

Our Ref: M24-4

17 February 2015

Matthew Sprott
Senior Planning Officer – Mining Projects
Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2001

Dear Matthew

Subject: Mt Owen Continuation Project – Singleton Council Submission

At Singleton Council's meeting held on 16 February 2015, the Council resolved to endorse the attached submission in respect of the Mt Owen Continuation Project subject to the following additional issue being included under air quality on page 10 of the submission:

- Afford acquisition rights to privately owned residences affected in Year 1.

Please contact the undersigned should you require further clarification.

Yours faithfully



Mark Ihlein
Director – Planning & Sustainable Environment

ABN 52 877 492 396

Address all correspondence to the General Manager:

PO Box 314
SINGLETON
NSW 2330

DX 7063
SINGLETON

Administration Centre
located at:
Queen Street
Singleton

Ph: (02) 6578 7290

Fax: (02) 6572 4197

Email:

ssc@singleton.nsw.gov.au

Website:

www.singleton.nsw.gov.au



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LATE AGENDA

Council Meeting

Monday 16 February 2015

AGENDA

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Planning and Sustainable Environment Report (Items Requiring Decision)

DP&SE6/15 Mt Owen Continuation Project 2

A handwritten signature in black ink, appearing to read 'Linda Hyams'.

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GENERAL MANAGER

6. Mt Owen Continuation Project**FILE: M24-4****Author:** Mark Ihlein

Executive Summary

Mount Owen Pty Limited, a subsidiary of Glencore Coal has lodged an application with the NSW Department of Planning & Environment seeking consent to extend the North Pit to the south and extract 74 million tonnes of ROM coal and extend its operational life by 12 years to 2013. Additionally it is proposed to sequentially continue the currently approved Ravensworth East extraction rate of 4 Mtpa of ROM coal, and to extract approximately 12 Mt of ROM coal from the Bayswater North Pit followed by extraction of approximately 6 Mt of Rom coal from the Ravensworth East Resource Recovery area.

The proposal has been publically exhibited by the Department of Planning & Environment and any community submissions were to be made directly to the Department.

This report provides an overview of the likely environmental impacts arising from both proposals and where appropriate issues arising as a consequence that relate to the local community and infrastructure.

It is intended that this report together with other issues raised by Council would form Singleton Council's submission to the Department of Planning & Environment.

RECOMMENDED that this report be forwarded to the NSW Department of Environment and Planning as Singleton Council's submission in respect of the proposed Mount Owen Continued Operations Project.

Background

The Mt Owen Complex comprises three existing open cut operations being Mount Owen – North Pit, Ravensworth East – West Pit and the Glendell – Barrett Pit. It is anticipated that mining will commence in the northern portion of the approved Ravensworth East Mine in an area known as the Bayswater North Pit (BNP) in 2015. The Complex uses the Mount Owen coal handling and preparation plan, coal stockpiles and the rail load out facility.

The proponent indicates that it expects mining will be completed within the currently approved area of the North Pit in 2018 and the Ravensworth East Mine by 2021.

The Proposal

It is proposed to extend the North Pit to the south and extract 74 million tonnes of ROM coal and extend its operational life by 12 years to 2013. Additionally it is proposed to sequentially continue the currently approved Ravensworth east extraction rate of 4 Mtpa of ROM coal, and to extract approximately 12 Mt of ROM coal from the Bayswater North Pit followed by extraction of approximately 6 Mt of Rom coal from the Ravensworth East Resource Recovery area.

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The project also seeks to undertake the following infrastructure works:

- Upgrade Hebdon Road by constructing a road overpass over the Main Northern Rail Line that crosses Hebdon Road and a new dual lane bridge over Bowmans Creek;
- Provision for augmentation of the existing Mount Owen rail line through the construction of an additional rail line and northern turn-out west of the existing rail line;
- Extension and improvements to the existing Coal Handling Preparation Plant and coal stockpile facilities; and
- Upgrades to the Mine Infrastructure Area including increased capacity at the heavy vehicle workshop and fuel farm and upgrades to ancillary services.

The proposal is graphically reproduced from the EIS as **Attachment 1** to this report.

