



Department of Primary Industries

OUT15/1414

19 MAR 2015

Matthew Sprott
Planning Officer
NSW Department of Planning & Environment
GPO Box 39
SYDNEY NSW 2001

Dear Mr Sprott

Thank you for your email of 21 January 2015 concerning the review of the Environmental Impact Statement (EIS) and Agricultural Impact Statement (AIS) for the proposed Mt Owen Continued Operations Project.

The Office of Agricultural Sustainability & Food Security (O AS&FS) has reviewed the EIS & AIS provided by Umwelt Australian Pty Ltd dated January 2015. A summary of specific comments regarding the EIS & AIS are included in Attachment 1.

There are no issues raised as a result of this review.

This advice from the Office of Agricultural Sustainability & Food Security is forwarded direct to the Department of Planning & Environment in accordance with agreed arrangements for mining applications that affect agricultural land. It includes specific advice provided by officers in Agriculture NSW and Strategy & Policy Branch.

Additional advice from the other divisions within NSW 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

Exhibition of *Mt Owen Continued Operations Project - SSD 5850* - Response to EIS & AIS.

Agricultural Resource Issues

Issues below are in relation to the DGR's Key Issues - Land Resources and rehabilitation.

1. Impact on the Presence of Biophysical Strategic Agricultural Land

There is an existing single lane bridge on Hebden Road across Bowman's Creek which is proposed to be upgraded to a dual lane bridge. Hebden's Road intersects BSAL at Bowman's Creek so there will be some disturbance of BSAL as a result of the upgrade. This bridge upgrade is not expected to impact on the agricultural productivity of the BSAL since this disturbance is on an existing road and this small area of BSAL is currently not used for agriculture and is not likely to be used for agriculture in the future.. There are no agricultural production issues raised in relation to this issue.

2. Soil Use for rehabilitation

The availability of soil material for rehabilitation from the three soil types identified in the proposed disturbance area indicates that there is enough material to support land restoration activities. The need to consider amelioration of the restoration area soils is also useful for ensuring a suitable environment for plant establishment and growth is also considered to be useful.

Agricultural Socio-economic Assessment

Issues below are in relation to the DGRs Key Issue – Agricultural Socio-economic Assessment.

The following provides a review of the socio-economic component of the Agricultural Impact Statement (AIS) provided as part of the Mt Owen Continued Operations Project Environmental Impact Statement (EIS). The AIS and supporting documentation were reviewed with reference to the Strategic Regional Land Use Policy Guideline for AISs (Re-issued October 2012) and the NSW DPI Agricultural Impact Statement technical notes (April 2013).

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

a) Agricultural support services

Areas to be removed from agriculture include 23.3ha of the Proposed Disturbance Area (p5.10) and 767ha of land (including 681ha of Class 5 to 7 grazing land and 149ha of native vegetation) as a biodiversity conservation offset (Table 5.3, p5.9).

The Proponent has estimated the value of lost production from the 23.3ha of the Proposed Disturbance Area to be \$4,700/year using the NSW DPI gross margin budget "Yearling (Southern/Central NSW)" Dec 2012 (Section 5.3.1, p5.10). This is a suitable valuation method.

The Proponent has not estimated the value of lost production from the grazing land to be removed from agriculture from the biodiversity conservation offset area. However, the value of production from the 681ha of grazing land to be removed from agriculture from the offset area can be estimated. Estimation by members of the Economic Research Unit within the Department has been undertaken as follows.

The Land Classes of the offset area are 5 to 7 (Table 5.3, p5.9) which are moderate to low productivity. Using the 2012 NSW DPI gross margin budget for “Inland weaners – stores” as the basis for estimation and assuming 2013-14 saleyard numbers are representative, it seems as though the reduction in livestock numbers would be relatively small, with the total estimated loss in livestock output approximately 0.13% of the total annual saleyard throughput for Scone and Singleton combined. Estimates are presented in Table 1.

Table 1: Estimate of agricultural production to be lost from offset grazing land (\$)

Offset area	Ha	Using 2012 NSW DPI Weaner budget (100 cows to 372ha)	Local saleyard	Annual throughput 2013-14	Annual throughput with MOCO development
Esparanga	153.8	34 head/yr	Scone	60,693	60,659
Cross & Stringybark Ck	464.5	104 head/yr	Singleton	45,258	45,154

Available information supports the claims of the Proponent that changes in land tenure, agricultural output and flow-on impacts to agricultural support services, processing and value adding industries as a result of the project will be small (Section 5.6, p5.14).

This assessment has been informed by the following material:

Upper Hunter Agricultural profile (DPI 2013) Accessed 18/02/2015

http://www.dpi.nsw.gov.au/data/assets/pdf_file/0018/471024/Upper-hunter-region-agricultural-profile.pdf

MLA Saleyard Surveys <http://www.mla.com.au/Prices-and-markets/Market-reports/Saleyards-surveys-2012-13> Accessed 26/02/2015

NSW DPI gross margin budget “Inland weaners – stores” Dec 2012

http://www.dpi.nsw.gov.au/data/assets/pdf_file/0007/175534/14-Inland-weaners.pdf

“The land and soil capability assessment scheme- A general rural land evaluation system for New South Wales” NSW Office of the Environment and Heritage, October 2012, <http://www.environment.nsw.gov.au/resources/soils/20120394lsc2s.pdf>

b) Processing and value adding industries

See point 1a). The estimates in Table 1 indicate that the reduction in annual local saleyard throughput is approximately 0.13%, which is well below the level suggested as a significant threshold (5%, NSW DPI Agricultural Impact Statement technical notes, April 2013).

c) Local and regional employment

The Project will require additional construction phase labour (330 additional employees for 18 months; Table 1.1, p1.3). Accommodation availability during this phase is not discussed in the AIS. However, it is analysed in Appendix 5, Section 7 of the EIS (Social Impact and

Opportunities Assessment (SIOA)). A low to medium risk was identified of accommodation in Singleton not being able to meet demand during the construction phase, and proposed mitigation measures for this scenario are listed in Table 8.1, p8.2 of the SIOA.

