

17 July 2015

David Kitto
Director Major Projects Assessment - Mining
Planning and Infrastructure
23-33 Bridge Street
Sydney 2000

Re: Request for Secretary's Environmental Assessment Requirements: Berrima rail project

Dear David,

1 Introduction

Upgrading works and extension of the existing Berrima rail line are proposed (the Berrima rail project). Boral, Ingham and Omya are serviced by the existing rail infrastructure configuration, however the Hume Coal Project's use of the rail infrastructure will require upgraded facilities. The location of the proposed works is shown in Figure 1.

This preliminary environmental assessment (PEA) provides details of the proposed works and the potential environmental impacts. The purpose of the PEA is to brief the Department of Planning and Environment (DP&E), other state government agencies, Wingecarribee Shire Council and the community about the proposal. This will inform the Secretary of the DP&E and provide the requirements for the Environmental Impact Statement (EIS), which will accompany the future development application (DA). The DA will be for both the upgrading works and usage of the rail facilities by all current users and Hume Coal.

2 The proponent

The proponent of the proposal is Hume Coal Pty Ltd, a wholly owned subsidiary of POSCO Australia (POSA), the Australian subsidiary of POSCO. Hume Coal has the consent of the owner of the Berrima rail line, namely Boral.

3 State significant development

The Berrima rail project seeks approval for the construction and operation of a rail spur and loop. The Project is classified as State significant development (SSD).

State Environmental Planning Policy (State and Regional Development) 2011 (SRD SEPP) defines certain development as State significant. Clause 8 of the SRD SEPP states:

- (1) Development is declared to be State significant development for the purposes of the Act if:
 - (a) the development on the land concerned is, by the operation of an environmental planning instrument, not permissible without development consent under Part 4 of the Act, and
 - (b) the development is specified in Schedule 1 or 2.

Schedule 1 of the SRD SEPP defines various works that are SSD. Clause 5 (Mining) of Schedule 1 states:

(3) Development for the purpose of mining related works (including primary processing plants or facilities for storage, loading or transporting any mineral, ore or waste material) that:

(a) is ancillary to or an extension of another State significant development project, or

(b) has a capital investment value of more than \$30 million.

The Berrima rail project meets both the requirements of Clause 8 as it is not permissible without development consent and is development specified in Schedule 1 being 'mining related works'... for transporting 'a mineral' and which 'has capital investment value of more than \$30 million'.

Therefore, the project should be declared SSD for the purposes of the EP&A Act and development consent will be sought from the Planning Assessment Commission as delegate for the Minister for Planning and Environment.

4 The Berrima rail project

4.1 Description of the project

The Berrima rail project has the following components:

- upgrade of the Berrima Branch Line;
- construction of a railway bridge over Berrima Road;
- construction of a new railway line between the railway bridge and the existing Berrima Branch Line;
- construction of the Hume Coal rail loop and railway to the railway bridge;
- construction of a new rail connection into the Berrima Cement Works from the railway bridge;
- decommissioning the existing rail connection into the Berrima Cement Works including the Berrima Road level rail crossing; and
- any necessary upgrades at the intersection between the Berrima Branch Line and Main Southern Line.

The above components are shown in Figure 2.

The Berrima Branch line will continue to service and operate as it currently does with Boral's existing use rights unchanged.

The proposed rail loop will be constructed adjacent to Medway Road, and will connect to the existing Berrima Branch Line (within the Moss Vale Enterprise Corridor). The new railway line will pass under the Hume Highway by an existing underpass, and also include grade separated crossings of the Old Hume Highway and Berrima Road. Minor realignments will be made to the rail infrastructure in and around the Berrima Cement Works to accommodate a new rail spur into the cement works. The project may also include upgrades to the Berrima Branch and Main Southern Line if necessary and as determined during detailed design.

The purpose of the project is to service the needs of Hume Coal without impact to existing users of the rail infrastructure. Hume Coal will transport product coal to the Berrima Cement works and otherwise to domestic and international markets via Port Kembla. Its forecast production is 3.3 million tonnes per annum which would require up to eight train paths per day (four in each direction). Berrima Cement Works will use the upgraded rail infrastructure for rail transported products (including limestone, cement, clinker and coal trains). Berrima Cement Works, Ingham and Omya will continue to use the rail line in much the

same way as at present and with the upgrading works there will be no diminution of capacity to accommodate their needs. The future use of the rail line by all current users will be provided for as part of the Berrima rail project.

5 Environmental interactions screening risk assessment

5.1 Overview

An environmental interactions risk screening assessment has been undertaken to identify key aspects for investigations in the EIS. The assessment was based on knowledge of the existing environment, environmental interactions, the proposed rail works and usage of this infrastructure. Potential environmental impacts have been identified and then ranked according to their likelihood of occurrence and potential consequences. The assessment assumes conventional mitigation practices will be adopted as necessary.