Legislative Context

State Significant Development

The project is declared as state significant under the *Environmental Planning & Assessment Act, 1979*. The Minister for Planning and Environment is the consent authority and may delegate this role to the Planning Assessment Commission.

Mining State Environmental Planning Policy

The State Government amended the Mining State Environmental Planning Policy in December 2013. The effect of the amendments is as follows:

- the significance of the resources (major and minor) must be considered;
- stipulates the key environmental, ecological and amenity criteria to be used to protect water resources, habitat and amenity;
- raises the importance of the NSW Office of Environment and Heritage (OEH) in the assessment process, by ensuring that a consent authority must consider OEH's certification of biodiversity mitigation and offset measures.

These matters will need to be considered by the consent authority in determining the applications.

State Policies

Upper Hunter Strategic Regional Land Use Policy

The Upper Hunter Strategic Land Use Policy was released in September 2012. The effect of this policy is that it requires projects to demonstrate the extent to which they impact on mapped biophysical agricultural land. The proposal does not impact on any such land.

Aquifer Interference Policy

A ground study has been carried out which concludes that the standards contained within the policy would be met.

Singleton Local Environmental Plan

The subject site is zoned RU1 under the Singleton Local Environmental Plan within which open cut mining is permissible with consent.

Local Environmental Impact

Noise

A full assessment of noise and vibration was carried out in accordance with the Industrial Noise Policy (the INP, EPA 2000). A predictive noise modelling assessment was undertaken which considers weather conditions, direct and cumulative noise impacts.

The results from the noise assessment report in the EIS are summarised as:

- Noise impacts to Falbrook and Middle Falbrook associated with the Project are predicted to increase in later years as mining within the North Pit progresses southeast and south with the worst case being Year 10 of the Project.
- Three private residences are predicted to experience noise levels greater than 5dB above the Project Specific Noise Level (PSNL) in Year 10 of the Project. This is considered an appreciable increase in noise which is likely to be noticeable by most people. Two of these properties are currently owned by the proponent while the other property would be entitled to be purchased by the proponent on request.
- Eight private residences are predicted to experience noise levels greater than 2dB and less than 5dB above the PSNL. This is considered to be a moderate increase in noise which is not likely to be noticeable by most people. These land owners will be offered the opportunity for residence specific mitigation such as double glazing of windows, acoustic insulation etc.
- Ten private residences are predicted to experience noise levels up to 2dB above the PSNL. This is considered to be a minor increase in noise which is not noticeable by most people and therefore ongoing noise monitoring will be conducted at these properties at the residents' request.

The following additional mitigation measures are proposed:

- Certain haul roads within the North Pit Continuation are designed to be below natural ground level in addition to the strategic placement of noise bunds.
- Modification of certain operations during adverse meteorological conditions identified as having potential to elevate noise levels beyond those predicted.
- Utilisation of continuous and attended noise monitoring; and
- Continued implementation of adaptive management, considering noise monitoring results and emerging technologies.

Issues

- A number of operational noise mitigation measures are proposed and Council requests the imposition of appropriate consent conditions confirming the proponent's ongoing commitment to this program.
- Health impacts associated with noise should be specifically addressed by the Department's assessment.

Biodiversity

There will be impact on approximately 451.5 hectares of native vegetation together with approximately 86.9 hectares of grassland rehabilitation.

Although not determined to be significant there is a predicted impact on the spotted-tailed quoll habitat.

A Biodiversity Offset Strategy is proposed to mitigate the residual impacts of the Project. The key components of the Strategy include:

- The long-term conservation of a 367 hectare property adjacent to the existing Mount Owen Biodiversity Offset Areas known as the Cross Creek Offset Site and proves a like for like environmental outcome.
- The long-term conservation of a 303 hectare property located in the Manobalai region west of Muswellbrook in the Upper Hunter.
- Establishment of the Stringybark Creek Habitat Corridor providing a 97.5 hectare area which links existing high quality habitat associated with the existing Mount Owen Biodiversity Offset areas and Ravensworth State Forest with adjacent corridors and proposed conservation areas at Glencores Liddell Operations to the west of the Project area. These corridors include key commitments relating to the establishment of spotted-tailed quoll habitat.
- Onsite mine rehabilitation which includes commitments to native vegetation re-establishment and fauna habitat augmentation.

