



NSW GOVERNMENT

Department of Planning

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Mr Michael Barrow
General Manager
HEZ Nominees
PO Box N817
GROSVENOR SQUARE NSW 1220

Our ref: S07/01232
Your ref:

Dear Mr Barrow

Proposed Hunter Economic Zone State Significant Site Study, Precinct 1 and Associated Development, Hunter Economic Zone, Kurri Kurri, Cessnock Local Government Area

The Department has received your project application for the proposed Hunter Economic Zone (HEZ) Precinct 1 and Associated Development (Application Number: 07_0128) and your request for Director-General's requirements for the Environmental Assessment of the project.

The Director-General's Requirements are attached, pursuant to section 75F(2) of the *Environmental Planning and Assessment Act 1979* (the Act). These requirements have been prepared in consultation with the relevant government agencies.

It should be noted that the Director-General's requirements have been prepared based on the information provided to date. Under section 75F(3) of the Act, the Director-General may alter or supplement these requirements if necessary and in light of any additional information that may be provided prior to the proponent seeking approval for the Project.

If your proposal includes any actions that could have a significant impact on matters of National Environmental Significance, it will require an additional 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 Environment and Water Resources to determine if an approval under the EPBC Act is required for your proposal (6274 1111 or <http://www.environment.gov.au>).

Please note that the Commonwealth Government has accredited the NSW environmental assessment process for assessing impacts on matters of National Environmental Significance. As a result, if it is determined that an approval is required under the EPBC Act, please contact the Department immediately as supplementary Director-General's requirements will need to be issued.

You should ensure that you consult with the Department prior to submission of the Environmental Assessment to determine:

- fees applicable to the application;
- whether the proposal requires an approval under the EPBC Act and any assessment obligations under that Act;
- consultation and public exhibition arrangements that will apply; and
- number and format (hard-copy or CD-ROM) of the Environmental Assessments that will be required.

Once you have lodged the Environmental Assessment, the Department will consult with the relevant authorities to determine the adequacy of the Environmental Assessment. Following this review period the Environmental Assessment will be made publicly available for a minimum period of 30

days. It would be preferable that this Environmental Assessment be a distinct document that is publicly exhibited concurrently with the Hunter Economic Zone State Significant Site Study.

As you would also be aware, the Minister for Planning is considering the listing of the HEZ as a State Significant Site within Schedule 3 of *State Environmental Planning Policy (Major Projects) 2005* (Major Projects SEPP).

In accordance with clause 8 of the Major Projects SEPP, you are required to prepare a Study to justify this nomination. Matters that the Director-General considers should be addressed in the State Significant Site Study are also attached pursuant to clause 8(2) of the Major Projects SEPP. The

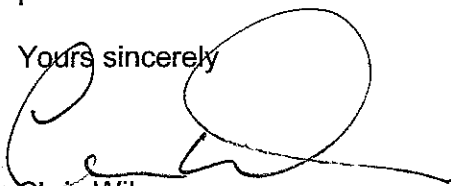
You should ensure that you consult with the Department prior to submission of the State Significant Site Study to determine:

- consultation and public exhibition arrangements that will apply; and
- number and format (hard-copy or CD-ROM) of the Study that will be required.

The Department will arrange for the State Significant Site Study to be publicly exhibited. Again, it would be preferable that this Study be a distinct document that is publicly exhibited concurrently with the Environmental Assessment for the concept plan and project application for Precinct 1 and associated development (Application No. 07_0128).

You should keep the contact officers for this project, Joanna Bakopanos ((02) 9228 6461, joanna.bakopanos@planning.nsw.gov.au) and Ben Holmes ((02) 9228 6534, ben.holmes@planning.nsw.gov.au), up to date with the progress of preparation of the Environmental Assessment, and seek clarification of any issues that may be unclear or may arise during this process.

