

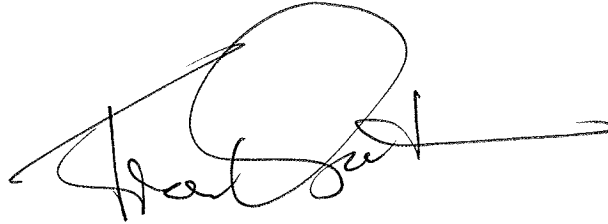
Project Approval

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

I approve the project referred to in schedule 1, subject to the conditions in schedules 2 and 3.

These conditions are required to:

- prevent, minimise, and/or offset adverse environmental impacts;
- set standards and performance measures for acceptable environmental performance;
- require regular monitoring and reporting; and
- provide for the ongoing environmental management of the project.



Frank Sartor MP
Minister for Planning

Sydney



2008

SCHEDULE 1

Application Number:

06_0108

Proponent:

Hunter Valley Energy Coal Pty Ltd

Approval Authority:

Minister for Planning

Land:

See Appendix 1

Project:

Mount Arthur Coal Mine – South Pit Extension Project

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DEFINITIONS

AEMR	Annual Environmental Management Report
Council	Muswellbrook Shire Council
DECC	Department of Environment and Climate Change
Department	Department of Planning
Director-General	Director-General of Department of Planning, or delegate
DoL	Department of Lands
DPI	Department of Primary Industries
DWE	Department of Water and Energy
EA	Environmental Assessment titled <i>Environmental Assessment, Proposed South Pit Extension Project Volumes 1 and 2</i> , dated July 2007, including the response to submissions dated November 2007
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	<i>Environmental Planning and Assessment Regulation 2000</i>
Land	Land means the whole of a lot, or contiguous lots owned by the same landowner, in a current plan registered at the Land Titles Office at the date of this approval
Mining operations	Includes all coal extraction, processing, and transportation activities carried out on site
Minister	Minister for Planning, or delegate
MOP	Mining Operations Plan
Mount Arthur mine complex	The combined operations of the Mount Arthur North mine (DA 144-05-2000), the Bayswater No. 2 mine, the Bayswater No. 3 mine (DA210/93) and the project
Offset Strategy	The conservation and enhancement program described in the EA
Project	The development as described in the EA
Proponent	Hunter Valley Energy Coal Pty Ltd or its successors
ROM	Run of Mine
RTA	Roads and Traffic Authority
Site	The land referred to in Schedule 1
Statement of commitments	The Proponent's revised statement of commitments, included as Appendix 3 of this approval.

SCHEDULE 2 ADMINISTRATIVE CONDITIONS

Obligation to Minimise Harm to the Environment

1. The Proponent shall implement all practicable measures to prevent and/or minimise any harm to the environment that may result from the construction, operation, or rehabilitation of the project.

Terms of Approval

2. The Proponent shall carry out the project generally in accordance with the:
 - (a) the EA;
 - (b) statement of commitments (see Appendix 3);
 - (c) conditions of the consent for the Mount Arthur North mine (DA 144-05-2000) as may be modified from time to time, and as may reasonably be applied to the project the subject of this approval; and
 - (d) conditions of this approval.

Notes:

- *The general layout of the project is shown in Appendix 2.*
- *All conditions of consent for DA 144-05-2000 apply to the project by way of extended application, unless the contrary is clear. This should not be understood as a new requirement for the conditions of DA 144-05-2000 to be fulfilled afresh, only that those conditions are extended in their effect to the project the subject of this approval. If there is any uncertainty about the effect or application of the condition/s contained in DA 144-05-2000 to the project, the matter shall be referred to the Director-General who will determine the effect or application of the condition/s to the project. For the avoidance of doubt, the criteria and requirements contained in the conditions to DA 144-05-2000 apply to the combined operations of the Mount Arthur North mine and the project, unless otherwise noted.*

3. If there is any inconsistency between the documents listed in condition 2, the latter document shall prevail over the former to the extent of the inconsistency. However, the conditions of this consent shall prevail over all other documents to the extent of any inconsistency.
2. The Proponent shall comply with any reasonable requirement/s of the Director-General arising from the Department's assessment of:
 - (a) any reports, plans, programs, strategies or correspondence that are submitted in accordance with this approval; and
 - (b) the implementation of any actions or measures contained in these reports, plans, programs, strategies or correspondence.

Limits on Approval

3. Mining operations may take place until the consent for the Mount Arthur North mine (DA 144-05-2000) lapses.

Note: Under this Approval, the Proponent is required to rehabilitate the site to the satisfaction of the Director-General and DPI. Consequently this approval will continue to apply in all other respects other than the right to conduct mining operations until the site has been rehabilitated to a satisfactory standard.

4. The Proponent shall not extract more than:
 - (a) 3 million tonnes of ROM coal a year from the South Pit Extension Area; and
 - (b) 20 million tonnes of ROM coal a year from the combined Mount Arthur mine complex.