The offset areas are depicted in a graphic from the EIS, appended as **Attachment 2**.

Issues

- Biodiversity offsets should be provided within the immediate locality and at the very least within the Singleton Local Government Area.

Rehabilitation

The EIS states the following:

The aim of the Mine Closure and Rehabilitation Strategy for the Project is to ensure sustainable post mining land use options including the development of native woodland areas that are contiguous with adjacent and existing native vegetation and offset areas supplementing local and regional revegetation linkages. In addition some areas suitable for sustaining potential future agricultural activities such as grazing will be established in the post mining landform.

The Strategy has also considered key strategic regional land use options and opportunities for integration with other Glencore operations in the Greater Ravensworth Area.

The existing rehabilitation strategy has benefited from extensive research with a recent assessment of ecological outcomes of mine rehabilitation, regeneration and revegetation demonstrating rehabilitation success at the Mount Owen Complex. Rehabilitation will continue to be undertaken progressively with disturbed areas being rehabilitated as soon as practicable throughout the life of the Project. Proposed rehabilitation activities have

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been designed to integrate with currently approved rehabilitation and final land use of other Glencore mines within the area. Mount Owen will continue to undertake a rehabilitation monitoring program to assess rehabilitation performance against the closure criteria and to facilitate continued improvement to rehabilitation practices.

Issues

- The adequacy of rehabilitation is an ongoing community concern which if carried out regularly minimises air quality impacts;
- A regular and systematic schedule of rehabilitation should be incorporated into any consent conditions which includes a significant per cent of exposed land being rehabilitated on an annual basis;
- The final land form will contain a significant void. It will be important that the final land form integrates with surrounding future land uses and the Council would appreciate being involved in future discussions in this regard.

Social

A Social Impact and Opportunities Assessment (SIOA) was prepared for the proposal.

A wide range of community interest stakeholders were consulted.

The main outcomes of the assessment are categorised as:

1. *Population Change Impacts*

No additional operational workers associated with the project are proposed. It is most likely that a temporary construction workforce would tend to reside in Singleton which is projected to be approximately 330 personnel. A proportion of this workforce would currently reside in the Singleton LGA and the broader Hunter Valley region.

2. *Impact on Housing and Accommodation*

There is predicted capacity to accommodate construction workers in existing housing within the Singleton LGA.

3. *Impact on Community Services and Facilities*

Stakeholder feedback identified a range of general and specific impacts regarding existing road infrastructure in the local area. Increases in local traffic from mine related activities were also raised.

4. *Impact on Social Amenities*

Air quality and noise impact issues were the highest ranking key stakeholder concerns raised. These comprise cumulative impacts in relation to air quality and general operational noise and rail noises, with night time and early morning noise of particular concern.

Blasting and traffic were raised and assessed as medium concerning issues with visual change also raised, however it was assessed as low.

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The assessment concludes that given the size of the study area and the extent of predicted impacts from the proposed extended operations there is not anticipated to be any significant negative consequences regarding community sustainability.

A number of strategies are proposed to mitigate and/or enhance Project impacts, being:

- Working with landholders and tenants to meet their needs to maximise opportunities for continued occupancy, where possible;
- Provision of a list of accommodation options outside of Singleton township to facilitate the influx of the Project's construction workforce;
- Ongoing communication with Council regarding matters of interest to Council, such as social and amenity, traffic, agriculture, water and offsets, as well as construction workforce scheduling, composition housing requirements etc;
- Acquisition and/or management of properties predicted to have air quality or noise impacts above relevant regulatory levels, in accordance with requirements of Project approval; development of a program for potential collaboration with neighbouring mines regarding specific residences common to relevant mining operations;
- Rainwater tanks to be cleaned at privately-owned properties every three years within a 4 kilometre radius from the approved mining limit;
- Wider distribution of the 'Dust and You' fact sheet to include all landholders within a 4 kilometre radius from the approved Project Area;
- Further community awareness raising of the air quality monitoring network and location of monitors within the locality and wider region (eg through newsletter);
- Continued discussion with Singleton Council regarding the establishment of a Voluntary Planning Agreement that is commensurate with the local infrastructure impacts associated with the Project;
- Explore opportunities for the development of Mount Pleasant school based programs (with focus on environmental and biodiversity activities) – as part of revised Social Involvement Plan;
- Consideration of mechanisms to further involve the community in land management, eg working group/CCC involvement;
- Ongoing landholder and community engagement program, including regular distribution of newsletter and face to face contact with landholders and stakeholders;
- Open days/community function/social events, to be held within the locality, with frequency to be reviewed subject to attendance levels;
- Consideration of a workforce participation program to enhance workforce participation in voluntary local community activities eg rural bushfire service;
- Continued implementation of the Glencore Corporate Community Involvement Plan and Mount Owen Social Involvement Plan;
- Continuation of operational economic benefits to local townships and the broader region through employee and supplier expenditure;
- Inclusion of weighted consideration regarding competent and capable local/regional companies in procurement process; and
- Commitment to recruit regionally, where possible.

