



Mr Rick Fairhurst
Project Studies Manager
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201 Charlotte Street
Brisbane QLD 4000

12/07297

Dear Mr Fairhurst

Subject: Supplementary Director-General's Requirements for Drayton South Coal Project (MP11_0062)

I refer to the Director-General's Requirements that were issued for the above project on 3 August 2011.

As you are aware, the draft Upper Hunter Strategic Regional Land Use Plan (SRLUP) has been released for public exhibition. The draft plan details the NSW Government's proposal to apply a pre-development application gateway process to State significant mining and coal seam gas proposals that are located on or within two kilometres of areas mapped as strategic agricultural land.

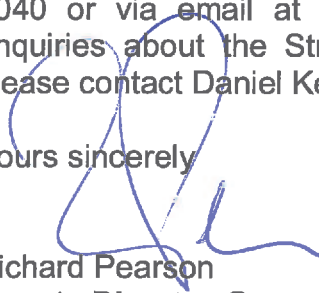
The Department has developed a policy that sets out the interim arrangements for mining and coal seam gas proposals on strategic agricultural land until the draft SRLUPs are finalised (see Attachment 1).

Accordingly, under section 75F(3) of the *Environmental Planning and Assessment Act 1979*, I am issuing a supplementary requirement which must be addressed in the preparation of your Environmental Assessment. The requirement is:

1. an Agricultural Impact Statement that includes a specific focused assessment of the impacts of the proposal on strategic agricultural land, having regard to the draft gateway criteria in the draft Upper Hunter Strategic Regional Land Use Plan.

Your contact officer for this proposal, David Mooney, can be contacted on (02) 9228 2040 or via email at david.mooney@planning.nsw.gov.au. Should you have any enquiries about the Strategic Regional Land Use Plans and the gateway process, please contact Daniel Keary, Director - Strategic Regional Policy, on (02) 9228 6373.

Yours sincerely

 30/4/12
Richard Pearson
Deputy Director General
Development Assessment & Systems Performance
as delegate of the Director General

POLICY STATEMENT
**INTERIM STRATEGIC AGRICULTURAL LAND POLICY FOR STATE SIGNIFICANT AND
TRANSITIONAL PART 3A MINING AND COAL SEAM GAS PROPOSALS IN THE UPPER
HUNTER AND NEW ENGLAND NORTH WEST REGIONS**

Background

Draft Strategic Regional Land Use Plans (SRLUPs) for the Upper Hunter and New England North West regions are on public exhibition until 3 May 2012. The draft SRLUPs identify strategic agricultural land in these regions and propose to apply a gateway process to State significant mining and coal seam gas proposals on or within 2km of this land.

The SRLUPs will be finalised following the consideration of all submissions received during the exhibition period, including final maps of strategic agricultural land and final details of the gateway process. In the meantime, there are a number of current and pending State significant mining and coal seam gas applications that are proposed on or within 2 km of land mapped as strategic agricultural land in the draft SRLUPs.

In March 2012 (concurrent with the release of the draft SRLUPs), the NSW Government introduced a requirement for an Agricultural Impact Statement (AIS) for all State significant development (SSD) applications for mining and petroleum (including coal seam gas) projects (as well as applications for associated State significant infrastructure such as pipelines) which have the potential to affect agricultural resources or industries. The purpose of an AIS is to ensure a focused assessment of the potential impacts of these projects on agricultural resources or industries. The information will form a key component of the assessment process in terms of evaluating and avoiding impacts on and loss of agricultural lands. A guideline that sets out the purpose and content of an AIS is available at <http://haveyoursay.nsw.gov.au/document/show/195>.

Purpose of this policy statement

Until the final policy position on protecting strategic agricultural land is finalised as part of the Upper Hunter and New England North West SRLUPs, it is important to ensure that the potential impacts of mining and coal seam gas projects on strategic agricultural land are comprehensively considered as part of the assessment process.

This policy statement outlines the interim arrangements for State significant and transitional Part 3A mining and coal seam gas applications on or within 2 km of land mapped as strategic agricultural land in the draft SRLUPs.

Interim policy arrangements

The following interim arrangements apply to all SSD and Part 3A mining and petroleum (including coal seam gas) applications and significant modifications that:

- are located on or within 2 kilometres of land mapped as strategic agricultural land in the draft SRLUPs, and
 - have been or will be lodged with the Department before the finalisation of the SRLUPs.
- (1) Projects which have not commenced public exhibition or that have not been deemed adequate for exhibition as at 6 March 2012 (date of commencement of exhibition of the draft SRLUPs) will be required to submit an AIS that includes a specific focused assessment of the impacts of the proposal on strategic agricultural land, having regard to the draft gateway criteria in the draft SRLUPs.

The implementation of this requirement will vary according to the stage of the project, ie:

- A Projects for which Director General's Requirements are yet to be issued:

This requirement will be included in the DGRs.

- B Projects for which Director General's Requirements have been issued but which have not yet commenced public exhibition (SSD) or which have not yet been deemed adequate for public exhibition (Part 3A):

The Department will issue supplementary DGRs to include this requirement.

- (2) For SSD and Part 3A applications that have progressed to or beyond public exhibition, the Department will conduct an assessment of the impacts of the proposal on strategic agricultural land as part of its assessment of the project and may, in limited circumstances, require additional information from the applicant to assist this assessment.

It is acknowledged that the gateway criteria are draft only. Applicants should use their best endeavours to address the draft gateway criteria when assessing the impacts of the proposal on strategic agricultural land. In addition, the assessment can include site verification information if the applicant believes that the land mapped as strategic agricultural land does not meet the published draft criteria for strategic agricultural land. Finally, as the Government is yet to publish a cost benefit methodology, the applicant may submit any additional information relating to the social, environmental and economic aspects of the proposal that may be relevant to the consideration of whether the proposal would be in the public interest.