

## **RIXS CREEK EXTRAORDINARY COMMUNITY CONSULTATIVE COMMITTEE MEETING – REVISED RESPONSE TO SUBMISSIONS**

**MEETING:** 29/01/2018

**PRESENT:** Chairperson- Councilor – Sarah Lukeman. (SL)  
Community Representatives – Reg Eveleigh (RE) and Michelle Higgins (MH).  
Company Representatives – Garry Bailey (GB), Luke Murray (LM), Greg Hurney (GH), Hannah Bowe (HB) (Minutes).

**APOLOGIES:** David Moran, Patricia Bestic, Lyn MacBain, Deidre Olofsson, Greg Hall, Chris Knight, Chris Quinn.

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**Meeting commenced 10:16 am at Rixs Creek South training room.**

### **AGENDA**

Councilor Sarah Lukeman chaired the meeting.

GB opened the meeting and explained the reason for the meeting.

As part of our ongoing commitment to consultation with the community, Rix's Creek requested to the Chairperson to hold this Extraordinary Meeting of the CCC to update all members on the Rix's Creek South Continuation Project.

GB delivered a Revised Response to Submissions presentation for the Rix's Creek Mine Continuation Project and questions were asked and answered throughout the presentation.

### **PRESENTATION RIX'S CREEK MINE CONTINUATION PROJECT REVISED RESPONSE TO SUBMISSIONS**

#### **OVERVIEW**

- The Revised Response to Submissions Report has been developed so there is one stand-alone document to detail the impact assessment for the revised project.
- The revision is due to:
  - Government agency requests for clarifications
  - The Project area being agreed upon with DPE
  - Purchase of the Integra Mine

#### **COMPLIANCE MATTER WITH DPE**

During assessment of the EIS, The NSW DPE identified a potential discrepancy between the proposed disturbance area and the disturbance area in the existing consent. To resolve, Bloomfield agreed to consent orders under the EP&A Act which now formalise the Existing Permitted Mining Area and the New Disturbance Area (213 ha).

**Question:** MH asked if compass points and coordinate systems were used to define the disturbance area. GB responded that our interpretation of our operational consent, which was granted in 1995, was that we were within the consent area. GB stated that Rix's Creek has at all times reported all disturbance within any 12 month period in the Annual Environmental Management Reviews. GB elaborated that the Company decided that the best avenue for resolution was to settle the issue by reaching an agreement.



**Question:** MH asked what is represented via the blue and white dash line (ML1432). GB responded that this is Mining Lease 1432. GB then explained that the land is contained within CL352 but historically there was a surface exclusion on the area within the blue/white dash line. This surface exclusion was removed after the previous landowners agreed under the Mining Act to remove it, this area of land was then included in the 1995 consent and DRG (then known as The Department of Mineral Resources) granted ML1432 in 1998 to remove the surface exclusion.

**Question:** MH asked if the previous landowners had to sell? GB responded that they were not forced to sell, a commercial arrangement was entered into.

