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O/N H-953142

**INDEPENDENT PLANNING COMMISSION**

**PRIVATE MEETING**

**RE: BYLONG COAL PROJECT**

**PANEL:**

**GORDON KIRBY  
WENDY LEWIN  
STEVE O'CONNOR**

**ASSISTING PANEL:**

**MATTHEW TODD-JONES  
DAVID WAY**

**DEPARTMENT OF  
PLANNING AND  
ENVIRONMENT:**

**MIKE YOUNG  
STEVE O'DONOGHUE**

**LOCATION:**

**IPC OFFICE  
LEVEL 3, 201 ELIZABETH STREET  
SYDNEY, NEW SOUTH WALES**

**DATE:**

**2.01 PM, MONDAY, 29 OCTOBER 2018**

MR G. KIRKBY: Okay. Good afternoon, and welcome. Before you begin, I would like to acknowledge the traditional of the land on which we meet and pay my respects to their elders past and present. Welcome to the meeting today. KEPCO Bylong Australia Proprietary Limited, the applicant, is proposing to develop the  
5 Bylong Coal Project, and open cut and underground thermal coal mine near Mudgee in the Mid-Western Regional Council in New South Wales.

My name is Gordon Kirkby. I'm the chair of this IPC panel. Joining me are Wendy Lewin and Steve O'Connor. The other attendees at the meeting are David Way and  
10 Matthew Todd-Jones from the IPC Secretariat, and Mike Young and Steve O'Donoghue, representing the Department of Planning and Environment. In the interests of openness and transparency, and to ensure the full capture of information, today's meeting is being recorded and a full transcript will be produced and made available on the Commission's website.

15 This meeting is one part of the Commission's decision-making process. It is taking place at the preliminary stage in the process and will form one of several sources of information on which the Commission will base its decision. It's important for the commissioners to ask questions of attendees and to clarify issue wherever we  
20 consider it appropriate. If you are asked a question and are not in a position to answer, please feel free to take the question on notice and provide any additional information in writing, which we will then put up on our website. We will now begin. Welcome, gentlemen.

25 MR M. YOUNG: Thank you.

MR KIRKBY: We have a bit of an agenda here. So done the introductions. I guess, just for a start, obviously the projects have quite a history. So it would be good, just initially, to take us, I guess, through the original EIS project and the  
30 changes that have come as a result of the review that was undertaken and what the substantial changes are, before we sort of go into particular issues. If you could just take us through that. Who's the main speaker?

MR YOUNG: Thank you, Gordon, and thank you to the members of the  
35 Commission for having us today to present some background information and present our assessment on the Bylong Coal Project to the Commission. The Bylong Coal Project has had a long history, both through the exploration and development phase and now, more recently, through the assessment process under the EP&A Act. I mean, we've prepared a lengthy final assessment report that captures, or seeks to  
40 capture, a lot of the previous steps in the process, including our preliminary environmental assessment that we submitted, I think, to the Commission probably at the beginning of last year. So both of the – well, our current document, the final document, ought to be read in conjunction with the preliminary environmental  
45 assessment that we presented last year.

5 Since that time, obviously, there has been a number of steps in the process, including public hearings and review. The company has provided a significant volume of information in response to the Commission's report from last year, including a range of additional technical information, changes to the project, and a range of draft management plans to address some of the concerns and recommendations of the Commission from last year.

10 In addition to that, the department has consulted and sought advice from the Heritage Council of New South Wales, and the Heritage Council commissioned an independent heritage expert to provide a report to assist with providing that advice, and so our final assessment report includes a range of input from agencies, but also, in particular, additional advice from the Heritage Council of New South Wales, particularly in regard to heritage and landscape issues. In terms of the project itself and the changes that have been made, it's fair to say that the project has changed  
15 considerably over the last number of years. I think, originally, the project had a number of open cut aspects, including the underground, however, in its formal application, KEPCO restricted that to two open cuts plus the underground, and so that's what went forward into the DA at the time.

20 So since the recommendations of the Commission last year, the company has made some further changes to the project, and those changes are largely, I think, probably in response to, firstly, the Commission's report and the concerns raised in that report, but, secondly, in response to the department's notification of the company that we were proposing to impose a condition, or recommend a condition to the Commission  
25 that no open cut mining be permissible or permitted or approved on the Tarwyn Park property and that further measures be taken to minimise the size and nature and extent of some of the overburden in placement areas in the valley as well.

30 And in response to those – that notification of the company, we asked for revised, you know, diagrams, maps, and so forth, that reflected those changes, and that's what has been provided and reflected in our final assessment report. So essentially, in summary, those changes are, one, to remove all open cut mining from Tarwyn Park, which also has the benefit of not requiring disturbance of the Catholic church and associated cemetery and some changes to the size of the overburden in placements,  
35 particularly a reduction in the size of one of the overburden placements to the west – western part of the open cut.

40 MR S. O'CONNOR: Mike, can I just ask a question there. Whilst I understand that's the revised plan that your report addresses, is it true to say the company still wishes to have its original proposal considered and determined?

45 MR YOUNG: So in response to us notifying – or the department notifying KEPCO that it was proposing to recommend that condition to the Commission, in response to that, the company said, "Yes, we're happy to provide you with the relevant information, but we don't agree with that condition, or don't accept that condition," and so formally, yes, they would be seeking to – seeking approval for the proposal as proposed, I think, when the Commission last looked at it. Yes, that's correct.

MR O'CONNOR: So the EIS version rather than - - -

MR YOUNG: I suppose, the EIS version, yes, that's right.

5 MR O'CONNOR: - - - the revised mine plan.

MR YOUNG: That's right, yes.

10 MR KIRKBY: So they put that information in on the basis of if that condition were opposed, this is what it would look like and these are the revised environmental impacts that they .....

MR YOUNG: That's correct, yes.

15 MR KIRKBY: They're still seeking approval.

MR YOUNG: That's right.

20 MR KIRKBY: Okay. He's clarified that. Okay. So I guess there's, we say a few headline issues. I guess, we sort of want to get a bit of clarification around – and they're sort of listed in the agenda. The first one, I guess, really, is the changes of assessment in the water impacts, which is obviously a key issue in the review, and just your sort of view on the revised assessment, both in terms of the mines – of the sort of two sides of it, I guess, the two extremes. One is the water make-up of the mine, particularly the security border that the mine would have and then the other  
25 extreme, I guess, surplus mine water in a nature sort of event; they're ability to deal with that water. I note, obviously, there area of open cut significant reduced, and that was a main sort of way of dealing with the surplus water. Are you able to just sort of take us through those changes?

30 MR S. O'DONOGHUE: Yes. Look, I guess the – they redid the water balance – WM did a revised water balance on the whole, you know – not just the open cut stage, the concurrent stage and the underground. So there's two aspects to it. It's the – managing the excess water but managing the water in the open cut pit during the  
35 early stages in the mine water dams where there's probably more likely to be a water deficit than a water excess so there's water – so the water balance was really during that earlier stage looking at that they had sufficient water during the open cut period, you know, to manage dust, where there was a higher demand for dust suppression and that.