Table 1 Environmental interaction screening risk assessment

Potential impact	Priority
Noise	
Impacts along rail corridor from train movements	High
Cumulative noise impacts from the proposal, and surrounding land uses	High
Air quality and greenhouse gases	
Dust impacts associated with the proposal	High
Cumulative air quality impacts from the proposal, and surrounding land uses	High
Impacts on community health	Moderate
Groundwater	
Impacts on groundwater flow, quantity and quality	Low
Surface water	
Changes to surface water flows	Moderate
Fragmentation of catchment areas	Moderate
Ecology	
Impact on threatened species and communities	Low
Aboriginal cultural heritage	
Impacts on Aboriginal artefacts	Low
Impacts on cultural heritage values	Moderate
Historic heritage	
Impacts on historic heritage	Moderate
Traffic and transport	
Impacts to rail branch line capacity	High
Final landform and rehabilitation	
Inability to effectively rehabilitate rail spur and loop	Low
Visual amenity	
Impacts on surrounding visual receptors – residential properties	Moderate
Impacts on surrounding visual receptors – designated tourist roads and main roads	Moderate
Potential impact on the nature of the visual character of the surrounding area	Moderate
Land and soils capability	
Increased risk of erosion	Low
Reduction in agricultural productivity	Low
Economics	
Enhanced usage of existing infrastructure	High
Impacts on property values due to noise and dust impacts	High

Table 1 Environmental interaction screening risk assessment

Potential impact	Priority
Social	
Community concerns about amenity	High
Loss of employment and associated economic impacts if proposal is not approved	High
Effects on traffic and roads	Moderate

5.2 Priority issues for EIS

Based on the risk assessment results in Table 1, the following priority ratings were assigned to each potential impact:

- High – noise, air quality, economics, employment, road and rail transport issues and amenities;
- Medium – surface water, historic heritage, and visual; and
- Low – all other issues.

Accordingly, the high and medium ranked issues will be given greater attention during preparation of the EIS. They, along with all other requirements given in the SEARs, will be fully investigated using established and well proven assessment methodologies.

6 Conclusion

This preliminary assessment has described the proposed Berrima rail project and identified key environmental issues. It provides the basis for the scoping of the EIS that will accompany the future development application.

We trust that the PEA contains all necessary information and look forward to receiving the Secretary's Environmental Assessment Requirements in response. However, should any further information be required please contact the undersigned.