Yours sincerely



15.10.07

Chris Wilson
Executive Director
Major Project Assessments
As delegate for the Director-General

Director-General's Requirements

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

Application Number	07_0128
Project	A project consisting of the following components: <ol style="list-style-type: none"> 1. subdivision of Precinct 1, a 94 hectare portion of the Hunter Economic Zone (HEZ) for future industrial and employment generating developments; 2. the construction and operation of a manufacturing facility within Precinct 1 for the production of wall and floor panels with acoustic-rated and fire-rated properties; and 3. the construction of associated Precinct 1 infrastructure, including the Pelaw Main Bypass Road and an extension to Station Street to provide access to the proposed manufacturing facility and the larger HEZ area beyond Precinct 1.
Location	Part Lot 7 DP 1037092, Lot 327 DP 822130, Lot 88 DP 755259, ML 23 and ML 7; Precinct 1 is approximately a 94 hectare area on HEZ Drive, Kurri Kurri.
Proponent	HEZ Nominees Pty Ltd
Date of Issue	24 October 2007
Date of Expiration	24 October 2009
General Requirements	<p>The Environmental Assessment shall be prepared to a high technical and scientific standard and shall include:</p> <ul style="list-style-type: none"> • an executive summary; • a description of the proposal, including construction, operation, and staging; • an assessment of the environmental impacts of the project, with particular focus on the key assessment requirements specified below; • justification for undertaking the project with consideration of the benefits and impacts of the proposal; • a draft Statement of Commitments detailing measures for environmental mitigation, management and monitoring for the project; and • certification by the author of the Environment Assessment that the information contained in the Assessment is neither false nor misleading.
Key Assessment Requirements	<p>The Environmental Assessment shall include assessment of the following key issues:</p> <ul style="list-style-type: none"> • Strategic Environmental Management (Precinct 1 component) – the Environmental Assessment shall establish an environmental management framework for the co-ordinated management of environmental impacts resulting from the future development of Precinct 1. This may involve establishment of an association or body to co-ordinate the environmental management of the HEZ in perpetuity. The framework for any such body should be described in the Environmental Assessment. The strategy shall be generally consistent with the <i>Hunter Regional Environmental Plan; Lower Hunter Regional Strategy, Cessnock Local Environmental Plan 1989; the Cessnock DCP 2006</i> (Chapter E6 – HEZ) and its supporting sectoral environmental management strategies described for the HEZ area; and any other relevant Council policies or strategies. The assessment shall clearly demonstrate that the proposed strategy would support employment growth within the HEZ whilst also ensuring that local environmental values are protected. Where any inconsistency exists between the proposed environmental management strategy and the documents aforementioned, the inconsistency shall be described and be suitably justified. For each of the key environmental impacts described below, the Environmental Assessment shall demonstrate that the proposal and any proposed mitigation or management measures are consistent with this environmental management strategy. • Flora and Fauna (all components) – the Environmental Assessment shall include a flora and fauna impact assessment in accordance with the DECC's <i>Guidelines for Threatened Species Assessment</i> (2005). Where the project adjoins land known to be a national park, reserve or other area of high conservation value, an assessment of direct and indirect impacts on this land shall be undertaken. This assessment shall also include an evaluation of potential impacts on any waterways, aquatic ecosystems or riparian zones potentially affected by the project. Where any off-sets are proposed, details of

any proposed compensatory habitat or off-set strategy, including scale, scope, timing of implementation and how this fits within the context of the overall HEZ site, shall be described.

