



Contact: Rebecca Newman
Phone: (02) 9228 6340
Fax: (02) 9228 6355
Email: rebecca.newman@planning.nsw.gov.au

Mr Brett McLennan
Director
EMGA Mitchell McLennan
G/F Suite 01 20 Chandos St
ST LEONARDS NSW 2065

Our ref: 10/14864

Dear Mr McLennan

Director-General's Requirements for the Port Waratah Coal Services Terminal 4 (MP 10_0215)

The Department has received your application for the above project.

I have attached a copy of the Director-General's Requirements (DGRs) for the preparation of an Environmental Assessment for the project. These requirements have been prepared in consultation with relevant government authorities. I have also attached a copy of the government authorities' comments for your information.

The DGRs have been prepared based on the information you have provided to date. Please note that under section 75F(3) of the *Environmental Planning and Assessment Act 1979*, the Director-General may alter these requirements at any time. If you do not submit an Environmental Assessment for the project within two years, the DGRs will expire.

Prior to exhibiting the Environmental Assessment that you submit for the project, the Department will review the document to determine if it adequately addresses the DGRs. The Department may consult with other relevant government authorities in making this decision. Please provide 16 hard copies and 18 electronic copies¹ of the Environmental Assessment to assist this review.

If the Director-General considers that the Environmental Assessment does not adequately address the DGRs, the Director-General may require you to revise the Environmental Assessment. Once the Director-General is satisfied that the DGRs have been adequately addressed, the Environmental Assessment will be made publicly available for at least 30 days.

If your project is likely to have a significant impact on matters of National Environmental Significance, it will require an approval under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). This approval would be in addition to any approvals required under NSW legislation and it is your responsibility to contact the Department of Sustainability, Environment, Water, Population and Communities to determine if an approval under the EPBC Act is required for your project (<http://www.environment.gov.au> or 6274 1111).

Your contact officer for this proposal is Ms Rebecca Newman, who can be contacted on (02) 9228 6340 or via email at rebecca.newman@planning.nsw.gov.au. Please mark all correspondence regarding the proposal to the attention of the contact officer.

Yours sincerely

Daniel Keary
Director
Infrastructure Projects
As delegate for the Director-General

¹ File parts must be no greater than 5Mb each. File parts should be logically named and divided.

Director-General's Requirements

Section 75F of the *Environmental Planning and Assessment Act 1979*

Application	10_0215
Project	Construction and operation of a coal export terminal at Kooragang Island comprising a rail loop, stockyard, conveyor system (including a crossing of Cormorant Road and the Hunter River), shipping berths (near Tourle Bridge, along the northern and southern banks of the Hunter River south arm), ancillary facilities, and service and infrastructure relocations.
Site	Kooragang Island and Hunter River (South Arm)
Proponent	Port Waratah Coal Services
Date of Issue	14 March 2011
Date of Expiration	14 March 2013
General Requirements	<p>The Environmental Assessment (EA) must include the following:</p> <ol style="list-style-type: none"> 1. an executive summary; 2. a detailed description of the project, including (but not limited to): <ul style="list-style-type: none"> • location, site description and planning context (including surrounding land uses and operations, existing and planned); • construction and operational activities; • project elements, including all site infrastructure, terminal capacities and service relocations; and • project and component staging and timing (if proposed). 3. an assessment of the key issues, with the following aspects addressed for each key issue (where relevant): <ul style="list-style-type: none"> • the significance of the existing environment; • the potential impacts of the proposal at construction and operation stages. Direct, indirect and cumulative impacts must be considered; • relevant planning, land use and development matters (including relevant strategic and statutory matters) considered in the impact assessment and/or in developing management/ mitigation measures; • measures to be implemented to avoid, minimise, manage, mitigate, offset and/or monitor the impacts of the project; and • any residual impacts. 4. a draft Statement of Commitments (SoC) detailing measures for environmental management, mitigation, and monitoring for the project. The SoC must be achievable, measurable (with respect to compliance), and time specific, where relevant; and 5. certification by the author of the EA that the information contained in the assessment is neither false nor misleading.
Key Assessment Requirements	<p>Strategic and Project Justification – the EA must detail the strategic need and justification for the project with specific reference to the need, scale and location of the project, identify project objectives, alternatives considered, and how the project meets the project objectives.</p> <p>The EA must consider the project against the objects of the <i>Environmental Planning and Assessment Act 1979</i>; and its consistency with the aims and objectives of relevant Commonwealth and State policies, including the <i>National Ports Strategy</i>, <i>NSW State Plan 2010</i>, <i>Three Ports Site</i> under the <i>State Environmental Planning Policy (Major Development) 2005</i>, <i>Lower Hunter Regional Strategy</i> and <i>NSW Coal & Gas Strategy Scoping Paper (February 2011)</i>.</p> <p>The EA must consider the project's relationship with existing Newcastle Port operations and approvals and the broader Hunter Valley coal transport network; and other relevant legislation and licensing requirements.</p> <p>Soils and Contamination Impacts – the EA must include a soil and geotechnical assessment to determine the suitability of the foundation materials to accommodate the project, including:</p>