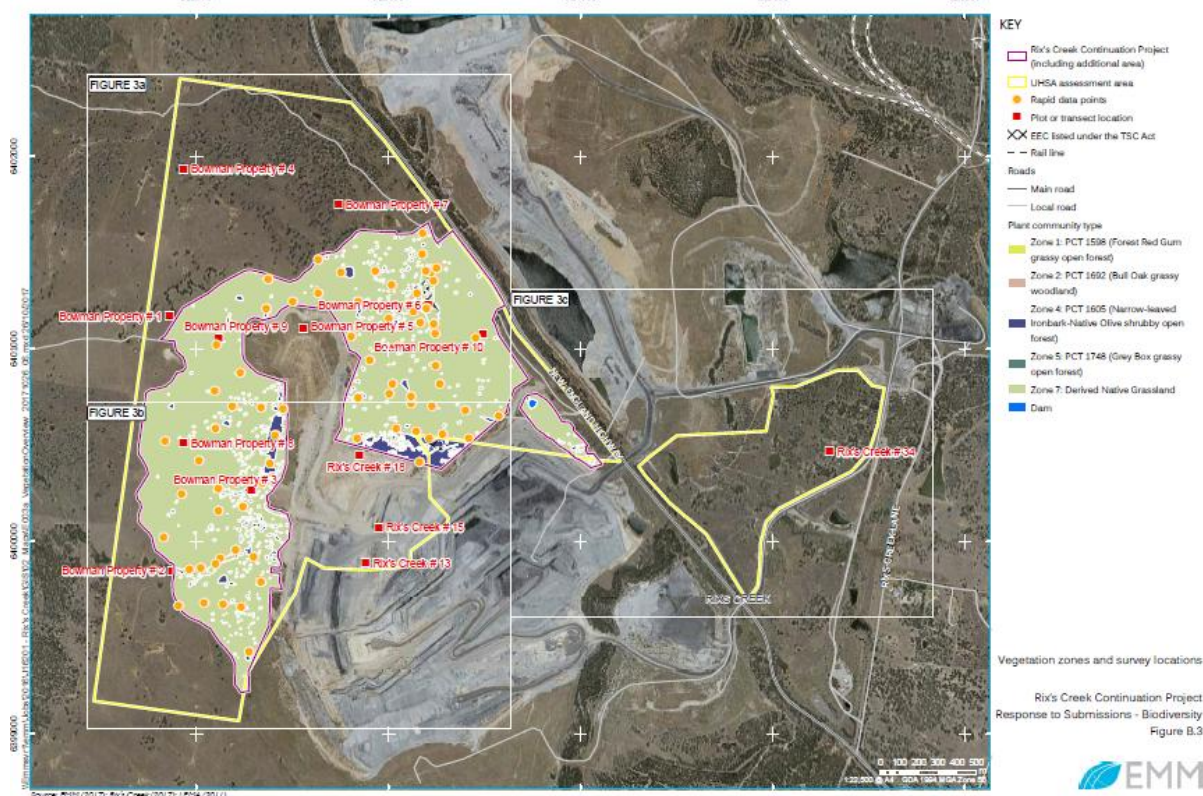
**Question:** SL asked where is Dead Man's Gully? This was identified on the map and GB commented that when final landform is achieved the Dead Man's Gully catchment area will be slightly reduced.



- Finalisation of the New Disturbance Area (213ha) resulted in additional assessment required for;
  - Biodiversity Impact
  - Agricultural Impact
  - Confirmation of Aboriginal heritage impact

### BIODIVERSITY IMPACT

- GB explained that the land required to be offset is heavily grazed derived native grassland, with some populations of Central Hunter narrow leaf Ironbark and Spotted Gum communities.
- The current Development Consent allows disturbance of the area east of the NEH.
- New Disturbance Area assessed under Biodiversity Certification Assessment Methodology (BCAM) for Upper Hunter Strategic Assessment (UHSA) and Framework for Biodiversity Assessment (FBA) for alternative offset package.



GB explained that the yellow line in the above image represents the total area assessed under BCAM.

Several images were presented to the CCC which identified different plant community types and their locality within potential offset areas for the Rix's Creek Continuation Project.

**Question:** MH requested clarification of EPA's opinion of the Rix's Creek Continuation Project, commenting that her understanding was that while the EPA have additional environmental monitoring specifications (e.g. specific water monitoring requirements) the EPA is largely supportive of the continuation project. GB clarified that it is the OEH who have requested more information on the biodiversity impacts of the continuation project and Rix's Creek is currently waiting response.

GB explained to the meeting that Rix's Creek have utilised the OEH initiative, The 'Upper Hunter Strategic Assessment' (UHSA) for biodiversity offset management, however, the UHSA has still not been agreed on by both NSW State and Commonwealth Governments. DPE have stated that Rix's Creek require an alternative biodiversity strategy in the case UHSA does not come to reality.