- **Heritage Impacts (all components)** – the Environmental Assessment shall include an assessment of impacts on Aboriginal heritage, in accordance with draft *Guidelines for Aboriginal Cultural Heritage Impact Assessment and Community Consultation* (DECC, 2005). The assessment shall describe what actions will be taken to avoid or mitigate potential impacts on Aboriginal heritage. If compensatory measures are proposed, details shall be provided regarding scale, scope, timing of implementation and how this fits within the context of the overall HEZ site, shall be described.
- **Road and Traffic Impacts (all components)** – the Environmental Assessment shall include a traffic impact assessment undertaken in accordance with the RTA's *Guide to Traffic Generating Developments* (2002). Preferred options for road alignments and proposed intersections shall be justified in terms of environmental impact, amenity, design and location with consideration given to their suitability in light of the types of industrial and employment developments intended within Precinct 1 and the broader HEZ. The assessment shall evaluate potential impacts resulting from construction and operation activities occurring within Precinct 1 on the safety and efficiency of the surrounding road network. Consideration shall also be given to how the Precinct 1 road network would complement and support the expansion of the road network within the broader HEZ.
- **Air Quality (facility component)** – the Environmental Assessment shall include a comprehensive air quality impact assessment prepared in accordance with the *Approved Methods for Modelling and Assessment of Air Pollutants in NSW* (DECC, 2005). Consideration shall be given to cumulative air quality impacts associated with the proposed facility, existing development proposals and likely future development in Precinct 1.
- **Greenhouse Gas Generation (facility component)** – the Environmental Assessment shall include a comprehensive greenhouse gas assessment, showing the tonnages of each greenhouse gas produced (directly and indirectly from the development) on a tonnes per unit of activity or production basis; a total annual emissions basis; and a total project lifetime basis.
- **Soil and Water Quality (all components)** – the Environmental Assessment shall include details of the proposed stormwater management, water cycle management and surface water quality impacts associated with the proposed facility, existing development proposals and likely future development in Precinct 1 and the broader HEZ site.
- **Noise and Vibration Impacts (all components)** – the Environmental Assessment shall include a noise impact assessment for the project, prepared in accordance with *NSW Industrial Noise Policy* (EPA, 2000) and *NSW Environmental Criteria for Road Traffic Noise* (EPA, 1999). The Environmental Assessment shall also include an assessment of the construction noise impacts of the project, against the criteria provided in Chapter 171 of the *Environmental Noise Control Manual* (EPA, 1985). Vibration impacts on existing development proposals or future developments within Precinct 1 as a result of the construction or operation of the proposed facility shall be evaluated in accordance with the DECC's *Assessing Vibration: a technical guideline* (2006).
- **Visual Amenity Impacts (facility component)** – the Environmental Assessment shall include an assessment of the visual impact of the proposed facility from key viewing points within the local area. A description and photomontages of the architectural and design treatments, materials and vegetation screening of proposed buildings shall be provided.
- **Subdivision (precinct 1 component)** – the Environmental Assessment shall demonstrate that the subdivision layout is consistent with best practice and appropriate for achieving high degrees of access for all forms of transport. The assessment shall detail and justify the lot size and mix; road network; utilities infrastructure provision; wildlife corridors; and proposed landscaping and setbacks. In particular, the assessment shall demonstrate that the proposed layout will promote the growth of industrial and employment developments consistent with those intended for Precinct 1 and within the broader HEZ.
- **Developer contributions (precinct 1 component)** – the Environmental Assessment shall provide details regarding the means by which developer contributions shall be secured in respect of the precinct.
- **Environmental Risk Analysis** – notwithstanding the above key assessment

	<p>requirements, the Environmental Assessment shall 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 these additional key environmental impacts shall be included in the Environmental Assessment.</p>
Consultation Requirements	<p>You shall undertake an appropriate and justified level of consultation with the following parties during the preparation of the Environmental Assessment:</p> <ul style="list-style-type: none"> • Commonwealth Department of the Environment and Water Resources; • NSW Department of Environment and Climate Change • NSW Roads and Traffic Authority; • NSW Department of Water and Energy; • NSW Department of Primary Industries; • NSW Rural Fire Service; • Hunter-Central Rivers Catchment Authority; • Mine Subsidence Board; • Cessnock City Council; • local aboriginal groups and Land Councils; and • the local community. <p>If consultation has already been undertaken with any of these parties then this needs to be documented in the Environmental Assessment. The Environmental Assessment shall clearly indicate issues raised by stakeholders during consultation, and how those matters have been addressed in the Environmental Assessment.</p>
Deemed refusal period	<p>Under clause 8E(2) of the <i>Environmental Planning and Assessment Regulation 2000</i>, the applicable deemed refusal period is 120 days from the end of the Proponent's environmental assessment period for the project.</p>