- the risk and impacts of exposure and mobilisation of contaminants and acid sulfate soils, including the further migration of contaminants from the site; and
- the potential for fill settling under load and the interaction of the project components with site capping, including implications for piling and design of foundations.

The EA must include an invasive land and groundwater contamination investigation and assessment identifying the potential risk to human health and the environment from contamination that is likely to be disturbed, mobilised or imported onto the site. Should remediation of the site or foreshore area be necessary, a Remediation Action Plan (RAP) shall be prepared. The assessment shall take into account the *Contaminated Land Management Act 1997*, *State Environmental Planning Policy No 55 - Remediation of Land* and relevant Guidelines.

Water Quality and Hydrological Impacts – the EA must include an assessment of the water quality impacts of the project during construction and operation, with particular reference to impacts on surface and groundwater, and climate change adaptation measures, including:

- changes to groundwater recharges and flow regimes, impacts to surface and groundwater ecosystems, including the Kooragang Wetland and groundwater users;
- how the project will alter the surface profile of the site, including landfill areas and impacts to drainage structures and water management facilities; and
- an assessment on flooding, detailing the implications of the project on flooding heights and velocities for a range of flood events.

The EA must reflect a design goal of no discharge of water to the Hunter River, other than natural surface run-off in extreme weather events, during operation of the project and shall take into account the *Floodplain Development Manual* (DIPNR, 2005) and the *Australian and New Zealand Environment Conservation Council Water Quality Guidelines for Fresh and Marine Waters* (ANZECC, 2000).

Ecological Impacts – the EA must include an assessment of impacts of the project on aquatic and terrestrial ecology, and in particular threatened and migratory species and communities that have been recorded on the site and surrounding area. The assessment must:

- consider current investigations undertaken on the site and surrounding areas;
- include ecological surveys (aquatic and terrestrial) commensurate with the biology/ecology of species and the extent of suitable habitat within and adjoining the site;
- consider the ecological values of the Kooragang Wetland/Hunter Wetlands National Park, damage or loss of in-stream and riparian vegetation and aquatic habitat, and operational impacts;
- consider the corridor values or connective importance of any native vegetation on the land, and their retention/rehabilitation. Where vegetation clearing is proposed, include an offset to compensate for the removal of vegetation, where necessary;
- include a compensatory habitat strategy for all impacted species based on the *Kooragang Compensatory Habitat Framework* (DECC) and consider compensatory habitat provided in relation to other project approvals on Kooragang Island (including the limitations of the nearby Ash Island for use as an offset area for habitat loss in the Kooragang Island and Hunter River estuary); and
- consider direct and indirect impacts on all matters of national environmental significance, as listed under Part 4 of the *Environment Protection and Biodiversity Conservation Act 1999*.

The assessment shall take into account the *Draft Guidelines for Threatened Species Assessment* (DEC and DPI, 2005), *Threatened Biodiversity Survey and Assessment: Guidelines for Developments and Activities* (DEC, 2004), *Principles for the Use of Biodiversity Offsets in NSW* (DECCW, 2008), *SEPP 14 - Coastal Wetlands* and *SEPP 71 - Coastal Protection*.