40 So they redid the water balance modelling with the different assumptions in that but – and part of that was the – on the basis of recommendations for that to be undertaken and the peer review undertaken with the water balance so that was what was completed. HEC undertook that peer review of that work and was satisfied with  
45 the – obviously the outcome to that.

MR KIRKBY: That was for you?

MR O'DONOGHUE: No, no, no. It was the - - -

MR KIRKBY: ..... mining company commissioned it.

5 MR O'DONOGHUE: The mining company commissioned that expert review.

MR KIRKBY: Okay.

MR O'DONOGHUE: Yes. Of that. To look at that.

10

MR O'CONNOR: Has the department commissioned any expert reviews this time around?

15 MR O'DONOGHUE: The only additional expert review that was done was through the Heritage Council – Hector Abrahams.

MR YOUNG: So when the Commission in its original – or in its review report indicated that whilst it had some concerns about the water impacts, it didn't believe that additional technical studies were required at that time. And so whilst the company has gone ahead and prepared a great deal of information including by its primary consultants and by a peer reviewer and provided that and a draft water quality – water management plan and draft agreements with landowners in regard to make good, the department didn't feel like – or didn't consider that it needed additional advice from the advice that it had already received from Frans Kalf on the original proposal, particularly since the changes to the project – or changes recommended by the department that we would be putting forward to the commissioner would actually have less impact than what was originally proposed.

20  
25  
30 Can you expand on – so there's the issue of the risk of discharge and then there's the issue of water supply.

MR O'DONOGHUE: Yes. That's right. So the water supply, I guess the key issue there is really the – getting sufficient water from the alluvial aquifer because that's the main source. I guess through the process they did additional pump testing to sort of validate the amount of water that was coming from the alluvial aquifer, you know, so that fed into the water supply – water balance – the work that they did as well. Plus, like I said, there was the additional, I guess, sensitivity analysis they did on that as well. That was undertaken with different runoff coefficients. So there was a lot more work done on the likelihood of water not being available.

40

And it demonstrated that, you know, that there was good quality water that they could get through most of that open cut period. As soon as the underground commences then it sort of flips around to excess water and managing excess water on the site rather than a more deficit issue. So that – and then, really, the issue there is managing water in the void. I guess the additional assessment that they did for this was managing water in the underground goaf area as well, any available storage in there. So that - - -

45

MR O'CONNOR: Do you just want to explain that for us, the goaf.

MR O'DONOGHUE: Yes, yes. So we go through like for the underground mine, as long wall mining commences and collapses behind the underground there's  
5 storage through the porosity, you know, in there so you can use that. You can use that sort of void area even though it has collapsed and, you know, there's a lot of pore space to put water into so a lot of underground mines do use the goaf area for storage and part of it is the balancing between where you might need to pump to the surface storages like the void or whether you can pump directly to the underground  
10 goaf area as well. So you can do a ..... there as well. It's really a timing thing and when that storage is available.

And in the case of here, most of the water that has been generated is in the second stage of the underground mining when it's getting deeper and have the ability to  
15 pump to that sort of first stage goaf area, you know, once you've ceased that sort of stage 1 ..... - - -

MR O'CONNOR: And you've said that's common practice, is it, in underground mining operations that they often store excess water in the goaf area.  
20

MR O'DONOGHUE: Yes, it's used ..... operations, yeah.

MR YOUNG: So underground mining commonly has water there naturally and so often those workings, you know, it's more a matter of managing that water because there's, you know, aquifers that mean those areas are quite wet anyway and there's  
25 other aspects where, you know, you can pump excess water into those areas and the hydraulics indicate that, you know, that could be done safely without, you know, migration or flooding the works up dip. So but in summary then on the water side of things, Steven,  
30

MR O'DONOGHUE: Yes.

MR YOUNG: - - - during the open cut operations there's likely to be some kind of water deficit and that they will require additional water and most – that would be  
35 made from – mostly from incidental rainfall captured on the site and from the bore field which will be taken. And the indications are that drawdown impacts from the use of the bore field comply with the Aquifer Interference Policy in terms of drawdown impacts ..... - - -

MR O'DONOGHUE: .....

MR YOUNG: - - - bores surrounding the site.

MR O'DONOGHUE: In terms of the excess water that we need to take – combined  
45 with the ..... effect from the dewatering the coal seam as well.

MR YOUNG: And then in addition – once – during the open cut operations the likelihood is that there will be a deficit and then once the underground commences there's like to be significant volumes of additional water and what Gordon was indicating was the reduction in the size of the open cut as a result of taking it off  
5 Tarwyn Park, if there was a need for storage – onsite storage to prevent discharge, particularly during those underground operations that there would be sufficient storage available in the void there to cater or to – such that there was minimal risk of any off-site discharge.

10 MR O'DONOGHUE: That's right. And I guess they've done an analysis on a whole lot of scenarios of, you know, climatic conditions – it's figure 10, A to D in our report. And so it looks at, you know, different percentile climatic conditions against storage. So D is the response to PAC review so essentially the ones that they did. And so they've done ..... in terms of sensitivity. The blue line is sort of – is the  
15 void storage. So when – you can see that there's a increase in storage – the black line is an increase in storage as the open cut sort of develops. So you're getting a lot more storage available. So in those early years it's not an issue because you've got plenty of storage available.

20 Once you get to underground you've got your final void that you manage so there's reject going into there. The final void will reduce in volume because there's reject material going in and less water for storage. But then they can use the goaf – the additional volume in the goaf which is that blue line – you know, once they get into that sort of stage 2 underground works where it sort of really takes - - -

25 MR KIRKBY: ..... stage 2 - - -

MR O'DONOGHUE: Where they generate a lot more water and they're trying to manage that water through that sort of deep underground workings either in the void  
30 storage or in the goaf. It's showing that the worst case that they can manage it in those two situations.

MR KIRKBY: Just at the end of it all, when I guess the mining is concluded because, you know they've basically said there's no – they ..... the Aquifer  
35 Interference Policy at all – non-mine-owned, does it get to a sense of equilibrium again where just thinking about the future of Tarwyn Park post-mining, is there groundwater available post-mining?

40 MR O'DONOGHUE: It is, because probably what - - -

MR KIRKBY: If they go to all this effort to get it back to BSAL and then there's a missing component in what - - -

45 MR O'DONOGHUE: It is available, because most of the – most of the take of water - - -

MR KIRKBY: Has been pressurised.

MR O'DONOGHUE: The depressurisation has the least impact on the aquifer.

MR KIRKBY: Yes.

5 MR O'DONOGHUE: So there's an additional figure in here, which we supplied, just to sort of demonstrate that, just if I can – so figure 7. So this was really just to show – so this – there's a number of – the draw-downs sort of due to bore field pumping, agricultural pumping, you know, from other receptors but also from the mine.

10

MR KIRKBY: Yes.