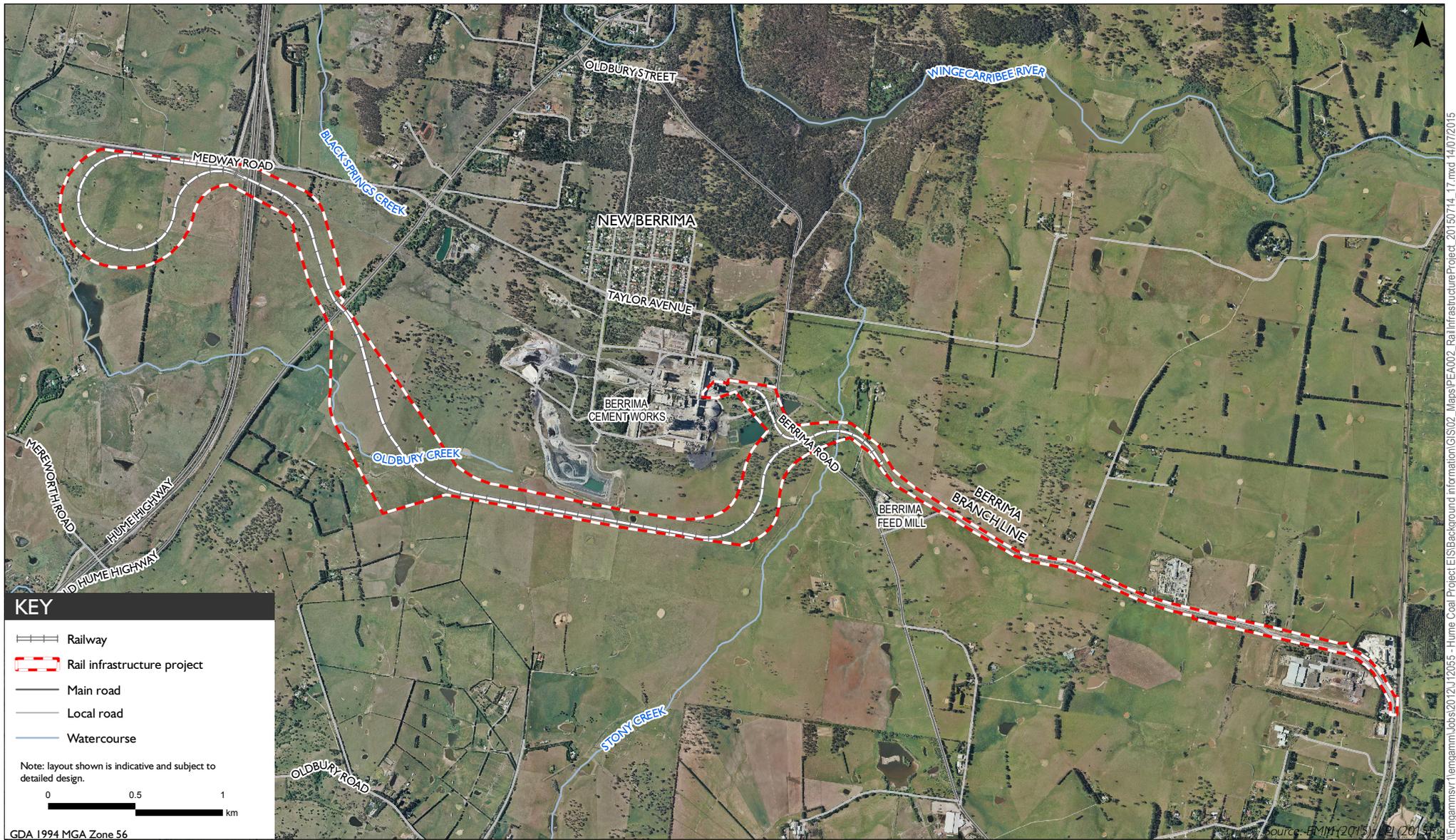
Yours sincerely,

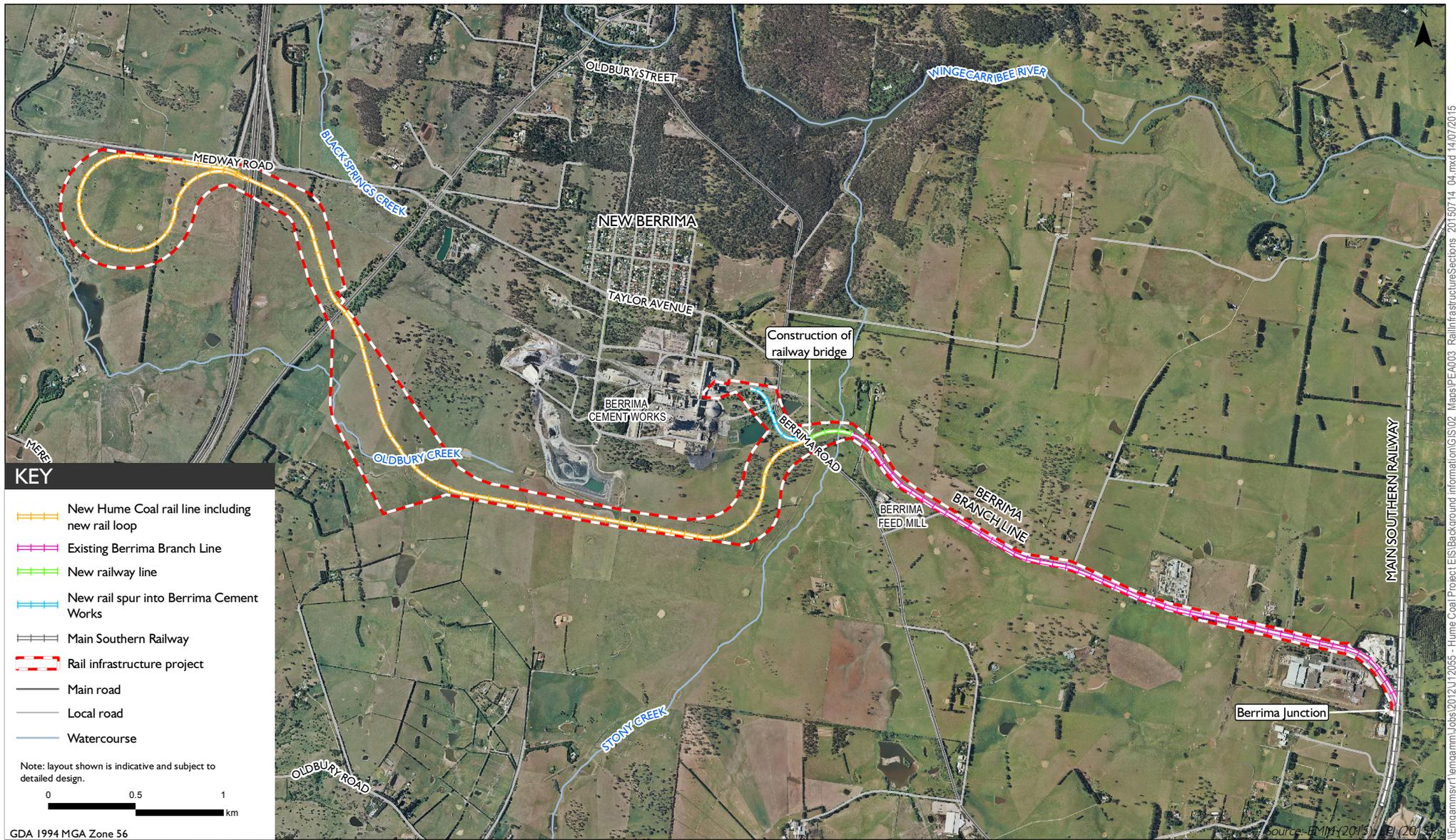


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Berrima rail project
Project components
Figure 2