



## Department of Primary Industries

OUT13/9965

11 JUN 2013

Mr Clay Preshaw  
A/Team Leader  
NSW Department of Planning and Infrastructure  
<mailto:clay.preshaw@planning.nsw.gov.au>

Dear Mr Preshaw

Thank you for your email of 24 April 2013 concerning the review of the Agricultural Impact Statement for the proposed Wallarah 2 Coal Project (SSD 4974).

The Office of Agricultural Sustainability & Food Security (O AS&FS) has reviewed the AIS provided by Scott Barnett and Associates. Specific issues are included in Attachment 1 enclosed. A brief summary follows:

The potential agricultural enterprises that could be affected have been adequately identified. The issues critical to minimising impacts on the agriculture businesses and agriculture landholders that require further explanation are:

- The remediation process where subsidence damage to farm infrastructure occurs such as monitoring and compensation for loss of production or loss of water;
- The triggers for subsidence remediation of farms such as changes to: water bore depths, drainage, fencing, or turf growing surface relief;
- The amount of land removed for agriculture for biodiversity off-sets; and
- The future impacts on farmland values.

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 63913642 or by email [liz.rogers@dpi.nsw.gov.au](mailto:liz.rogers@dpi.nsw.gov.au).

Yours sincerely

**Regina Fogarty**  
**Director Office of Agricultural Sustainability & Food Security**

### Specific Agricultural Impact Assessment Issues

The following provides a review of the socio-economic and other components of the Agricultural Impact Statement (AIS) provided as part of the Wallarah 2 Coal Project EIS (Project). 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 potential impacts to regional communities and the environment.**

These comments relate to the Land Resources section of the DGRs issued 12-1-2012.

##### ***a) Farm productivity***

It is not clear whether the turf farm to be impacted by subsidence due to the Project is owned privately or by the proponent. Discussion in the AIS implies that the land is privately owned and our comments assume this.

##### Turf

Page 35 of the AIS indicates that “There is a minimum potential that the surface relief of the turf farm may become uneven to the extent that efficient turf cultivation and harvesting bears additional costs ... or is no longer possible ... without remediation”. The meaning of “minimum potential” in this context is not clear even though estimated figures for subsidence under the turf farm are provided in Table 14 in Section 7.1.2 of the AIS plus discussion about remediation once subsidence occurs.

The AIS notes that turf production would not be affected until Year 22 and remediation of subsidence could be expected to return the farm to production in 3 years (by Year 25). The latter claims have not been substantiated by either expert opinion or examples of where this kind of remediation activity has been successfully undertaken in other locations. There is no comment on whether the total time frame quoted (3 years) is sufficient given subsidence is required to “settle” before the remediation works on the turf farm could commence; this should be clarified.

Table 14 in Section 7.1.2 of the AIS states that expected subsidence under the turf farm will be “1,1750” mm. This seems to be a typographical error (there is either an extra zero in the figure or the comma is in the wrong place), so is the expected subsidence under the turf farm actually 1,175mm (1.175 metres) or 11,750mm (11.75 metres)?

##### Horse Establishments

Table 14 in Section 7.1.2 of the AIS refers to “Horse training establishments” that may be affected by subsidence. It is not indicated how many horse training establishments are within the extraction area, nor are any potential impacts on their productivity, infrastructure or costs due to subsidence discussed.

##### ***b) Biodiversity offsets***

Biodiversity offsets are proposed within the Project boundary and off-site.

Section 1.5 of the AIS (page 8) indicates that there are approximately 206ha within the 4559ha Project boundary that will be used for biodiversity offsets. It is not clear whether any of this land is currently owned by the proponent.

Section 5.3.1 of the AIS estimates the total value of agricultural production within the Project boundary, but it is not clear whether the 206ha to be used for biodiversity offsets is to be removed or remain for agricultural production.

Section 5.3.2 of the AIS indicates that a small amount of agricultural production (21ha of grazing) would be foregone in an Offsite Biodiversity Offset Area. Calculations of the value of agricultural production foregone in this area are acceptable.

### ***c) Potential impacts to regional communities***

**Land values:** There is no mention of agricultural land value impacts in the AIS itself, but there is discussion of the impacts on “property prices” in Section 6.2.7 of Appendix V – Social Impact Assessment. The following refers to Section 6.2.7 of Appendix V.

Data from two recent surveys is presented that both indicate that a significant proportion of the community felt that property prices would be negatively affected by the Project. However, there is no attempt to estimate future impacts of the Project on land values once development and production are underway, such as by using similar developments which are now in the production stage elsewhere in NSW or Australia as examples.

The titles of Figures 10 and 11 indicate that property value data presented covers the period October 2011 to October 2012. However, the x-axes of both figures refer to much older data from 2007 to 2008. This should be clarified.

## **2. Water:**

There is no discussion in the AIS on the flow on impacts to regional communities. In Section 7.2.3 of the AIS it is stated that the water requirements of the mine will include accessing ‘only 20 ML/annum’ of town water. There is no discussion as to how this will impact on town supplies, especially in times of drought. There is adequate discussion of the impacts on population, housing, community infrastructure and local business in Section 6 of Appendix V – Social Impact Assessment.

**Water that is transferred or will no longer be available for agricultural use:** This aspect is addressed briefly in Section 7.2.3 of the AIS, where it is claimed that “The Project will not result in any water being physically moved away from agriculture”.