MR O'DONOGHUE: It's also from the induced take – you know, because of the depressurisation of the coal seal. So I guess this figure here is showing that the range, the 95 percentile – the five to 95 percentile of just only the depressurisation of the coal seams and what impact that has around the mine. So I guess in terms of, you know, when you're looking at the bore field pumping really dominated the draw down - - -

15

20 MR KIRKBY: Yes.

MR O'DONOGHUE: - - - as it would. If you have a look at the – I guess, the figure 6, the bore field – see the dark blue area up here. That's really where the bore field is located.

25

MR KIRKBY: Yes.

MR O'DONOGHUE: You know, mainly through here.

30 MR KIRKBY: So that's – yes.

MR O'DONOGHUE: So that's where you're getting most of the draw down and most of that's due to, you know, pumping or dust suppression and that for the water supply. When you look at figure 7, that's taking all the bore field pumping out and just looking at, purely, from the induced effect from the draw down from the - - -

35

MR KIRKBY: From the open cut.

MR O'DONOGHUE: And the underground.

40

MR KIRKBY: And the underground.

MR O'DONOGHUE: So it's basically taken water out of the – from the underground mining and the open cut in terms of the peak draw down. So we're only looking at 0.5 under the 95 percentile sort of worst case in the model runs or, you know, getting out to the worst case.

45



- MR KIRKBY: Yes. So that's up to about half of the - - -
- MR O'DONOGHUE: You're looking at 0.5, 0.2, where the median model run is really showing, you know, 0.2 draw down - - -
- 5 MR KIRKBY: Yes.
- MR O'DONOGHUE: - - - really close to the mine.
- 10 MR YOUNG: So a couple of things there, Steve: one is that the nature and extent of the impacts in terms of draw down during active mining operations is actually very low anyway.
- MR O'CONNOR: Yes.
- 15 MR YOUNG: So it's not one of those mines where you're really, you know, having a massive draw down all around the mine and there's – it takes, you know, a thousand years for the mining – for the water to equilibrate and so forth.
- 20 MR O'CONNOR: Yes, yes.
- MR YOUNG: Wherein a, you know, a relatively modest or minor draw down, and then, in terms of post-mining, do we have an indication of the restoration of the levels, etcetera?
- 25 MR KIRKBY: That's fine. Again, we can get that on notice. I mean, I guess the main thing is it's not a dramatic impact, so it's not like – but it's just getting an indication of, yes, whether it's the post-mining scenario for whoever ends up coming back and hopefully doing agriculture on this place.
- 30 MR O'DONOGHUE: And I think when you look at .....
- MR KIRKBY: The perceived impact.
- 35 MR O'DONOGHUE: - - - the take of bore water – and it's really during that eight years of open cut mining.
- MR KIRKBY: Yes.
- 40 MR O'DONOGHUE: So it's really upfront in the mine life, so it's that overlap – you know, it's a shorter mine life, I guess, an open cut compared to a lot of other mines, in terms of the open cut, and I guess you've got the variation of climatic that's going over the top of that which is going to vary how much, you know, water you need to pump, but at the end of that period, the need for bore field pumping for the
- 45 mine reduces - - -
- MR KIRKBY: Yes.

MR O'DONOGHUE: - - - down a lot, because you've got the - - -

MR KIRKBY: The ..... water.

5 MR O'DONOGHUE: Yes, you've got to get the water from the underground workings, and then they will – you know, the other option to that is to reduce water for their agricultural holdings. In their modelling they still include that at a - - -

MR KIRKBY: Yes.

10

MR O'DONOGHUE: - - - base level, but pretty much when the open cut is finished, then, you know, depending on climatic conditions then, you know, their water can go back to, you know, agricultural productivity as well.

15 MR YOUNG: But it's fair to say, also, that the design of the mine means that there will be no final voids in the open cut.

MR O'DONOGHUE: That's right, yes. So there's no - - -

20 MR YOUNG: So the issue with some other mining proposals, where you have an ongoing void in the landscape - - -

MR O'DONOGHUE: Yes.

25 MR YOUNG: - - - and a groundwater sink, you know, you're not going to have that situation here.

MR O'DONOGHUE: Yes, yes, yes.

30 MR YOUNG: So it's quite a different mine design in terms of that kind of - - -

MR O'DONOGHUE: It is, yes.

35 MR YOUNG: - - - long term groundwater equilibrium.

MR KIRKBY: Okay. And just on the contingency if it does affect other landowners, my understanding is, effectively, it's the onus of proof is on the mine to disprove it, so there's an immediate reaction, because I think the concern that the review panel had was very much, well, Farmer Brown can say it's affecting and then  
40 it takes months for anything to be sorted out.

MR YOUNG: So that's – I mean, that's right. So we're aware that, you know, on historically, there has been projects where people have raised concerns and it's very difficult to establish a causal effect of the mine and the impacts on the water supply,  
45 so in this situation, you know, we considered that it was reasonable, as a sort of policy position, that the onus of proof that there's no impacts ought to be on the company. In addition to that – well, two things: one is that the conservative

assessment indicates there are very unlikely to be impacts beyond the aquifer interference policy; and secondly, they've drafted agreements with, I think, how many, 10 or 13?

5 MR KIRKBY: There's some agreements with 13 landholders. We – you know, like  
- - -

10 MR O'DONOGHUE: Yes. They're outside, like, the predicted zone of impact, but really along that Growee Valley down to Bylong Valley, and they've sat with 10 landowners to discuss it. I think at this point no one has signed an agreement, because I think they would – you know, people would be waiting to see, you know, that project and the development of it, but it's – they've sort of consulted with all – 10 of the 13, was it, from about a month ago – it might have increased by now.

15 MS W. LEWIN: And just talking before, in terms of monitoring - - -

MR O'DONOGHUE: Yes.

20 MS LEWIN: - - - I noted that the EPA requires for air, noise and blasting, there's real-time monitoring required.

MR O'DONOGHUE: Yes.

25 MS LEWIN: And there's certain triggers that will cause for the cease of operations immediately to ensure compliance and so on.

MR O'DONOGHUE: Yes.

30 MS LEWIN: And then for other areas, especially related to water management and balance and so on, there is – the department has supported a three year tier review assessment process and then actions. So is there – I mean, could you explain - - -

MR YOUNG: That's – that's not – yes, it's not quite right.

35 MS LEWIN: - - - what the - - -

40 MR YOUNG: So obviously there are different environmental impacts of a mining project and there's different ways that they're best regulated, and some things like dust and noise is very instantaneous, it's an amenity issue that you can – there's technology available to do sort of real time monitoring and do adaptive management on the site so that you know, if there's a particular noise level or a dust incident, that that can be altered quite quickly to sort of manage those amenity impacts.

45 For water it's a very different kettle of fish. So the idea would be that, under the water management plan, there would be a monitoring program required, and the idea would be they would establish a range of monitoring bores surrounding the site as an early warning system. So well inside where the people live, much closer to the mine,

to determine whether there's a drawdown or an impact on the water supply, the aquifers, that is unexpected or unforeseen or greater than certain trigger levels that they can develop in consultation with the relevant water authorities. So the idea is that it will absolutely be monitored and there will be early warning, you know, thresholds or trigger levels that they would have to report on, but it's not one of those sort of real time type situations - - -

MS LEWIN: Okay.