**Comment:** MH commented that a potential final landuse could be an arboretum forest. GB responded that the ideal final landuse will provide economic benefit to the landowner, such as grazing, which is the current approved final landuse.

**Question:** SL asked why there are the different credit ratings for the biodiversity offset areas. GB clarified this is due to two different biodiversity assessment methodologies. There is just under 4000 biodiversity credits identified under UHSA and 5000 credits under FBA.

**Question:** MH asked what development can occur within a biodiversity offset area e.g. can you run stock on these lands. GB answered no development, no grazing, no production etc. may occur on biodiversity areas. With the exception to fire-break slashing for community safety reasons as occurs on current Rix's Creek biodiversity areas.

**Comment:** SL commented that Singleton Council have no contribution as to the biodiversity offset requirements for the Rix's Creek Continuation Project. SL continued that from a council perspective, land that becomes biodiversity offset area becomes sterilised with lost potential for economic benefit or development in the future. MH agreed, stating it is illogical as the land being offset is heavily grazed derived native grassland with minimal ecological significance / vulnerable communities and in close proximity to the growing Singleton township.

### **AGRICULTURAL IMPACT**

- Existing grazing weaner operation.
  - Additional 41ha of available grazing agricultural land has been lost to disturbance.
  - 67 ha of rehabilitated pasture currently being successfully grazed.
  - Currently developing a grazing monitoring plan in conjunction with Neil Nelson to supplement the existing rehabilitation monitoring plan and justify that Rix's Creek rehabilitation is sustainable for long-term grazing land use.

### **CONFIRMATION OF ABORIGINAL HERITAGE IMPACT – ARCHAEOLOGY**

- Archaeologists have compiled existing documented archaeological data for the site.
- OEH have accepted that the Rix's Creek Continuation Project area has been sufficiently examined for archaeological significance.

### **INTEGRA PURCHASE - RIX'S CREEK NORTH**

- Acquisition of Integra Rail Loop will allow the surrender of Rix's Creek Mod 5 consent to construct a separate Rail Loop.
- Advancement of existing gradual mobile plant noise attenuation program by utilising the former Integra mobile plant with existing sound attenuation installations.
- Reduced capital due to large acquisition of machinery, plant, parts and infrastructure.

### **PRODUCTION**

- Reduced peak production rates compared to original EIS.

### **SUMMARY OF SUBMISSIONS**

- Public submissions

**Comment:** MH commented on the community feedback submissions for the project and noted that the majority of objection responses were not from local residents. MH then queried if responses from within the local community are weighted more heavily than responses from outside the community? GB responded that this is at the discretion of the PAC/IPC. GB also commented that of the 115 Individual public / community members who submitted a response to the EIS, 79 submissions were in support of the Project.

### **RESPONSE TO GOVERNMENT AGENCY SUBMISSIONS**

- **DPI**

DPI – Groundwater.

- Meeting viewed an image depicting the location of groundwater and groundwater drawdown areas relative to the mining operations plan for RCS final landform.
- GB explained that due to the geological strata of this site, groundwater is contained within the consent and there is no identified drawdown from outside the lease area.
- GB mentioned that in the original EIS groundwater documents were illegible due to scale. This is now rectified in the new document.

- **EPA**

EPA – Diesel Exhaust Emissions

Technical prediction models which demonstrate the forecast emissions of the continuation project at neighbouring receptors over time (specifically 2017 – 2020 and 2023 – 2026) were presented to the meeting. An aerial image depicting the locations of the receptors was also shown to the meeting for reference.

GB explained how these models suggest, compared to background Singleton PM<sub>10</sub> concentrations, that the Rix's Creek continuation project will result in minor initial increased emissions at receptors before decreasing at these receptors as the open cut operation and successive post-mining rehabilitation progress in a north-westerly direction away from the Singleton township.

GB explained that UHAQMN background air quality data was established in 2012 utilising Todoroski Air Science (TAS) calculations and noted that diesel exhaust emissions were included in these hypothetical calculations.

