



Department of Primary Industries

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Dear Mr Riley

Thank you for your email of 13 February 2013 concerning the review of the Preferred Project Report (PPR) for the proposed Cobbora Coal Project.

The Office of Agricultural Sustainability & Food Security (OAS&FS) has reviewed the PPR and noted the changes made as a result of earlier advice provided at both the adequacy review and the public exhibition stage. Specific issues are included in Attachment 1 enclosed. A brief summary follows.

The proposal removes a significant amount of land from agriculture and the AIS does not fully assess this impact on agriculture. The Office cannot assess the impact until improved information is provided on:

- economic impacts;
- water impacts on agriculture;
- agricultural land rehabilitation and monitoring; and
- agricultural community social impacts.

This advice from the Office of Agricultural Sustainability & Food Security is forwarded direct 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 Liz Rogers on telephone 02 6391 3642 or by email liz.rogers@dpi.nsw.gov.au.

Yours sincerely

Dr Regina Fogarty
Director Office of Agricultural Sustainability & Food Security

Encl

Cobbora Coal Project Preferred Project Report

Specific Agricultural Impact Assessment Issues

The adequacy review of the Agricultural Impact Statement (AIS) undertaken in August 2012 concluded that the information presented in the AIS was adequate for exhibition of the Project. However, the adequacy review highlighted the need for improved information to be provided in several areas of the agricultural socio-economic assessment. The PPR has still not addressed these concerns.

The areas that require attention are:

1. Improved information on the impacts of changes in gross margins and agricultural productivity

The economic assessment of the agricultural land removed for mining is based on current average gross margins available from NSW Trade and Investment (AIS, Section 6.1.2). The range of gross margins available for each enterprise evaluated is not used.

In addition, the assessment does not consider potential changes in agricultural productivity over time, which could result in higher gross margins. Taking no account of productivity changes has the potential to underestimate the value of agricultural land removed for mining.

2. A mix of alternative post-mining land uses for rehabilitated land should be considered

In the assessment, the post-mining land uses considered for rehabilitated land are cropping, grazing and woodlands (AIS, Section 6.1.3). Each of these are considered as stand alone options depending on the land capability class. Given it may not be possible to implement these limited land-use changes for the particular land class, the assessment should be more flexible and consider a mix of land uses as a risk-management strategy.

3. Improved information on the value of water

In the assessment, "the downstream flow impacts of the Project on the Talbragar River has been assessed as being minimal", but no detailed information supporting this conclusion has been provided (AIS, Section 6.2).

In addition, the value of water purchased from agricultural producers for the mine has been evaluated based on current average gross margins for irrigated lucerne and dryland cropping. As highlighted in point 1 above, the range of gross margins available for these enterprises, and the impact of agricultural productivity changes over time on these gross margins, should be considered in evaluating the value of water removed from agriculture.

4. Improved information on agricultural land rehabilitation monitoring

There remains concern about the proponent's ability to rehabilitate such significant areas of agricultural land, in particular, Class III capability land. The progression of this rehabilitation should be closely monitored. Agricultural land rehabilitation monitoring currently proposes a 100m transect be established across a typical section of pasture rehabilitation every 20-40ha with no mention of monitoring crop rehabilitation. It is considered this is insufficient.

In order to address this insufficient monitoring proposal, the following conditions of consent are recommended:

- That 100m transects every 20 - 40ha across all land rehabilitated to both crop and pasture. Twenty 1m x 1m quadrats should be assessed along each transect for pasture species, weed species and groundcover percentage annually, in spring;
- Every five years, bulk soil samples across each transect should be taken at 0-10 and 10-30 cm and assessed for major nutrients, cations, pH, EC and organic carbon;
- Both crop and pasture rehabilitated land should be assessed as complete when crop and pasture yields are consistent with average district yields of comparable land in that class. Soil chemistry must also return to a comparable state to that of soils in the surrounding locality of that particular class;
- While section 9.6 specifies soil structure as a criterion for successful rehabilitation of both Class III and Class IV-VIII, no methods for monitoring this have been provided. As part of any conditions of consent. It is recommended that soil structure monitoring must also take place; and
- That the reference sites specified in section 6.1 of Appendix G should be sourced in collaboration with a local landholder reference group containing farmers and graziers from surrounding properties.

5. Rehabilitation

With the results provided, it was not possible to determine the quality of the topsoils described. While a detailed assessment of resources is described in Appendix G sub Appendix 1 Section 4, the soil test results provided in Attachment 1 of the same document could not be related to Section 4. This information should be provided to enable a proper assessment.

Table 5.6 in Appendix G provides an example of pasture mix. This mix is unlikely to be successful and contains species such as Rhodes Grass which are no longer regarded as favourable pasture species. Pasture mixes should be aligned with the soil physical and chemical properties along with the local climatic conditions. Table 5.6 should be amended to reflect this.

There are a number of areas that will be impacted and require further attention should the development be approved. The following comments provide suggested conditions that deal with the following issues:

Change in water use (mitigating potential third-party impacts)

The Cobbora Project will become a substantive high-security water entitlement holder and user in the catchment. To mitigate against any unintended third-party impacts, it is recommended that a collaborative water-management strategy be developed which includes not only the proponent and State Water (the water supplier) but also

representatives of water users in the catchment. This expands upon the commitment that is already made in Section 31 (Cobbora Coal Project EA - Part E Commitments and Justification) and Chapter 23 (Statement of Commitments, p.495, Table 23.1).

Agricultural community social impacts

To mitigate against third-party agricultural community impacts, it is recommended that a social-impact mitigation strategy be developed. This strategy should detail an ongoing monitoring strategy and provide triggers for actions consistent with AIS requirements.