10 MR YOUNG: - - - because the nature of water is we're talking about properties, you know, a number of kilometres away and those kind of impacts and things happen over long periods of time – a longer period of time.

MS LEWIN: Yes, but once it has started, it's continuous and you can trace – you can trace the - - -

MR YOUNG: So the idea – the idea would be you would have monitors much closer to the mine, so you would be able to see whether there's an issue well before it even occurs.

MS LEWIN: All right. And who would do the monitoring; an independent?

MR YOUNG: Well, under the water management plan, they would be required to propose a program to government.

MS LEWIN: Yes.

MR YOUNG: Government would look at the nature of that: the locations of those bores, the monitoring regime associated with those bores, the reporting regime. Those bores, under the conditions, there's a range of regular reporting that they have to do, both directly to government and also make those results available on their website. So there's a whole – the whole sort of process is, you know, transparent and, you know, people will, you know, know when those issues are occurring.

35 The three year matter that you refer to relates to revising the model, the groundwater model. So the idea is that, as further information becomes available, the model can be calibrated, refined and updated to reflect the actual monitoring results from the monitoring bores, etcetera, that I was talking about, and that then informs government as well, from a predictive point of view, as to based on the monitoring information, does the updated modelling show that there's likely to be – or there's an impact that's greater than what was predicted originally and whether some action needs to be taken to address that concern.

MS LEWIN: And also storage and discharge, but all those issues - - -

MR YOUNG: Yes, so that's - - -

MS LEWIN: - - - just - - -

MR YOUNG: I guess I was more talking about the groundwater draw down.

5 MS LEWIN: Yes, yes.

MR YOUNG: In terms of discharge, my understanding is that it's a nil discharge mine.

10 MR KIRKBY: Yeah. No discharge.

MS LEWIN: Supposedly. Yes. Yes.

MR YOUNG: So the EPA wouldn't ..... discharge.

15

MS LEWIN: So .....

MR KIRKBY: Yeah. Yeah.

20 MR YOUNG: Yeah. So if they were to discharge, they'd either need to – amendment to their licence - - -

MR KIRKBY: Yeah.

25 MR YOUNG: - - - from the EPA, or, if they discharge without appropriate licence, then they would be subject to prosecution and/or enforcement action under the EPAs legislation.

30 MS LEWIN: And I note that there's a section that covers a natural event. So flood, storm .....

35 MR YOUNG: And so that's – that is common, whereby the EPA recognises that, under flood conditions or, you know, those sorts of – there are times where it's better to discharge the water rather than keep it on site because there could be, you know, a safety issue associated with having too much water stored on site. So most sediment – sediment dams, etcetera, are designed to, under higher rainfall events, etcetera, to discharge into creeks and waterways and so forth under those higher rainfall events.

40 MR O'DONOGHUE: So yeah. There's one issue that was raised by the EPA. So the sediment dam sizing, which KEPCO agreed with, is a higher design that – which is consistent with the other mines in the area, like Wilpinjong and Ulan mines, in terms of the frequency – sediment dam discharge, as opposed to mine water, which is the ..... discharge .....

45 MR YOUNG: Yeah. So there are - - -

MR O'DONOGHUE: Yeah. Yeah.

MR YOUNG: Yeah. There's – water is - - -

MR O'DONOGHUE: Yeah.

5 MR YOUNG: There's different types of water on the site that are managed differently.

MS LEWIN: Yes

10 MR O'DONOGHUE: Yeah.

MS LEWIN: Yes.

MR O'DONOGHUE: Just on the monitoring too, there are a number of Department  
15 of Industry water monitoring bores through the alluvium. So there is an independent  
monitoring through that system up the Growee River and the Bylong River of  
alluvial quality – of alluvial levels, and that's sort of used to inform the water sharing  
plan and ..... on how they manage – sustainably manage the water resource in that  
20 valley. So that's an important factor in this as well. I mean that KEPCO, for their –  
for the bore field pumping – I mean, they're obliged to operate like any other water  
user in the valley. If – they've got to follow the rules under the water sharing plan.  
So they're not – it's not separate to that.

MR YOUNG: So there's a range of government bores that would augment any  
25 program or monitoring network - - -

MR O'DONOGHUE: Yeah.

MR YOUNG: - - - that we were imposing through a management plan under the  
30 conditions.

MR O'DONOGHUE: Yep. That's right.

MR KIRKBY: Okay ..... water?  
35

MR O'CONNOR: Water. Yep.

MR KIRKBY: Do you have any further questions on water?

40 MS LEWIN: No. I think we're right on that.

MR KIRKBY: We might move to the agriculture impacts. I guess the key sort of  
concerns the review had and wanted further information through this process was, I  
guess, this conversion of the land back to the agricultural standard, whether it's  
45 BSAL or class 3 - - -

MR YOUNG: Yes.

MR KIRKBY: - - - depending on – just – I guess my sort of highlight concern is, while they’ve sort of shown examples – some of those examples, it’s the scale of it, I guess, that we’re looking at, you know, Bengalla, where there’s quite a small area where they’re showing – it’s obviously rehab right in the glare of Muswellbrook and  
5 – I guess we’re talking hundreds of hectares here. So it’s – yeah. You’re comforted, I guess, we’re seeing enough from other mines coming through because, obviously, I’ve been through ..... these trials and that trials. It’s that comfort that the industry is getting to the point where you can implement this type of rehabilitation.

10 MR YOUNG: Yeah. Yeah. So I guess, taking a step back, it’s not technically possible to restore BSAL.

MR KIRKBY: Yeah.

15 MR YOUNG: Take that as read, but BSAL-equivalent land - - -

MR KIRKBY: Yeah.

MR YOUNG: - - - is what we’re seeking – asking the company to achieve in  
20 various parts of the site, in the rehabilitation areas. The – I recall in regard to the Watermark project some years, a similar condition was imposed on the Watermark project, which was approved by the Commission at that time, I think recognising the challenges associated with rehabilitation to high quality agricultural land. I think it’s fair to say, in the intervening years, there has been a number of trials and examples  
25 whereby, you know, mining companies have worked with – undertaken research and worked with academic institutions to improve their performance in regard to restoring relatively high quality agricultural land. So I think, in summary, the department considers that it can be achieved.

30 Are there likely to be challenges and learnings and research along the way? Absolutely. Does the Department of Agriculture consider that it’s achievable and possible to undertake? Yes. They do. So the other point to make is that the quality of the land at the moment, whilst it’s – it is – there are pockets of BSAL within the valley, etcetera, the current use of the site is predominantly grazing. It’s not being  
35 used for intensive agricultural or irrigated agriculture in the main. There is some history of cropping in parts of the valley, but, essentially, it has been used for grazing. So I guess we’re not talking about black soil plains or, you know, something of that nature, not to diminish the importance of BSAL and considering that as an issue, but we aren’t talking about, you know, highly productive agricultural  
40 land at the moment, in terms of the current activities on the site.