However, it is stated in Section 6.4 of Appendix I – Groundwater Impact Assessment, that there are 12 boreholes located within the “area of subsidence that may exhibit some loss of yield as groundwater levels initially fall then rebound as a result of subsidence induced strata displacements”. Table 5 on page 28 lists the summary details of the 12 bores; one is listed as authorised for poultry, one for irrigation, four for stock and domestic, four for domestic, one for waste disposal and domestic, and one for farm and domestic purposes. The concerns are:

- It is not clear if the 12 vulnerable bores are on land owned by the proponent or not;
- Seven out of the 12 vulnerable bores appear to be authorised for agricultural enterprise use (poultry, irrigation and livestock). It is not clear if the bores are being or will be used for their registered purpose(s);
- It is claimed in Section 6.4 that “Groundwater levels may fall by up to 1.4m ...but 55% to 75% recovery is expected within 6 months”. Any interruption to water supplies would be expected to adversely affect agricultural production, but this is not quantified; and
- The proponent also indicates that the 12 vulnerable bores “could be susceptible to mechanical damage (through subsidence) and may need to be repaired or re-drilled if damaged”. It needs to be made clear how the proponent will undertake remediation actions if the quoted damage should occur.

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

#### **a) Agricultural support services**

Section 7.6 of the AIS states that there are no expected impacts of Project traffic on “support structures utilised by agricultural operations” since the two do not intersect. The EIS notes that support services directly employed by agricultural enterprises will not be shared by the Project and therefore will not be impacted.

#### **b) Processing and value adding industries**

There is no specific indication in the AIS if there are any processing and value adding industries either within or dependent on production from the Project area. It would appear from the Project description that there are not, however this should be stated. Mention is made in Section 5.3.1 of the AIS of the relatively small impact on Maitland Saleyard throughput if cattle production within the Project Boundary ceased.

#### **c) Regional employment**

Section 7.7 of the AIS states that “the labour supply available for agricultural operations is not expected to be impacted as a result of the Project”. There is no evidence to suggest that this would not be the case.

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

#### **a) Visual amenity**

Section 7.5 of the AIS states that there will be “no visual impact on the agricultural industries within the Project boundary”. Appendix U of the EIS -Visual Impact Assessment indicates two rural-residential properties along Bushells Ridge Road are likely to be able to partially view the Project, but the visual impact is likely to be mitigated by topography, existing vegetation and the F3 freeway.

#### **b) Landscape values**

As noted in Point 1c), there appears to be no mention of land value impacts in the AIS. There is some discussion of the impacts on “property prices” in Section 6.2.7 of Appendix V – Social Impact Assessment. There is no attempt to discuss future impacts of the Project on land values once development and production are underway.

#### **c) Tourism infrastructure**

The AIS should discuss whether there are any agricultural tourism infrastructure impacts. It currently does not.

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

#### **Agricultural lands**

Section 8.1 of the AIS states that the proponent Wyong Areas Coal Joint Venture (WACJV) “should develop and implement a weed and pest management plan to control the distribution of invasive species and feral animals on WACJV owned land” and “should consult with the Cumberland Livestock Health and Pest Authority as to the appropriateness of the plan”.

Agree that WACJV *should* undertake these activities. However, the proponent should provide a weed and pest management plan for WACJV owned land at the project approval stage rather than post-approval. The plan should also be approved by the relevant

authorities, either the Director General of DPI or DP&I. Cumberland Livestock Health and Pest Authority should have input into the weed and pest management plan, rather than just being consulted after it is written.

Section 8.2 of the AIS mentions that the proponent will manage any impacts to agricultural enterprises as part of the Subsidence Management Plan and in association with the appropriate Act. It also states that "Monitoring of surface relief shall be carried out during active mining of agricultural areas within the Extraction Area". This is acknowledged as appropriate, however further details should be provided (Point 4 - possible conditions of consent).

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

Section 5.6 of the AIS mentions that consultation specific to agriculture was made with the Hunter Central Rivers CMA and Agriculture NSW. The concerns raised by the CMA regarding creek beds and acid soils were noted, but there is no indication in the AIS whether they were addressed. Agriculture NSW also raised concerns about the effect of subsidence on general farm infrastructure. It is not clear whether these concerns have been addressed.

## **7. Possible conditions of consent or further information requirements:**

- The proponent indicates that 12 vulnerable groundwater bores "could be susceptible to mechanical damage (through subsidence) and may need to be repaired or re-drilled if damaged."

It is recommended that the proponent provide more details on:

- the ownership of the affected groundwater bores;
- if the bores are being or will be used for their registered purpose(s);
- the extent to which the likely temporary interruption to groundwater supplies due to subsidence would adversely affect agricultural production for which the bores are licensed; and
- the process for any private landowners to report subsidence impacts and the process for implementation of remediation measures by the proponent.
- The proponent should provide a weed and pest management plan for Wyong Areas Coal Joint Venture owned land at the project approval stage rather than post-approval. The plan should also be approved by the relevant authorities, either the Director General of DPI or the Department of Planning & Infrastructure.
- The proponent should provide more information on the Subsidence Management Plan such as:
  - the method and timing of monitoring of surface relief;
  - how monitoring of surface relief will be undertaken;
  - is topographical information for the Extraction Area sufficient to establish a current baseline for future reference for subsidence monitoring; and
  - the process for landowners to report subsidence that requires remediation, the process of assessment and whether works will be undertaken under a written agreement with each landowner affected
- Further discussion of potential future impacts of the Project on agricultural land values.