**Comment:** MH commented that as a local resident she does personally notice air quality impacts on her respiratory system on days with elevated wind speeds and higher temperatures.

- **SINGLETON COUNCIL**

Singleton Council identified the Bridgman Road rezoning as an item requiring additional investigation as this area is in the Singleton Council's long term residential development plan as the necessary infrastructure for further development is in close proximity to this location. GB commented that Rix's Creek's preference for this rezoning and urban development was to stagger the rezoning and development process, however this was not possible.

A map showing the close proximity between the Bridgman Road rezoning development and the CL352 project boundary was shown to the meeting.

Singleton Council identified visual amenity from Maison Dieu Road. Several photographs were shown to the meeting to demonstrate the existing high standard of visual amenity structures e.g rehabilitated bunding and undulated post-mining final landforms.

## **DPE ADDITIONAL CLARIFICATIONS**

- **Final void comparison / final landform**

Images showing the final post mining conceptual landform and final void were shown and discussed at the meeting.

**Question:** MH asked if the Rix's Creek focus on planning the post mining landscape was consistent with global pressures on final landform use and voids.

**Comment:** SL responded that a safe and stable final landform plan is necessary for Development Consent to be granted to State Significant Developments, however, Singleton Council is not content with a saline water void landscape throughout the Hunter Valley as final post-mining landforms offer large opportunity for infrastructure and economic potential.

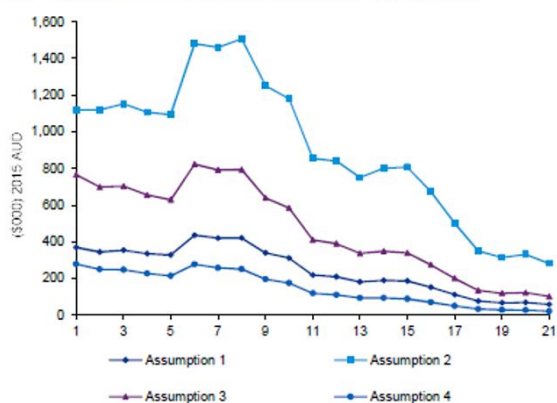
**Question:** MH asked how deep the final void will be. GB answered ~200m.

**Question:** MH asked if there will be ongoing water monitoring. GB answered yes – water quality testing will be ongoing to ensure completion criteria is met.

- **Economic assessment**

- Economic: Carbon Emission Impacts  
4 options modelled

Chart 2-4: Projected annual PV costs of carbon emissions by unit cost (\$ real = 2015)



Assumption	Basis for Assumption
<b>Assumption 1</b> Forecast European Union Emission Allowance Units price NSW Government preferred approach	<ul style="list-style-type: none"> <li>• Included in the calculation workbooks that accompany the NSW Department of Planning and Environment, <i>Guidelines for the economic assessment of mining and coal seam gas proposals</i></li> <li>• Noted as the most appropriate assumption by the <i>Review of the NSW Energy Savings Scheme</i></li> </ul>
<b>Assumption 2</b> Australian Treasury Clean Energy Future Policy Scenario	<ul style="list-style-type: none"> <li>• Included in the calculation workbooks that accompany the NSW Department of Planning and Environment, <i>Guidelines for the economic assessment of mining and coal seam gas proposals</i></li> <li>• Noted as the a valid alternate assumption by the <i>Review of the NSW Energy Savings Scheme</i></li> </ul>
<b>Assumption 3</b> US EPA Social Cost of Carbon	<ul style="list-style-type: none"> <li>• Included in the calculation workbooks that accompany the NSW Department of Planning and Environment, <i>Guidelines for the economic assessment of mining and coal seam gas proposals</i></li> <li>• Noted as a valid alternate assumption by the <i>Review of the NSW Energy Savings Scheme</i></li> </ul>
<b>Assumption 4</b> European Union Allowance futures price (as at July 2014)	<ul style="list-style-type: none"> <li>• Adopted in a recent analysis of the Mount Owen Coal Mine submitted as part of the approvals process with NSW Government</li> </ul>