However, you know, we consider that, provided they do proper topsoil management, provided they – the water regime we’ve just discussed in terms of no significant, you know, issues with drawdown within the alluvium and so forth – that there’s every  
45 prospect that, with proper monitoring and input from relevant experts – that it can be achieved, if not BSAL equivalent then something close to BSAL equivalent, such that, I guess, from an overall land use perspective – that we’re confident that the

5 current land uses, such as grazing, etcetera – there’s no reason to believe that those kind of land uses or even more intensive land uses couldn’t be undertaken in the longer term. I think the other thing to say, critically, is that we’ve gone through a – we’ve asked the company, in terms of its design, to really avoid, wherever possible, those alluvium and those BSAL areas, so that the actual direct physical impacts on those areas have been minimised substantially compared to, you know, previous iterations.

10 MR O’DONOGHUE: Looking at – I guess, in terms of indicators, there are criteria for BSAL plus land ..... C class. So they have compliant criteria that ..... can be monitored to get, you know – try and achieve the best outcome across both those sort of classification - - -

15 MR KIRKBY: From a compliance point of view, how do you – how does the department sort of deal with that? Yeah. I mean, there’s protocols for trials and things. There’s a – do you sort of – I’m just trying to ..... it’s a - - -

MR YOUNG: No. I understand.

20 MR KIRKBY: - - - ongoing, long process and quite a complex one.

MR O’DONOGHUE: ..... part of it is – it’s really a component of the rehab management plan at the end of the day. So it’d be – I guess compliance - - -

25 MR KIRKBY: So that ..... the Department of Trade, the .....

MR O’DONOGHUE: Yeah ..... regulator at the end of the day, in terms of - - -

30 MR YOUNG: So that’s actually with - - -

MR O’DONOGHUE: Yeah. With the - - -

MR YOUNG: With our department - - -

35 MR O’DONOGHUE: Yeah ....

MR YOUNG: - - - but it’s the resource regulator that has – so there’d be – under any mining lease, there would obviously be rehabilitation - - -

40 MR O’DONOGHUE: Yeah.

45 MR YOUNG: - - - obligations, under what’s – we’re calling a rehabilitation management plan, and also a rehabilitation bond would be lodged with the government, which would be substantial. That would need to be calculated based on the cost of implementing the requirements under the rehabilitation management plan.



MR KIRKBY: So the bond would factor in that requirement for BSAL equivalent or close .....

MR YOUNG: There's a calculator used by the - - -

5

MR KIRKBY: Yep.

MR YOUNG: - - - resource regulator, and those sorts of things are factored in.

10 MR O'DONOGHUE: But, I guess, in the - so DPI Agriculture had had quite a - you know, they've met with KEPCO and the department on a number of occasions to look at the criteria. So they're quite comfortable, I guess, with the criteria that have been developed, and they're certainly part of the - I guess part of the requirement to consult with DPI Ag in developing the management plan but also, you know,  
15 monitoring against that as well, in terms of the annual reviews and how it's progressing.

MR YOUNG: So I guess, in terms of enforcement, you know, our approach would be that it would be properly planned, properly scoped, properly resourced in order to  
20 achieve those outcomes. There'd be a bond set against those - achieving those outcomes in the longer term, but, you know, is there certainty around, you know, delivering those outcomes? I think there's - provided those things are put in place, there's certainly - you know, the department's confident that a reasonable outcome can be achieved such that, as I said, the land use can continue to be used in  
25 something similar to what it's already being used for.

MR KIRKBY: Are we going to - yeah. One - yeah. One question we've, sort of, discussed is not an easy one but, I guess, you talked a bit about bond, one of - one of  
30 the things is that the rehabilitation, particularly of the void area, is very reliant on pretty much the underground going through to the end of its life because that's the source of the fines are going into the void. If, I guess, the mine doesn't get - the underground mine doesn't go to completion - and I know it's difficult to speculate what might happen in the future - but how would that whole process of rehabilitation then, I guess, adjust to that because we suddenly, sort of, year 15 and for whatever  
35 reason the underground mining is not happening and we don't have that source of fill for the void, I guess, how does the rehabilitation project deal with that, how does it .....

MR YOUNG: Well, first I will say - first thing to say is that, yeah, I guess - I  
40 guess, you know, we can only speculate, to some extent, but we're assessing the project as proposed. Secondly, to say that the size and depth of the open cut is actually very small, comparatively, in the industry ..... relatively modest sized so even if there was a partial fulling of the voids, you know, that would be - there - you know, there may still be a void in the landscape initially but it wouldn't be, you  
45 know, the size and scale of some other voids that occur within New South Wales for open-cut mining proposals.

Secondly, the – under the mining legislation, there would still be the obligations attached to the mining lease to rehabilitate the site in accordance with an approved management plan, there would still be a bond that applies. Now, from a practical perspective, the government at that stage would need to look at what is a reasonably achievable outcome on that site, you know, in terms of a mining lease relinquishment and, you know, what – what additional works could be done on the site to achieve a reasonable landform that’s not going to cause a significant issue in the longer term. But would there be, potentially, you know, an issue with final void, there may be. There are contingency measures; you could potentially rehandle overburden in placement areas to fill or partially fill voids. All of those would have their own consequential impacts in terms of both - - -

MR KIRKBY: Costs, yeah.

MR YOUNG: - - - cost but also in terms of additional impacts in terms of dust and noise and so forth about rehandling material. So, look, there are ways and means of dealing with that sort of contingency.

MR O’CONNOR: Might help our understanding, Mike, if you can just explain how that bond system works. Does an upfront amount of money get put aside and then that’s progressively refunded as rehabilitation happens or is it a per tonnage, certain amount.

MR YOUNG: Well, yeah. So, Steve, I think – probably better take that on notice. I mean, I could explain it to you but - - -

MR O’CONNOR: No, no, no.

MR YOUNG: But it’s not my jurisdiction so - - -

MR O’CONNOR: Yeah.

MR YOUNG: - - - I perhaps don’t want to, you know - - -

MR O’CONNOR: I appreciate that.

MR YOUNG: I’d rather someone else explains it in detail.

MR O’DONOGHUE: One other thing, I mean, we – we did put an additional requirement in for a final void management strategy, sort of, just to ensure that they’re – every year they’re thinking about the size of the void and how they can, you know, manage the risk around that. Part of that is going to be informed more as they go through the mine and the amount of reject they’re developing, its – with – its consistency with the predictions in the EA but also the water balance in terms of, you know, if there’s less water coming into the underground workings than they predicted, less water managing in the void so they don’t need to keep, you know, there might be options there to fill the void in earlier, if the water predictions are

lower and use some of that material that they were – you know, they – some of the material they’re going to – they were – were keeping to fit – to fill in that final – final bit of void after they’ve pumped the water out. So there is – there is contingency around that and, I think, sort of, an ongoing review of where they’re at will, sort of, reduce some of that risk.

MR KIRKBY: Okay. The next matter here was the heritage and impacts. So, obviously, there’s been a bit of the change to the proposal so, obviously - - -

MR YOUNG: Yeah.