Issues

- Voluntary Planning Agreements provide an opportunity for the proponent to seek to offset some of the potential adverse social and environmental impacts on the

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community associated with a project in terms of financial initiatives. The Council requests that a suitable consent condition be imposed should consent be recommended.

Economic

A cost benefit analysis and regional economic impact assessment, was undertaken to assess the economic benefits of the proposal and address the requirements of the Guideline for the use of Cost Benefit Analysis in mining and coal seam gas proposals (NSW Government 2012), the Guideline for economic effects and evaluation in EIA (Planning NSW 2002), and the NSW Government Guidelines for Economic Appraisal (NSW Treasury 2007). The assessments were undertaken by Deloitte Access Economics.

The findings of the Economic Assessment are summarised as follows:

- The continuation of operations of the Mount Owen mine will have a significant positive economic impact, for the Hunter Valley and the State of NSW.
- In total the Project is anticipated to:
 - Deliver an incremental net benefit of around \$758 million over the life of the Project and a benefit cost ratio of around 1.30.
 - Generate royalties estimated to be worth around \$258 million in NPV terms to the NSW Government.
 - Estimated that the Project would generate a net benefit to the Singleton community of around \$306 million (in NPV terms) over the life of the Project.
 - Provide over the life of the Project, around \$1.3 billion in NPV terms to the Hunter Region's Gross Regional Product (GRP).
 - Provide around \$1.9 billion (NPV terms) to the NSW Gross State Product (GSP) (including the Hunter).
 - Provide state-wide employment peaks in 2020 of almost 1,200 full time equivalent (FTEs) workers. Of this, about 1,000 are estimated to be employed in the Hunter region.

Issues

- Council would request that in the absence of a successful negotiation prior to determination of the Project, and should consent be granted, that a suitable consent condition be imposed setting a framework to negotiate a Voluntary Planning Agreement which seeks to offset social and environmental impacts by developing a range of commitments from the proponent to implement appropriate programs and strategies within the immediate locality and the broader Singleton Council Local Government Area.

Traffic and Transport

General site access traffic is proposed to continue to use the main access off Hebden Road, while construction related traffic will use Glennies Creek and Forest Road. It is proposed to construct a new dual lane bridge over Bowmans Creek and rail pass over the Main Northern Rail Line to improve road service levels and safety.

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A traffic impact assessment has been undertaken which indicates that both the New England Highway/Hebden Road and New England Highway/Glennies Creek intersections will operate, during peak traffic demands at good traffic service levels with minimal delays and queue lengths during construction. Traffic levels associated with the continued operations will be similar to current traffic levels while current traffic volumes on the local road network are considered moderate to low. The Assessment concludes that the Project is not expected to result in unacceptable traffic conditions or traffic service levels.

Issues

- Forest Road is an unsealed non maintained Council road which is intended to be used by trucks during construction. The proposed level of usage could create unsafe conditions for the construction traffic. Council would request that a suitable condition be imposed ensuring that the road is suitably maintained and left in a satisfactory condition.
- The design of the new dual lane bridge over Bowmans Creek presents constraints and challenges which will result in steeper grades within Hebden Road between Bowmans Creek and the New England Highway. While this is not desirable it is acknowledged that the site constraints have significantly influenced this outcome.

Blasting

The blasting assessment states that vibration and overpressure limits will be met and no impacts from fume emissions are predicted.

Issues

- Best practice blast management should continue to be implemented and be incorporated into any consent conditions.
- An online blast schedule should be provided and updated regularly.

