8.9). We consider that this claim is reasonable given that the Project would result in minimal loss in agricultural activity.

c) Regional employment

Regional employment is addressed in AIS Section 4.4. The AIS indicates that the Project would result in minimal loss in agricultural employment due to the change in land and water use (p.56, Table 23, AIS Section 8.1.4). We consider that this claim is reasonable.

4. Impact on visual amenity, landscape values and tourism infrastructure relied upon by local and regional agricultural enterprises.

The proposed development is an expansion of an existing mine within the area for which the proponent has an exploration licence, in a landscape dominated by mining.

a) Visual amenity

The potential impact of the Project on visual amenity is addressed in AIS Section 8.6 and EIS Appendix I – Visual Impact Assessment. There are already cumulative adverse impacts on visual amenity due to mining in the locality. The proponent claims that limited additional adverse impact on visual amenity is expected. However, there would be significant visual impact on the adjacent Pukara Estate olive grove. The proposed development would be in full sight of visitors approaching this tourist attraction. It is recommended that the proponent plant trees along the boundary of the proposed mine

expansion and the olive grove to minimise adverse visual impacts. This tree planting should be designed, established and managed in consultation with Pukara Estate. The proponent has committed to implement landscape strategies to achieve visual screening in consultation with affected landholders and land management agencies (p.97, Appendix I – Visual Impact Assessment, Section 8.1.2).

b) Landscape values

The potential impact of the Project on landscape values is addressed in AIS Section 8.6 and EIS Appendix I – Visual Impact Assessment. There are already cumulative adverse impacts on landscape values due to mining in the locality. The proponent claims that limited additional adverse impact is expected. We consider that this claim is reasonable.

c) Tourism infrastructure

The potential impact of the Project on agricultural related tourism is addressed in AIS Section 8.10 and EIS Appendix I – Visual Impact Assessment. The proponent indicates that minimal adverse impact is expected. We consider that this claim is reasonable.

5. Mitigation measures for minimising adverse impacts on agricultural resources, including agricultural lands, enterprises and infrastructure at the local and regional level.

a) Agricultural lands

The potential impact of the Project on agricultural lands is addressed in AIS Section 8. The proponent indicates that minimal adverse impact is expected. The proponent has committed to sustainable farming practices on the agricultural land that it owns, during the life of the Project and post-rehabilitation (Section 8.1.1).

b) Agricultural enterprises

The potential impact of the Project on agricultural enterprises is addressed in AIS Section 4.1. The proponent indicates that minimal adverse impact is expected. We consider that this claim is reasonable. As recommended in point 4 a), the proponent should plant trees along the boundary of the proposed mine expansion with the Pukara Estate olive grove to minimise adverse visual impacts.

c) Agricultural infrastructure

The AIS indicates that minimal adverse impact is expected (AIS Sections 8.1, 8.9 and 8.10). We consider that this claim is reasonable given that the Project would result in minimal loss in agricultural activity.

6. Documented consultation with adjoining land-users and Government Departments.

Consultation reported in EIS Section 6 – Stakeholder Engagement indicates that the community is concerned about the potential impacts of the Project (p.111, Table 23). However, no information is provided about the degree of concern for the issues raised. Details should be provided (e.g., a table detailing the number of times that an issue has been raised), so that an assessment can be made.