MR KIRKBY: - - - I mean, certain things that were going to be impacted aren’t now and – yeah, summary around the - - -

MR YOUNG: So, from a heritage point of view, the department, I guess, views those heritage issues broadly into categories, one being the Tarwyn Park itself in terms of both the heritage values of the buildings and other, sort of, you know, built infrastructure and also the heritage aspects associated with the natural sequence farming - - -

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MR KIRKBY: Yeah.

MR YOUNG: - - - and associated history there. The second category is from a – I guess a broader landscape perspective, which is really connected to the Tarwyn Park heritage matters in terms of context but also has a broader consideration associated with the Bylong Valley as a whole and things like the National Trust listing of the conservation area in that – in that region. So as far as the Tarwyn Park property goes, the Hector Abrahams report which was commissioned by the Heritage Council of New South Wales examined the, I guess, the heritage significance of some of those elements of Tarwyn Park and reached a conclusion about their significance.

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It’s fair to say that the Heritage Council of New South Wales considered that advice and in some respects considered that it agreed with that advice in terms of the built features on Tarwyn Park holding local heritage significance, from recollection, and that the natural sequence farming probably was something that - - -

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MR KIRKBY: I guess the – yeah.

MR YOUNG: - - - required further consideration - - -

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MR KIRKBY: Comparative evaluation .....

MR YOUNG: - - - and comparative evaluation and they didn’t adopt the outcome of the Abrahams review which indicated that it may have state heritage significance. It’s fair to say that on the second category of the landscape, it would be fair to say that the Heritage Council of New South Wales also took a similar view, saying that the – further consideration and work needed to be done about government’s response

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to recognising, listing and/or protecting landscapes of – which have, you know, those kind of amenity and aesthetic values across New South Wales and that whilst it is listed on the national – on the National Trust, that is not a statutory listing that is accompanied by any kind of specific protections under legislation, etcetera.

5

So, in broad terms, our assessment indicated that the heritage values of Tarwyn Park in terms of its buildings, the heritage values at Tarwyn Park in terms of its natural sequence farming, with the removal of open-cut mining from the entire property, those values, whilst – not saying there would be no impact on those values, that, broadly speaking, they could be protected through managing the mine in accordance with a conversation plan, managing blasting and those other kind of impacts. The – certainly, from a groundwater perspective, the groundwater impact assessment indicated that the natural sequence farming areas, in particular within the property holding, could be maintained from a hydrological point of view and also the commitment of the company around maintaining access to those areas for ongoing research, etcetera.

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MR O'CONNOR: Mike, can I ask a question there.

20 MR YOUNG: Yeah.

MR O'CONNOR: Given that the conclusions – or the advice from the Heritage Council was not definitive, did the department then take a precautionary approach in saying that – because it's not actually determined yet, we would prefer if there's no open-cut mining on the property.

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MR YOUNG: One of the nuances of the advice – or the details of the advice from the Heritage Council indicated that whilst only parts of the property have historically been used for, you know, the key aspects of natural sequence farming, I suppose, that it is a holistic land management regime and that that regime arguably had been applied to the whole property, even if the evidence of that was not as apparent as some, you know, more intense areas where it's been practiced on the property. So we considered that, as a precautionary approach and recognising the holistic nature of natural sequence farming, that it was better to preserve the entire property, at least from impacts of open-cut mining.

30  
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So from the broader landscape perspective, you know, we considered that removing the moving from Tarwyn Park would (a) have those benefits of Tarwyn Park itself, but it would also avoid disturbing or needing to relocate the church, the exhumation of the graves in the cemetery and all of the impacts associated with that, the remains of various Melbourne Cup winners, Rain Mother. And so it had some other advantages as well in terms of minimising impacts and disturbance on heritage items with – local heritage items within the vicinity.

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In addition to that, a key aspect of our recommendation is to also change or minimise the impacts of the overburden in placement areas in terms of the visual impact and the size and scale of those to try and maintain some of the view lines to surrounding

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national parks and cliffs and other mountains in the area from Tarwyn Park itself and minimising the visibility of the mine from the Bylong Valley Way, which is obviously a key tourist thoroughfare outside the actually valley where the mine is located. So we – in response to that, KEPCO has made some significant revisions to the height, the micro-relief and, indeed, cut out some areas where the overburden placement was proposed but is now no longer proposed to address some of those landscape concerns raised by the Heritage Council and, indeed, by the Commission.

Now, doesn't mean there's not going to – you know, that it's still going to clear there's an open-cut mining operation in the valley if you go into the valley, into that upper part of the valley; however, the department's consideration from looking at information provided by the company, the photo montages – I think there's some actual simulations, etcetera, that the Commission can have a look at, and you obviously can see the site. The reality is there'll be very little evidence of the mine itself from Bylong Village, from Bylong Valley Way. It'll only become more apparent that there's a mining operation once you enter into that upper Bylong Valley. And so from a broader landscape perspective, the department consider that those impacts on the valley were not so significant that the project wouldn't proceed with those additional mitigation measures in place.

MS LEWIN: I mean, it's fairly completely addressed in the report.

MR KIRKBY: Look, so next item here we have is project justification and economic assessment. I think there was quite a bit of debate in the review process around the open-cut versus underground and questions raised about that, and there's been information that's come back on that particular matter to effectively, I guess, address the importance of the open-cut, just the department's views on that. Obviously, you're satisfied with that. Part of, I guess, my sort of thing with a – it's a – it goes into also the water management thing. Obviously, without a open-cut, there's then flow-on issues for the mine, I guess, in terms of being totally underground.

MR YOUNG: Yes, I think the reality is the mine as proposed is an integrated operation both from an economic and from a practical point of view. If the – I guess we were being asked to consider a mine as proposed, which included both those components. Clearly KEPCO has understood from the Commission's first report and, indeed, the public consultation that's been undertaken at various stages the process that there is significant concern about retaining the open-cut as part of the project. It's clear from its analysis and from its statements in the documentation that it sees it as an integrated project and that if the open-cut is not part of that project, then (a) it's not economically viable and it wouldn't proceed with the project, and (2) is that if it was an underground only option, which it considers the hypothetical option – if it was to be an underground only option, that would necessitate a range of infrastructure and service disturbance in roughly the same locations as much of the open-cut anyway.

5 In particular, tailings specifically of some sort, to manage the tailings in the absence of a – a void to manage those tailings, so I think in reality, the department’s view is that the project ought to be considered as an integrated project and that it’s not actually, from a practical and economic perspective – it’s not severable in that way and so we haven’t, apart from considering the economic justification of the open-cut, we’ve not seen, I guess, assessed an underground option – an underground only option.

10 So – but in terms of the justification for the open-cut, obviously, you know, the economic analysis shows that the NPV for the project – and this is arguably – the profitability of the mine ultimately is a matter for the proponent and not the department necessarily, but the analysis that we had peer reviewed earlier on in the process indicates that the cash flow that would be obtained from the open-cut is necessary from an NPV value point of view to fund the economics of the project and particularly the upfront capital investment. So in broad terms, you know, subject to that review that we have undertaken by - - -

MR .....: CIE.