State Significant Site Study Requirements

Clause 8 of the *State Environmental Planning Policy (Major Projects) 2005*

Study	State Significant Site study into the Hunter Economic Zone (HEZ)
Location	Approximate 3,300 hectare site located outside Weston/ Kurri Kurri in the Cessnock Local Government Area
Proponent	HEZ Nominees Pty Ltd
Date of Issue	24 October 2007
Date of Expiration	24 October 2009
General Requirements	<p>The State Significant Site study shall be prepared to a high technical and scientific standard and shall include:</p> <ul style="list-style-type: none"> • the State or regional planning significance of the site; • proposed land uses and suitability of the site for the proposed land uses taking into account environmental, social and economic factors, the principles of ecological sustainable development and any applicable State or regional planning strategy; • the implications of any proposed land use for local and regional land use, infrastructure, service delivery and natural resource planning; • those parts of the site which should be subject to Part 4 of the EP&A Act, with Cessnock City Council as consent authority; • the development controls for the site that should be included in Schedule 3 of the Major Project SEPP; • the means by which developer contributions should be secured in respect of the site and • certification by the author of the State Significant Site study that the information contained in the Study is neither false nor misleading.
Key Assessment Requirements	<p>The State Significant Site study shall include an assessment of the following key issues:</p> <ul style="list-style-type: none"> • Strategic Justification – the State Significant Site study shall demonstrate the state or regional importance of the site in terms of its employment-generating potential; its specific location; its likely social, environmental and economic impacts; the <i>Lower Hunter Regional Strategy</i>; and any other relevant State or regional development policies. It shall outline a strategic vision for the site, detailing the objectives and aims for the site, as well as outline a strategic framework for the co-ordinated achievement of those objectives and aims. The strategic framework shall also clearly demonstrate how it would support and cohesively interact with the environmental management framework which would apply to the site. • Planning Provisions – the State Significant Site study shall review the relevant environmental planning instruments and approval conditions that currently apply to the site, including the rural lands south of Weston. Specific consideration shall be given to the appropriateness of the existing provisions and controls. Where new zonings and development controls are proposed then justification shall be provided. • Environmental Management – the State Significant Site study shall develop an environmental management framework for the co-ordinated management of and approach to environmental impacts resulting from the future development of the HEZ. The environmental management framework shall be generally consistent with the <i>Cessnock Local Environmental Plan 1989</i>; the <i>Hunter Regional Environmental Plan</i>; the <i>Cessnock DCP 2006</i> (Chapter E6 – HEZ) and its supporting sectoral environmental management strategies described for the HEZ area; and any other relevant Council policies or strategies. The study shall clearly demonstrate that the proposed framework would support employment growth within the HEZ whilst also ensuring that local environmental values are protected in a 'whole-of-HEZ' approach for each environmental issue. Where any inconsistency exists between the proposed environmental management framework and the documents aforementioned, the inconsistency shall be described and be suitably justified. • Natural Resources – the State Significant Site study shall include a flora and fauna assessment in accordance with the DECC's <i>Guidelines for Threatened Species Assessment</i> (2005). This study shall also include an evaluation of potential impacts on groundwater, groundwater dependent ecosystems, waterways, aquatic ecosystems,

	<p>riparian zones and the deferred areas within the HEZ. Where changes to the existing provisions for national park land, reserves, conservation areas, deferred areas or off-sets within the HEZ are proposed, a detailed justification shall be provided.</p> <ul style="list-style-type: none"> • Heritage – the State Significant Site study shall include an assessment of impacts on Aboriginal heritage, in accordance with draft <i>Guidelines for Aboriginal Cultural Heritage Impact Assessment and Community Consultation</i> (DECC, 2005). If compensatory measures are proposed to off-set impacts, then details of the implementation framework, scale, scope and timing of implementation shall be described. • Roads and Traffic – the State Significant Site study shall include a traffic impact assessment in conjunction with the principles and methodology of a traffic management plan (TMAP) undertaken in accordance with the RTA's <i>Guide to Traffic Generating Developments</i> (2002) and any other relevant RTA guidelines. The study shall justify the location of traffic access and egress points to and from the HEZ.
Consultation Requirements	<p>You shall undertake an appropriate and justified level of consultation with the following parties during the preparation of the study:</p> <ul style="list-style-type: none"> • Commonwealth Department of the Environment and Water Resources; • NSW Department of Environment and Climate Change • NSW Roads and Traffic Authority; • NSW Department of Water and Energy; • NSW Department of Primary Industries; • NSW Rural Fire Service; • Hunter-Central Rivers Catchment Authority; • Mine Subsidence Board; • Cessnock City Council; • local aboriginal groups and Land Councils; • the local community. <p>The study shall clearly indicate issues raised by stakeholders during consultation, and how those matters have been addressed in the study.</p>