Aboriginal Heritage

A Cultural Heritage Assessment has been undertaken which indicates that the wider regional cultural landscape surrounding the project area does hold high cultural and historical significance to the Wonnarua people. However the area within the Project Area is highly disturbed and fragmented and is considered to be of low to moderate archaeological significance.

Cultural heritage management measures have been developed and Mount Owen will seek to establish an Aboriginal Working Group that will assist in implementing the measures.

Issues

- Council requests the Department ensures local aboriginal interests are protected.

European Heritage

No heritage sites or items have been identified within the Project area or would be impacted by the Project.

Air Quality

The air quality assessment undertaken for the proposal considers direct and predicted cumulative air quality impacts associated with the Project and other land uses, including approved mining operations. The EIS summarises the findings of the assessment as follows:

- One privately owned residence, without current acquisition rights, is predicted to exceed the 24 hour average PM10 criterion (50 µg/m³) for the Project alone in Year 10 (approximately 2020).
- One privately owned residence, without current acquisition rights, is predicted to exceed the cumulative annual average PM10 criteria of 30 µg/m³ in Year 1 (2016).
- Twelve mine owned residences (11 Glencore owned, 1 Integra owned) are predicted to have 24 hour average PM10 levels in excess of the criterion.

Issues

- A PM10 and PM2.5 monitoring and reporting system should be established in respect of the expanded operations and the Minister for Planning be requested to impose a suitable consent condition in this regard should consent be granted.
- While the EIS seeks to address environmental health impacts in relation to particulate size, it does not consider any broader possible health impacts associated with air quality. Given that the proposal would continue the emission of particulate matter it is considered appropriate the proponent make a financial contribution toward a broader health impact study.
- The timely rehabilitation of exposed mined areas and over burden dumps is an ongoing issue of concern and would contribute to reducing adverse air quality impacts if carried out in a more timely manner. The extent and rate of rehabilitation on an annual basis should be prescribed through suitable conditions should consent be granted.
- The DPE is requested to apply and enforce appropriate rehabilitation conditions which meet best practice and community expectations.

Groundwater

The groundwater modelling demonstrates less water take than currently approved and no predicted impact on the water table in the alluvium.

Issues

- Should consent be granted best practice conditions be imposed in respect of ground water monitoring.

Surface Water

The EIS concludes the project will realise similar water demands and surpluses compared to existing operations. No adverse impacts are predicted on surface water quality of adjacent water features. In particular negligible impact is predicted on Main Creek, Glennies Creel and Bowmans Creek.

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- Should consent be granted best practice conditions be imposed to monitor surface water.

Visual Amenity

A comprehensive visual assessment has been carried out which included a radial analysis using 3D topographic information, panoramic photographs and visual montages.

The assessment indicates that two public viewing locations and two residences in the vicinity of the Project Area that have views of the existing Mount Owen and Ravensworth East Mining operations and would likely have a view of the Project. The impacts are to be mitigated through the screening effect of rehabilitation and development of final landform consistent with the surrounding natural landform.

The following specific measures are proposed:

- Progressive rehabilitation will be undertaken to reduce the duration of visible soil exposure;
- Ongoing management of mobile lighting to reduce the impacts of lighting at night, positioning lights so they are not pointing off site, shielded by walls, overburden emplacement areas and vegetation where practicable and the ongoing implementation of procedures for the appropriate placement of mobile lighting plant to reduce impact to local residents and public road;
- All fixed lighting associated with the Project will be installed and maintained in accordance with Australian Standard – Control of Obtrusive Effects of Outdoor Lighting.

Project Justification

The Project is anticipated to deliver net benefits of approximately \$758 million over the life of the Project and a Benefit Cost Ratio of 1.30.

Conclusions

This submission highlights some issues of concern to be raised with the Department of Planning and Environment.

It is considered that the local environmental impact issues have been reasonably addressed and could be managed. However, there are broader concerns regarding the cumulative impact of the project when considered within the broader mining context. It should be acknowledged that the EIS has sought to consider cumulative impact in relation to determining the local environmental impacts of the Project.

Mark Ihlein.