20 MR YOUNG: - - - CIE, you know, we’re satisfied that it’s a reasonable justification both from an economic and a practical point of view. And, I guess, we would consider that the nature and scale of the open-cut, subject to those changes that we recommended, is not so significant that the impacts – you know, that that part of the project is going to have such a significant impact that it ought not to proceed. You know, in terms of dust, noise, water, etcetera. I’m happy to – yes.

MS LEWIN: ..... did you cite a document that showed the area of disturbance for an underground mine only as a – compared to the open-cut as well as the underground mine?

30 MR YOUNG: Yes, in the – they have provided, I think, through the first assessment – they – they’ve looked at – as part of the preliminary assessment report, they provided more information on, you know, underground and what that means in terms of infrastructure that they’d require for an underground only mine.

35 MS LEWIN: No, but talking about the site disturbance and the – comparable – you were saying that it is likely that it would be similar to .....

40 MR YOUNG: So yes – yes.

MS LEWIN: So I’m just wondering what that actual physical disturbance would be.

MR YOUNG: So the underground – if you take the underground as not changing - - -

45 MS LEWIN: Yes.

MR YOUNG: - - - and, I guess, the only disturbance there would be some subsidence.

MS LEWIN: Yes.

5 MR YOUNG: From the open – from the surface facilities, it’s something in the order of 1000 hectares under the current proposal versus around about 400 hectares with an underground only option.

10 MS LEWIN: Okay.

MR YOUNG: But that it would be subject to detailed design and so forth that the - - -

15 MS LEWIN: It’s in the - - -

MR YOUNG: It’s in that kind of - - -

MS LEWIN: Yes, I get a sense of that.

20 MR O’DONOGHUE: So it’s – yes.

MR YOUNG: 1000 hectares versus 400 hectares. Something like that.

25 MR O’DONOGHUE: So it’s still – yes, mine restructure area, reject in placement, water storages, you know, tailings, dam, and access roads to get those sort of things.

MR YOUNG: And prep plant and all the rest of it.

30 MR O’DONOGHUE: Yes, yes.

MR YOUNG: Yes.

MS LEWIN: Okay. Yes.

35 MR YOUNG: So I think it’d be fair to say the department’s view would be that open-cut or underground only, if you were to go into that valley, there’d be a significant amount of obvious disturbance associated with mining regardless of either option.

40 MR O’CONNOR: Just a question in relation to one of the findings about the desirability of having an assessment undertaken from a computable general equilibrium modelling perspective. I understood that that was prepared. Does the department have any comments they want to make on that particular economic

45 analysis?

MR O'DONOGHUE: Can I do that? Yes. Again, I guess it was more, I guess, information – the key finding out of that is that the, you know, results were reasonably consistent with the IO analysis that was done in terms of regional benefits in – from – the regional economy. So I guess that just added more – I guess more weight to the IO analysis that was done. In terms of employment, there was slightly reduced figures because there's different assumptions, I guess in the CG modelling about whether you've got full employment or the labour supplies. There was more sensitivity and the assessment done on regional benefits for employment with the IO modelling showing more benefits, but there's still – you know, the CG modelling in a range up to 600 compared to about 800 odd for the IO modelling. You know, so I guess reasonably consistent and showing that there would be – it would drive reasonable economy and employment in the area.

MR KIRKBY: Thank you. Just now onto social impacts and community concerns. I think when the review was undertaken, there was still – there was – I think EPA roadworks hadn't been signed that now has, just on that issue.

MR O'DONOGHUE: Yes. Yes.

MR KIRKBY: Obviously, Muswellbrook Council have raised issues around the ..... sort of ..... transport here, I guess, about – their basically concern is that the modelling, I guess, showing – I think it's 90 odd per cent of the workforce coming from the Midwest LGA as opposed to over and across into parts of the – of their LGA. Your report seems you're sort of comfortable with that modelling that they've provided. I think there has been a revised amount that has been put to Muswellbrook, but I don't - - -

MR O'DONOGHUE: But – yes.

MR KIRKBY: - - - think they've accepted that.

MR O'DONOGHUE: But they haven't - - -

MR YOUNG: That's correct. So this was an issue raised in the original review as well. My understanding was that it kept going off at, I think, 40,000 for some – \$40,000 to Muswellbrook Council for some minor line marking - - -

MR KIRKBY: .....

MR O'DONOGHUE: .....

MR YOUNG: ..... and the following further consultation and consideration of the commission's report that that was increased to 200 and - - -

MR KIRKBY: 70 – 60 – 67,000?

MR YOUNG: 267,000 for similar types of works.



MR O'DONOGHUE: Just contributing to safety upgrades for safety barriers along that – the whole stretch there, just the – just a package of works to fund that.

5 MR YOUNG: So I guess it's probably a question you should probably put to the company because it is about – ultimately about managing their workforce - - -

MR O'DONOGHUE: Yes. We will. Yes.

10 MR YOUNG: - - - and – so – but that being said, the location of Mudgee, the improved – improvements to the road, the Wollar Road and the undertakings by the company to – with their employees and contractors compared – would dictate that it would be very unlikely that there would be any significant volume of traffic going along the Bylong Valley Way to the east to Denman. That road is quite windy, not in great condition and it's – to get to Muswellbrook, it's something over an hour's drive  
15 or more. Well over an hour's drive compared to Mudgee which, with the upgrading of Wollar Road, is - - -

MR KIRKBY: Just under an hour.

20 MR YOUNG: Just under an hour. There's also the population centres of, you know, Kandos and Rylstone and so forth to the south, where some people may wish to live. In addition to that, you know, KEPCO has looked at, you know, looked particularly during construction, etcetera, you know, trying to facilitate people living in the valley itself. Now, there's probably limited housing stock there to enable large  
25 numbers to live there, but with the removal of the workforce accommodation facility, most people would need to live in Mudgee, Rylstone or one of those locations. So the other thing is we do have a designated heavy vehicle route that we would – that they would need to comply with and that's obviously not using the Bylong Valley Way ..... Denman, and so if there was any usage of that road, it would be by –  
30 predominantly by, you know, deliveries in light vehicles as opposed to heavy vehicles.

MR KIRKBY: I mean, we can ask the company this, obviously. That was a query I had about ..... require a workforce. I – what mechanism do they do that through?  
35 Employment contracts or – can they do that - - -

MR YOUNG: Put that to the company - - -

40 MR KIRKBY: Yes.

MR YOUNG: - - - but certainly it's a condition that is – the government does apply on a number of projects to ensure that particularly heavy vehicles adhere to the roads that are, you know, built to handle that sort of equipment, but also to look at other options like carpooling and putting on a bus and so forth, which I understand is  
45 something that the company is committed to and something that we were .....

MR O'DONOGHUE: We have condition.

5 MR YOUNG: Condition that. So you start to put in place those kind of formal and informal incentives and I think – and combine that with the geographic distance and the state of the roads, I think the department has a – you know, a higher level of confidence that the numbers predicted in terms of distribution on the road network were pretty accurate.