Source: Department of Planning and the Environment, *Greenhouse Gas Emissions Valuation Workbook*, available at: [http://plans.policies.planning.nsw.gov.au/index.pl?section=view\\_job&job\\_id=7312](http://plans.policies.planning.nsw.gov.au/index.pl?section=view_job&job_id=7312) and KPMG analysis

Table 2: Indicative sensitivity analysis results, carbon price assumption

Carbon Price Assumption (\$/tonne)	Benefits (\$m)	Externalities (\$m)	Other Costs (\$m)	Total Costs (\$m)	NPV (\$m)	BCR
\$4.75 50 per cent decrease	1,072.2	2.3	816.0	818.3	253.9	1.31
\$9.50 Assumed price based on RET scheme	1,072.2	4.5	816.0	820.6	251.6	1.31
\$14.25 50 per cent increase	1,072.2	6.8	816.0	822.9	249.4	1.30
\$19.00 100 per cent increase	1,072.2	9.1	816.0	825.1	247.1	1.30
\$28.50 200 per cent increase	1,072.2	13.6	816.0	829.7	242.6	1.29
\$57.00 500 per cent increase	1,072.2	27.2	816.0	843.3	228.9	1.27
\$104.50 1000 per cent increase	1,072.2	49.9	816.0	866.0	206.2	1.24
\$199.50 2000 per cent increase	1,072.2	95.3	816.0	911.4	160.8	1.18

Source: KPMG analysis

- Economic: Air Quality Impacts used TAS modelling

Table 2-6: Costs of air quality impacts over project horizon (PV, \$m real 2015)

Timeframe	Impact (PV, \$m real)
2017	0.10
2020	0.03
2023	0.21
2026	0.04

Source: KPMG analysis based on Department of Planning and the Environment, Air Quality Valuation Workbook and assumptions provided by Todoroski Air Sciences

Table 3-1: Previous economic evaluation results (PV @ 7% \$million 2015)

Evaluation Results (\$m, PV @ 7 per cent)

<b>Incremental costs</b>	
Capital expenditure	110.5
Operating and maintenance expenditure	705.4
Environmental externalities	4.5
Opportunity cost of land use	0.2
<b>Total Incremental Costs</b>	<b>820.6</b>
<b>Incremental Benefits</b>	
Revenue	997.5
Wage premium	104.3
Residual value of land	0.4
<b>Total Incremental Benefits</b>	<b>1,072.2</b>
<b>Summary Results</b>	
<b>NPV (\$ million)</b>	<b>251.6</b>
<b>BCR</b>	<b>1.3</b>

NOTE: Totals may not sum due to rounding.

Source: KPMG, Rix's Creek Continuation Project – Economic Assessment, 2015

The original KPMG analysis undertaken in July 2015 found that total environmental externalities were \$4.5 million over the life of the Project, or 0.5 per cent of total incremental costs of the project. The updated carbon emission impacts are higher than the previous estimates, particularly when estimates of air quality impact are also considered. For example, the Scope 1 carbon emissions using the preferred metric (Assumption 1) and air quality impacts result in total environmental externalities of approximately \$6.5 million over the project life. Despite this, while not directly comparable, the updated environmental externalities still represent a small proportion of the total incremental cost of the Project.

- **Project noise levels**

Noise Limits – Incorporated into EPL

GB explained that previously Rix's Creek Mine has operated under background noise guidelines in accordance with our consent and EPL. However, recently, Rix's Creek has improved the Noise

Management Plan and updated the EPL to now include firm LAeq and LA1 dB (A) noise limits. This is reflective of best industry practice.

Two images were presented to the committee members highlighting where each noise monitoring location is in relation to the operation and also the noise limit for each location that must not be exceeded.

## **QUESTIONS**

No additional questions asked.

**MEETING CLOSED 12:00PM**

DRAFT