Mark Ihlein

Director Planning & Sustainable Environment Group

Attachments

AT-1 Proposed Mt Owen Continued Operations Project Plan

AT-2 Strategic Location of Cross Creek Offset Site in the Mt
Owen Offset Cluster

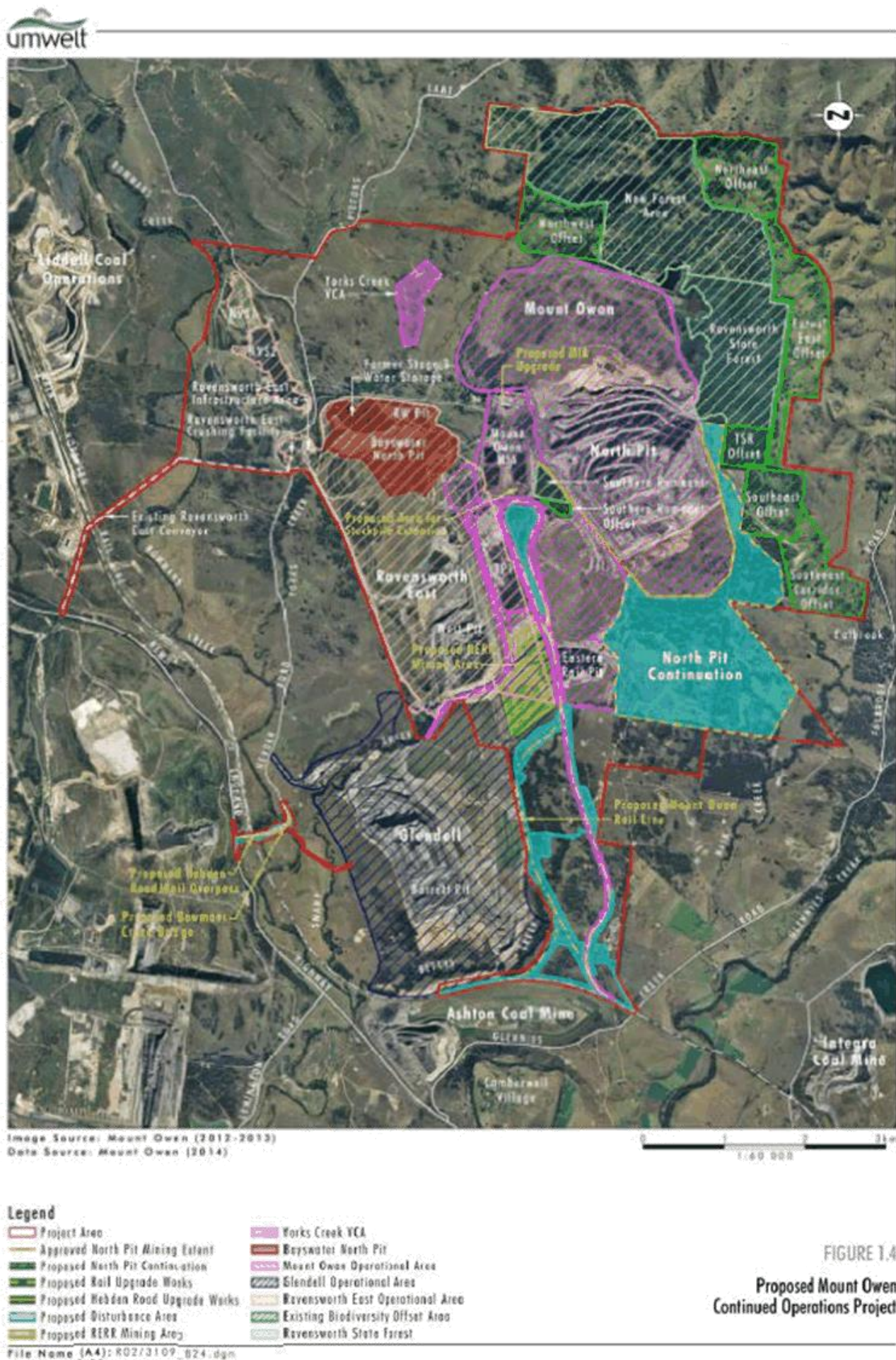
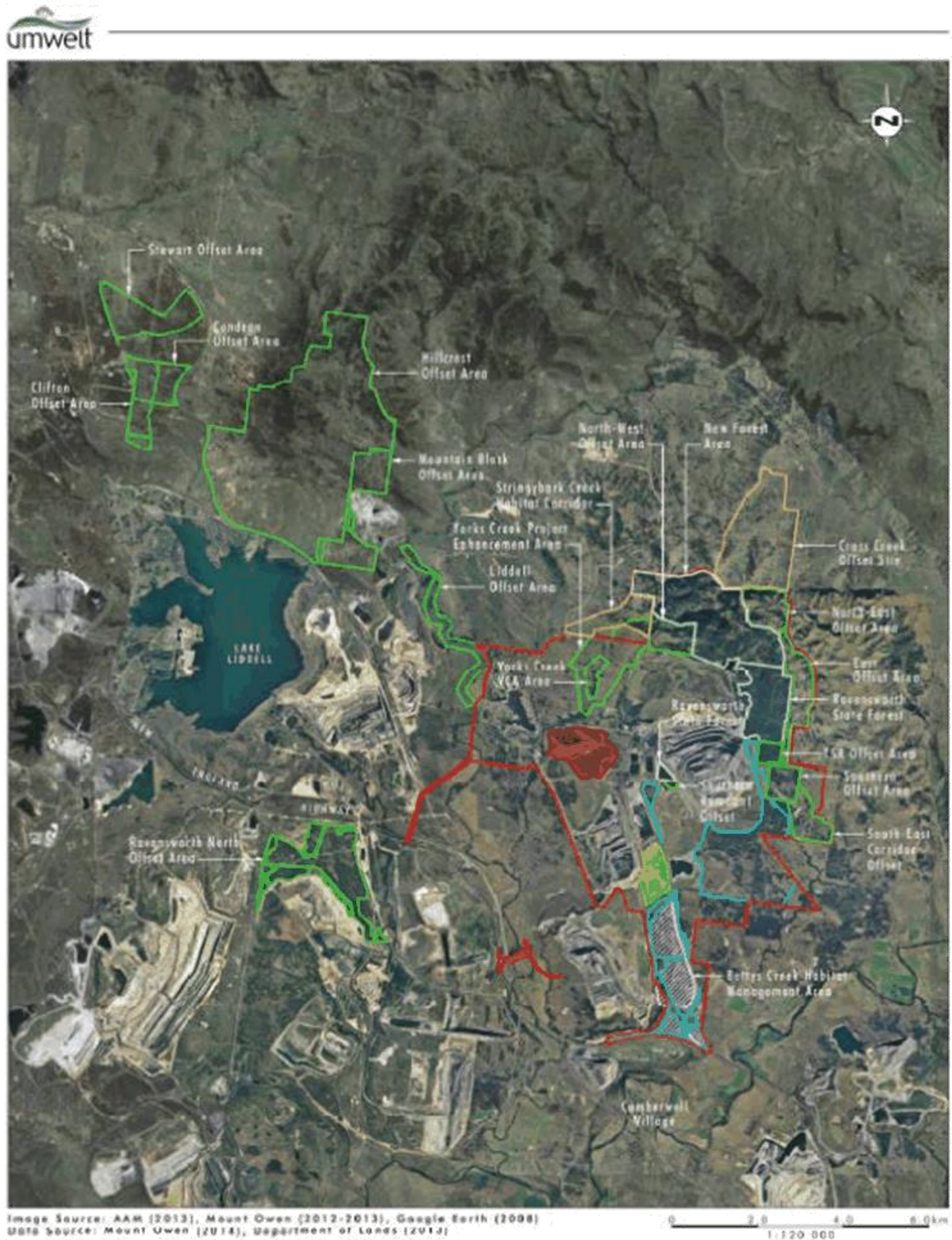


FIGURE 1.4
Proposed Mount Owen
Continued Operations Project



Legend

- Project Area
- Proposed Disturbance Area
- Proposed RERR Mining Area
- Baywater North Pit
- Approved Glencore Offsets
- Proposed Mount Owen Offsets
- Better Creek Habitat Management Area
- Ravensworth State Forest

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FIGURE 5.27

Strategic Location of Cross Creek Offset Site
 in the Mount Owen Offset Cluster