10 MR KIRKBY: Sure. Okay. Actually, it's not on the list, but it's a query on the biodiversity, just where – I think they've signed up with all the offset areas, except, obviously, offset area 5 which, obviously, is part of the rehab that comes through. See if a – there's a comment here about the department recommending it be secured through an alternative mechanism such as a positive restrictive covenant. Is that conditioned or is that – how would that be imposed?

15 MR O'DONOGHUE: Yeah. It is conditioned in terms of getting – yeah.

MR KIRKBY: .....

MR O'DONOGHUE: So ..... so if you have a look at - - -

20 MR KIRKBY: Is that - - -

MR O'DONOGHUE: So - - -

25 MR KIRKBY: - - - 33?

MR O'DONOGHUE: Yes. So for the offset area 5. So in the long term, we're – you know, we would like to be secured by a stewardship agreement like the other ones. Once mining - - -

30 MR KIRKBY: Yes.

MR O'DONOGHUE: - - - is ceased – but in the interim, you know, we're seeking security - - -

35 MR YOUNG: Within two years.

MR O'DONOGHUE: Yeah.

40 MR YOUNG: An appropriate mechanism.

MR O'DONOGHUE: Yeah.

45 MR YOUNG: Suitable arrangements to provide appropriate longterm security for the offset area.

MR O'DONOGHUE: So ..... advised that their preference is a stewardship agreement, transfer to national parks or conservation agreements. In this instance, you know, they – vis a vis underground mining and ..... rather wait until - - -

5 MR KIRKBY: Yes, until they know.

MR O'DONOGHUE: Until they know before it can - - -

MR KIRKBY: .....

10 MR O'DONOGHUE: - - - be transferred, but yeah, they've got – there's a two year period to do that under a – you know, it could be a conveyancing agreement if OEH – the other option is a conservation agreement if - - -

15 MR KIRKBY: So I guess the - - -

MR O'DONOGHUE: Yeah.

MR KIRKBY: The answer is - - -

20 MR O'DONOGHUE: Yes.

MR KIRKBY: - - - there are options on how they can do it - - -

25 MR O'DONOGHUE: Yes. Yes.

MR KIRKBY: - - - so you didn't want to specify a particular one - - -

MR O'DONOGHUE: That's right.

30 MR KIRKBY: ..... the requirement for them to.

MR O'DONOGHUE: Yes. That's right.

35 MR KIRKBY: Okay. Yes. Okay. ....

MR O'CONNOR: Just on that biodiversity, just to ask about the Commonwealth assessment process, how closely have they been involved or you have got a bilateral agreement so you just do it on their behalf? Can you just explain - - -

40 MR YOUNG: No, that's – yes. I – obviously, the – it is a controlled action under the PPC Act. We – it is being undertaken under the bilateral agreement. We – under the bilateral agreement, there's various administrative interactions required between the State and the Commonwealth throughout the process. So we have consulted with the Commonwealth prior to providing the report and the recommended conditions to the commission. We have consulted with the Commonwealth on both our report and

45 how we've assessed the Commonwealth matters and you will see there's an

appendix, I think, to our final assessment report that includes some details and we've also consulted on the conditions.

5 In addition to that, throughout the process, we have been liaising with both OEH and  
the Commonwealth or the DOEE in regard to biodiversity matters and there have  
been – representatives from that department have been involved in site inspections  
throughout the process as well, and as you would be aware, Steve, the – those  
specific deliberations in regard to approval and/or any conditions, you know, would  
10 be subject to the – you know, whatever the commission decides firstly at the State  
level and then we would formally notify the Commonwealth of the State's decision  
and the subsequent steps would occur after that.

MR KIRKBY: Yes.

15 MR YOUNG: But it is always open to the Commonwealth to augment, to add  
conditions to any State approval if they so desire.

MR KIRKBY: That's fine, Gordon. Thanks. Okay. And I guess the last sort of  
20 issue is, I guess, the department's views on, I guess, the public interest and the  
principles of ESD in terms of your assessment.

MR YOUNG: Were there any specific questions there, Gordon? Otherwise, I  
broadly – it – I mean, there's a lot of elements to the public interest and ESD - - -

25 MR KIRKBY: Yes.

MR YOUNG: - - - have been detailed both in our PAR and in our final assessment  
report. Clearly, that's a matter, ultimately, particularly in regard to public interest  
and weighing up of the impacts versus the benefits – is a matter for the consent  
30 authority. Were there any specific questions that you wanted to ask in that regard?

MR KIRKBY: I guess – look ..... too difficult, I guess. Obviously, you've  
addressed – I guess it would be good to just go through some of the – sort of the – I  
guess the greenhouse gas emissions framework, climate change framework that  
35 you're subject to in terms of your assessment - - -

MR YOUNG: Right.

40 MR KIRKBY: - - - just to put that – to give that sense of perspective.

MR YOUNG: Okay. So I guess the department would view greenhouse gas issues  
as, obviously, a public interest issue and obviously a ecologically sustainable  
development issue but also, from a technical assessment perspective – is really a – an  
45 air quality issue, and, in regard to greenhouse emissions, the department's – well,  
firstly, the department requires companies to estimate the scope 1, scope 2 and scope  
3 emissions associated with mining proposals as a result of previous court decisions  
in the past. That includes scope 3, which is the use of the coal, ultimately, for

wherever it's being used, be that in Australia or overseas. So we essentially look at the greenhouse accounting requirements at the Commonwealth level and ask companies to assess those different emissions in accordance with those greenhouse accounting measures.

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Clearly, mining – inherent in mining, both the extraction processing and ultimate use of the coal, be it in Australia or overseas – results in, you know, significant quantities of greenhouse emissions. We do a comparative analysis of those emissions compared to emissions at the state, national and international levels. There is a – there are climate change or greenhouse gas policies at both the Commonwealth and state levels, but those are broader matters, really, than the assessment of a particular project whilst we assess it in that. There's a climate change framework that New South Wales government has published that aims to – for zero emissions by 2050. However, that is really more focused on government procurement and government initiatives, as opposed to projects per se.

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Obviously, there's international agreements, such as Paris and so forth, that – and the international treaties that the New – that the Australian government has signed up to, and, you know, the New South Wales government seeks to contribute to those matters, but it's not – it's something that is considered in the assessment of mining proposals, but it's really a broader policy issue, both at the state and Commonwealth level – that we leave consideration of those aspects to those levels.

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MR KIRKBY: Okay ..... questions .....

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MR O'CONNOR: .....

MR KIRKBY: Thanks. Do you have any questions of us or the process moving forward?

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MR YOUNG: No.

MR KIRKBY: No. That's fine. No other questions - - -

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MS LEWIN: .....

MR KIRKBY: - - - from the panel?

MR O'CONNOR: No.

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MR KIRKBY: Steve? Okay.

MR O'CONNOR: Thanks for your report.

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MR KIRKBY: Yes.

MS LEWIN: Yes.

MR KIRKBY: Thanks very much for (a), yes, the report and (b) coming in, briefing us. I think that brings the meeting to a close. Thank you.

5 **RECORDING CONCLUDED**

**[3.13 pm]**