

26 September 2012

Mr Sam Haddad Director- General Department of Planning & Infrastructure GPO Box 39 SYDNEY NSW 2001

Copied to david.kitto@planning.nsw.gov.au

Dear Mr Haddad

Hunter Valley Operations South Project Approval (06_0261)

Modification 5 – Dedication of Lands for Offsets

In reviewing the Hunter Valley Operations (**HVO**) South Project Approval 06_0261 the proponent has identified various mining operations that it wishes to clarify or ensure that it no longer has planning approval to carry out. HVO seeks to do this via a modification application under section 75W of the *Environmental Planning and Assessment Act 1979* (**EPA Act**) to amend the HVO South Project Approval to include a condition specifying this.

While it was always our view that the entering into a VCA over this area would prevent any such development from being carried out the inclusion of this condition will further clarify this and confirm that the HVO South Project Approval does not provide planning approval for any development in the Southern Biodiversity Area (SBA) and Northern Biodiversity Area (NBA) offsets as proposed in the Warkworth Extension Project Approval.

We note that the HVO South Project Approval is a "transitional part 3A approval" and accordingly section 75W of the EPA Act is still available pursuant to the transitional provisions provided in Schedule 6A.

1.0 Background

The HVO South Project Approval was granted on 24 March 2009. It provides approval for:

- 1. consolidation of 25 existing consents to allow production and processing of up to 16 million tonnes of coal across the HVO-South complex;
- 2. extending the Cheshunt, Riverview and South Lemington Pits;
- transport of coal, overburden, tailings and rejects between HVO-South and HVO-North;
- transport of coal via haul trucks or conveyor to the Wambo rail spur, or alternatively construction of a new rail spur, and transport of coal to market via rail:
- 5. relocation of the Hunter Valley Gliding Club and Comleroi Road; and
- 6. rehabilitation and revegetation of the site.

Modification 1 was granted on 17 December 2009 and provided for the raising of Lake James.

Modification 2 was proposed to amend the HVO South Project Approval to reallocate the Archerfield Property, provided as a Biodiversity Enhancement Area to offset impacts caused by the clearing of native remnants (48ha) and regrowth (92ha) for the HVO South Coal Project, to an alternative site within the Goulburn River Biodiversity Area.

2.0 Heavy Equipment Access Route

The original HVO South Project Approval provides approval for heavy equipment access routes to relocate heavy equipment including draglines, trucks and shovels across Jerrys Plains Road both to and from Mount Thorley Warkworth mine and HVO as shown in Figure 5.6 of the HVO South EA. The location of the proposed heavy equipment access route with respect to Warkworth Mine's former Habitat Management Area 3 and

Warkworth Mine's current SBA is illustrated in Attachment 1.

The proposed heavy equipment access routes have not been developed to date. An alternate route using existing roads has been utilised in lieu of the proposed western route and the proposed eastern route has not been required.

The proposed eastern route, located outside the Warkworth Mine SBA, would be required in the event that shovels or draglines were to be relocated between HVO and MTW, which has not been necessary to date. The western route located within the Warkworth Mine SBA is no longer required.

3.0 Other Planning Approval

The HVO South Project Approval consolidated some 25 consents dating back to the 1970s into a single approval.

The HVO South Project Approval is ambiguous as to whether it continues to provide planning approval for other development in the SBA despite such development not having been commenced and no longer being proposed to be carried out. Coal & Allied Operations Pty Ltd has agreed with Warkworth Mining Limited to enter into a VCA in respect of the land that they own which is also in the SBA preventing not only any previously authorised operations but also conserving the SBA in perpetuity in accordance with the conditions of the Warkworth Extension Project Approval. Coal & Allied Operations Pty Ltd seeks to modify the HVO South Project Approval to ensure that it is beyond doubt that there is no planning approval to carry out any development, other than that required to support their use as an offset, in parts of the SBA and NBA which are within the HVO South Project Approval area.

4.0 Modification request

Accordingly, Coal & Allied Operations Pty Ltd requests that the Minister for Planning modify the HVO South Project Approval pursuant to section 75W of the EP&A Act (which is now repealed but which continues to apply in respect of the Project Approval due to the transitional provisions provided in Schedule 6A of the EPA Act) to include the following condition:

"No development, including mining operations, is permitted pursuant to this approval in the areas identified in Annexure 10 as the Southern Biodiversity Offset Area and Northern Biodiversity Offset Area other than any development approved in respect of these areas for their use as an offset."

Please note that a copy of the plan proposed to be included as Annexure 10 of the HVO South Project Approval is found at Attachment 2 to this letter.

We trust that this provides sufficient information and justification to approve the requested S75W modification of the Project Approval.



If any further information is required, please don't hesitate to contact Mark Nolan on 0428885301 or the undersigned.

Yours sincerely

Rory Gordon

General manager - Approvals, Environment and Land - Coal Australia

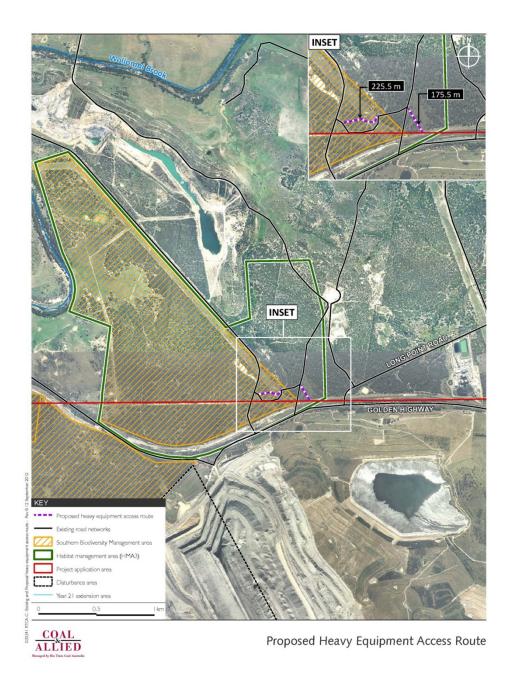
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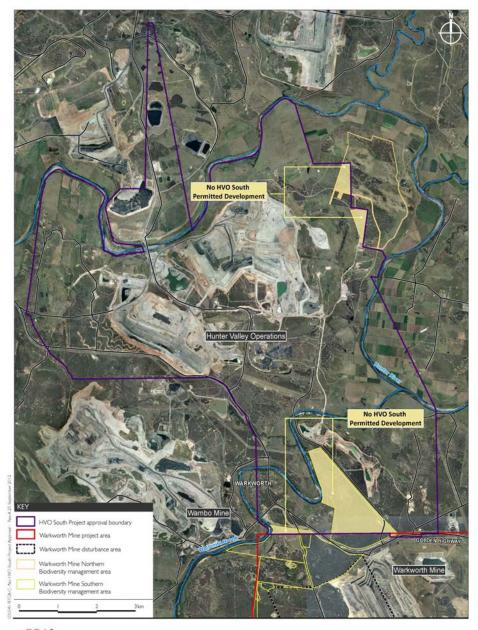
Attachment 1: Heavy Vehicle Access Routes

Attachment 2: Annexure 10 - HVO South Lands Dedicated as Offsets to Other Mines

Attachment 1: Heavy Vehicle Access Routes



Attachment 2: Annexure 10 - HVO South Lands Dedicated as Offsets to Other Mines



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HVO South Lands Dedicated as Offsets to Other Mines