Air Quality Impacts – the EA must include an air quality impact assessment for the project and with respect to impacts from the project in isolation and in a cumulative context with existing and approved development and shall include:

- an assessment of air pollution sources and atmospheric pollutants of concern for local and regional air quality;
- consideration of receiver locations and prevailing weather conditions; and
- consideration of a coordinated real time regional air quality monitoring program.

Where known or suspected contaminated materials are to be disturbed as part of the project, the EA must also include consideration of the air quality impacts (including odour) associated with the suspension of contaminated particulates or the volatilization of contaminants from exposed surfaces and stockpiles. The assessment shall take into account the *Approved Methods for Modelling and Assessment of Air Pollutants in NSW* (DEC, 2005).

Noise and Vibration Impacts – the EA must include an assessment of the noise and vibration impacts and must include:

- impacts from the project in isolation and in a cumulative context with relevant existing and approved development;
- impacts from all activities and sources on and off site, with particular focus on the operation of coal trains, coal stockyard/reclaimer equipment and the ship loading conveyor system; and
- impacts on the residential areas of Warabrook, Mayfield, Carrington and Stockton.

The assessment shall be prepared to take into account the *Interim Construction Noise Guideline* (DECC, 2009), *NSW Industrial Noise Policy* (EPA, 2000), *NSW Environmental Criteria for Road Traffic Noise* (EPA, 1999) and *Assessing Vibration: a Technical Guideline* (DEC, 2006).

Traffic, Transport and Access – the EA must include an assessment of transport and access impacts and shall include:

- a Traffic and Transport Study to assess the transport and access impacts of the proposal for both construction and operation. The Study must address:
 - all vehicular traffic routes and intersections for access to, from, and within the site, including existing road constraints and proposed upgrading (supported by concept drawings) if any; and access to the proposed shipping berths on the Hunter River (South Arm) adjacent to Tourle Street Bridge;
 - current traffic counts for all of the traffic routes and intersections;
 - expected additional vehicular traffic to be generated from the proposed development and associated trip distribution on the road network;
- impacts on existing and proposed intersections and the performance of the local and regional road network (particularly during construction), taking into account the *Guide to Traffic Generating Developments* (RTA, 2002);
- consideration of the cumulative traffic impact of other proposed developments in the area;
- details of existing and proposed rail infrastructure, including capacity to service the proposed operation of the project and details of rail traffic impacts on the broader rail network;
- impacts (direct and indirect) on navigation and access to recreational uses in the area; and
- potential for implementing a location specific sustainable travel plan such as a Workplace Travel Plan for workers at the future site.

Visual Impact – the EA must include an assessment of the impacts of the project on visual amenity of the surrounding areas and consider large scale landscaping within the context of a port and industrial precinct.

<p>Environmental Risk Analysis</p>	<p>Notwithstanding the above key assessment requirements, the Environmental Assessment must include an environmental risk analysis to identify potential environmental impacts associated with the project (construction and operation), proposed mitigation measures and potentially significant residual environmental impacts after the application of proposed mitigation measures. Where additional key environmental impacts are identified through this environmental risk analysis, an appropriately detailed impact assessment of this additional key environmental impact must be included in the Environmental Assessment.</p>
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Consultation Requirements

- The EA must reflect an appropriate and justified level of consultation with relevant parties during the preparation of the EA, including
- local, State or Commonwealth government authorities including:
 - Commonwealth Department of Sustainability, Environment, Water, Population and Communities;
 - Commonwealth Department of Infrastructure and Transport;
 - NSW Department of Environment, Climate Change and Water;
 - NSW Office of Water;
 - NSW Industry & Investment;
 - NSW Roads and Traffic Authority;
 - Transport NSW;
 - NSW Maritime;
 - Newcastle City Council;
 - Newcastle Port Corporation; and
 - Hunter-Central Rivers Catchment Management Authority.
- service and infrastructure providers including:
 - Australian Rail Track Corporation;
 - RailCorp;
 - Hunter Water;
 - Hunter Energy.
- specialist interest groups including Aboriginal stakeholders; and
- the public, including specialist interest groups and affected landowners.

The EA must describe the consultation process, document all community consultation undertaken to date and identify the issues raised (including where these have been addressed in the EA).