



Emeritus Professor Mary O'Kane
Chair
Independent Planning Commission
GPO Box 3415
Sydney NSW 2001

Dear Emeritus Professor O'Kane

Bylong Coal Project (SSD 6367)

The Department has completed its assessment of the proposed Bylong Coal Project, which is located around 55 km northeast of Mudgee in the Mid-Western Regional Council local government area in the Central West and Orana region of NSW.

In July 2015, KEPCO Bylong Australia Pty Limited (KEPCO) lodged a development application to construct and operate an open cut and underground coal mine near the village of Bylong. The Bylong Coal Project (the project) comprises the development of two open cut mining areas and underground mining using longwall mining methods. The project would operate for up to 25 years.

In accordance with clause 8A of the *State Environmental Planning Policy (State and Regional Development) 2011* and section 4.5(a) of the *Environmental Planning and Assessment Act 1979*, the application is referred to the Independent Planning Commission for determination, as there were more than 25 objections on the project.

The Department exhibited the application and accompanying Environmental Impact Statement (EIS) for 44 days from 23 September 2015 until 6 November 2015. During the exhibition, the Department received a total of 364 submissions, including 14 from public authorities, and 35 from special interest groups/ organisations. 336 of the submissions objected to the project.

None of the NSW Government agencies object to the project, and Mid-Western Regional Council has written to the Minister for Planning expressing its strong support for the project.

In January 2017, the Minister for Planning requested that the Planning Assessment Commission undertake a merit review including a public hearing for the project. The Commission held its hearing in Mudgee on 11 May 2017. The Commission provided its report to the Department in July 2017. The Department requested KEPCO to provide a response to the findings of the PAC's review report.

In January 2018, KEPCO provided its *Response to PAC Review Report* to the Department which provided a substantial and detailed response to the PAC Review Report. This included extensive additional expert advice on a range of environmental issues and preparation of 6 draft management plans to demonstrate how KEPCO would meet its commitments made during the assessment of the project.

A key concern raised by the PAC was the potential impacts of the project on Tarwyn Park, where natural sequence farming (NSF) was developed by Mr Peter Andrews in the 1970's.

The Department has consulted closely with the Heritage Council of NSW about the potential impacts on the heritage values associated with Tarwyn Park, including the landscape values associated with the property and the Upper Bylong Valley.

The Heritage Council engaged an independent heritage expert, Hector Abrahams, to provide advice on this matter. Mr Abrahams' report and the Heritage Council's advice was provided to the Department in February 2018.

In May 2018, following careful consideration of the Commission's review report, KEPCO's response to the Commission's report, and the subsequent advice provided by Heritage Council of NSW on the heritage values of Tarwyn Park, the Department advised KEPCO that revisions to the mine plan would be required to further avoid and minimise the potential impacts on the heritage values of Tarwyn Park and surrounding landscape.

In particular, the Department advised KEPCO that it considered:

- no open cut mining or overburden emplacement should be allowed on the Tarwyn Park property; and
- overburden emplacement areas should be redesigned to minimise the visual impacts and maximise the integration of the proposed final landform with the surrounding topography.

In July 2018, KEPCO provided a report *Bylong Coal Project – Supplementary Information* which provides details and updated assessment of a "Revised Mine Plan" to address the Department's request.

In its response, KEPCO advised that it is still seeking consent for the mine plan as identified in the Environmental Impact Statement (the EIS Mine Plan) but provided further details and assessment of the Revised Mine Plan, given the Department's intention to recommend this condition to the Commission.

The Heritage Council made a number of recommendations for the Department to consider for avoiding or further minimising impacts on the heritage values of Tarwyn Park including:

- measures to be introduced to mitigate the loss of the research potential associated with natural sequence farming; and
- further evaluation of the proposed post-mining landscape form to better reproduce the current character of the terrain.

The Department has now completed its detailed merit assessment of the project, in accordance with applicable NSW Government policy, guidelines and statutory requirements. The Department has sought to address all of the findings in the Commission's 2017 review report.

The Department has prepared recommended conditions of consent which it considers provide a comprehensive, strict and precautionary approach to ensuring the project can comply with relevant performance measures and standards, and that the predicted residual impacts can be effectively minimised, mitigated and/ or compensated.

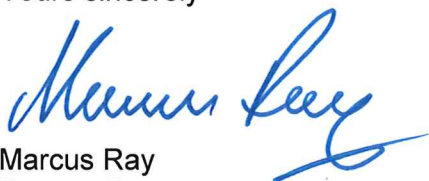
The project would result in a range of social and economic benefits for the Mid-Western Regional Council local government area, the Central West and Orana Region and the State of NSW. The project would employ up to 450 persons at full production, 665 during the peak construction period. It would also create a substantial number of indirect employment opportunities in related industries and economic contributions to the State through royalty and local tax revenues.

On balance, the Department considers that the benefits of the project outweigh its costs, and that the project is approvable subject to stringent conditions.

I have attached a copy of the Department's final assessment report, recommended conditions and all other relevant documents for the Commission's consideration. These documents should be considered together with the Department's Preliminary Assessment Report submitted to the Commission in 2017.

If you have any further questions or would like the Department to brief the Commission about its assessment, please contact Mr Mike Young, A/ Executive Director Resource Assessments and Business Systems, on 8217 2091.

Yours sincerely



Marcus Ray
Deputy Secretary
Planning Services

04/10/2018