Available information supports the claims of the Proponent that the project is not expected to have any additional impacts on local and regional employment in the longer term as the permanent mine labour force is expected to remain unchanged (SIOA Section 1.2, p1.2).

The region has an existing skills shortage with competition for employees impacting a range of industries. Competition for agricultural labour from mining will continue and is a cumulative impact from the growth of mining in the region. Regional strategies are now being developed to address this issue (e.g. Upper Hunter Workforce Plan and Economic Diversification Project).

This assessment has been informed by the following material:

Upper Hunter Workforce Plan (2014). Accessed 19/02/2015

<http://www.muswellbrook.nsw.gov.au/index.php/about-council-main-menu/list-of-council-plans/list-of-council-plans-2/corporate-and-community-plans/1261-upper-hunter-workforce-plan-summary-final-april-2014/>

Upper Hunter Economic Diversification Project (2011)

http://upperhunter.nsw.gov.au/f.ashx/documents/economic_diversification_report_summary2011.pdf

2. Potential impact on visual amenity, landscape values and tourism infrastructure relied upon by local and regional agricultural enterprises.

a) Visual amenity

The Proponent states that the Project is an extension of an existing approved activity, screened by existing landforms, and that local tourism is not an important land use along the adjacent roads (Section 5.6.1, p5.14). The Proponent also reports in the SIOA (Section 7.3.5, p7.15) that community concerns “centred on general changes to landscape” and the cumulative impacts from night lighting from mines in the area. The Proponent states that surface operation views from two residences and two public viewing areas will be mitigated by rehabilitation and final landform.

Due to the lack of local tourism, the negative visual amenity impacts from surface operations are expected to be small, however the timing of mitigation to reduce negative impacts for local residents will depend on the time required for rehabilitation to provide effective screening. Mitigation from final landform will not occur until close to or after the Project ends.

b) Landscape values

See point 2a). Additionally, Table 5.5 in the AIS (p 5.15-5.16) reports farmer concerns regarding reduced visual amenity but these comments were not specific to Mount Owen.

c) Tourism infrastructure

The Proponent states it is expected that the Project will have minimal impact on tourism infrastructure, since little tourism exists adjacent to the mine (p5.14). The SIOA (p7.10) discusses accommodation impacts and reports that the labour force will be sourced from across the local and surrounding regions with existing accommodation infrastructure able to accommodate demand. The recent downturn in mining has been linked to reduced

overall demand for accommodation in Singleton during 2013-14, so from available information, there would appear to be accommodation capacity in the local area. Singleton Council is currently developing a Housing and Accommodation Strategy and Action Plan to address the housing needs of Singleton for the next 10 to 20 years.

This assessment has been informed by the following material:

Destination NSW Singleton Local Government Area Tourist Accommodation Profile (2010)

<http://www.destinationnsw.com.au/wp-content/uploads/archived-items/Singleton-LGA-accommodation-profile.pdf>, accessed 18/02/2015.

Australian Mining Mews "Falling demand puts Singleton mining camp on backburner" 13-5-2013, <http://www.miningaustralia.com.au/news/falling-demand-puts-singleton-mining-camp-on-backb>

Newcastle Herald, "Mining downturn hits Singleton" 26-7-2013,

<http://www.theherald.com.au/story/1663107/mining-downturn-hits-singleton/>

Singleton Council, "Have your say on Singleton Housing and Accommodation Strategy"

<http://www.singleton.nsw.gov.au/CivicAlerts.aspx?AID=291>

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

a) Agricultural lands

Three main risks to agricultural resources are referenced in Table 5.6 "Review of High Risks to Agriculture Identified in Preliminary Risk Assessment" (Section 5.8.1, p5.17). A small part in the disturbance area will be removed from agriculture, as well as a larger biodiversity offset area (see point 1a) which will have a relatively small impact on potential local agricultural output.

Mitigation measures are proposed by the Proponent (Table 6.1) which address how long-term rehabilitation will meet regional goals for long-term management targets for natural and agricultural resources (Section 6.1.1, p6.1).

b) Agricultural enterprises

See point 1a). The project as proposed has low additional impact on agricultural enterprises.

c) Agricultural infrastructure

Development of the project will increase traffic and increase rail line use (Section 5.4, p5.12). The Proponent proposes to mitigate impacts via the construction of transport infrastructure, including road realignment and construction of a rail overbridge which will improve local access (Section 5.7, 5.15). This road could benefit the nearby agricultural community.

4. Impacts of physical movement of water away from agriculture -based on New South Wales Office of Water (NOW) advice.

No information was available from NOW on this issue, so no assessment is made.

5. Summary of Assessment

From review of the AIS and supporting EIS documents and other independent information, it is concluded that the Mount Owen Continued Operations Project is unlikely to have negative socio-economic impacts on agriculture in the region.