Environmental Management Plans

5. Within 12 months of the date of this approval, or as otherwise agreed by the Director-General, the Proponent shall review and update as necessary the environmental management plans and monitoring programs for the Mount Arthur North mine (DA 144-05-2000) to encompass and accommodate the project. The plans/programs shall be prepared in consultation with the relevant government agencies and stakeholders, to the satisfaction of the Director-General.
-

SCHEDULE 3 SPECIFIC ENVIRONMENTAL CONDITIONS

AIR QUALITY

1. Notwithstanding condition 3 of schedule 2, the Proponent shall ensure that the dust emissions generated by the Mount Arthur mine complex do not cause additional exceedances of the air quality impact assessment criteria listed in Tables 1, 2, and 3 at any residence on privately owned land, or on more than 25 percent of any privately owned land.

Table 1: Long term impact assessment criteria for particulate matter

Pollutant	Averaging period	Criterion
Total suspended particulate (TSP) matter	Annual	90 µg/m ³
Particulate matter < 10 µm (PM ₁₀)	Annual	30 µg/m ³

Table 2: Short term impact assessment criterion for particulate matter

Pollutant	Averaging period	Criterion
Particulate matter < 10 µm (PM ₁₀)	24 hour	50 µg/m ³

Table 3: Long term impact assessment criteria for deposited dust

Pollutant	Averaging period	Maximum increase in deposited dust level	Maximum total deposited dust level
Deposited dust	Annual	2 g/m ² /month	4 g/m ² /month

Note: Deposited dust is assessed as insoluble solids as defined by Standards Australia, AS/NZS 3580.10.1:2003: Methods for Sampling and Analysis of Ambient Air - Determination of Particulate Matter - Deposited Matter - Gravimetric Method.

BLASTING AND VIBRATION

2. The Proponent may carry out a maximum of:
 - (a) 2 blasts a day; and
 - (b) 8 blasts a week,
 averaged over a 12 month period, at the Mount Arthur mine complex.

SITE CONTAMINATION

3. The Proponent shall prepare and implement a Remedial Action Plan for the former Bayswater No. 2 infrastructure area to the satisfaction of the Director-General. The Remedial Action Plan shall be prepared by a suitably qualified consultant, in accordance with the *Contaminated Land Management Act 1997* and applicable DECC guidelines, and be submitted to the Director-General for approval prior to undertaking any overburden placement in this area.

REHABILITATION AND LANDSCAPE MANAGEMENT

4. The Proponent shall:
 - (a) implement the Offset Strategy described in the EA and summarised in Table 4 (shown conceptually in Appendix 4); and
 - (b) progressively rehabilitate the site in a manner that is generally consistent with the final landform in the EA (shown conceptually in Appendix 5),
 to the satisfaction of the Director-General.

Table 4: Offset Strategy

Area	Minimum Size
Mount Arthur Conservation Area (existing vegetation)	98 ha
Native Vegetation Corridor (vegetation to be established)	45 ha
Rehabilitation Area (vegetation to be established)	250 ha
Total	393 ha

5. The Offset Strategy must contain adequate provisions to offset the project's net impact on significant plant communities, including the:
 - Central Hunter Ironbark – Spotted Grey-Gum Box Forest; and
 - Hunter Floodplain Red Gum Woodland Complex.
6. The Proponent shall make suitable arrangements to provide appropriate long term security for the:
 - (a) Mount Arthur Conservation Area, within 3 years of the date of this approval; and
 - (b) woodland vegetation to be established in the Rehabilitation Area, at least 2 years prior to the completion of mining activities associated with the project, to the satisfaction of the Director-General.
7. Within 12 months of the date of this approval, the Proponent shall demonstrate that appropriate monetary bonds are, or will be, in place with applicable authorities to fully implement the offset strategy, to the satisfaction of the Director-General.

VISUAL IMPACT

8. The Proponent shall minimise the visual impacts of the project to the satisfaction of the Director-General.
9. The proponent shall use its best endeavours to complete the shaping and rehabilitation of the northern faces of the overburden emplacement area within 5 years of the date of this approval.

ENERGY EFFICIENCY

10. The Proponent shall prepare and implement an Energy Savings Action Plan for the project to the satisfaction of the Director-General. This plan must:
 - (a) be prepared generally in accordance with the *Guidelines for Energy Savings Action Plans* (DEUS 2005, or its latest version);
 - (b) be submitted to the Director-General for approval within 12 months of the date of this approval; and
 - (c) include a program to monitor the effectiveness of measures to reduce energy use on site.

**APPENDIX 1
SCHEDULE OF LAND**

Property ID	Lot	DP	Owner
1	11	632691	The State of NSW
2	1	701496	Hunter Valley Energy Coal
3	2	701496	Electricity Commission of NSW
4	10	632691	Hunter Valley Energy Coal
5	4	390143	Hunter Valley Energy Coal
6	605	802124	Hunter Valley Energy Coal
7	63	752449	Hunter Valley Energy Coal
8	5	726248	Hunter Valley Energy Coal
9	5	701496	Hunter Valley Energy Coal
10	10	793428	The State of NSW
11	110	727767	Hunter Valley Energy Coal
12	66	850818	Hunter Valley Energy Coal
13	604	802124	Hunter Valley Energy Coal
14	201	842045	Hunter Valley Energy Coal
15	3	843634	Hunter Valley Energy Coal
16	66	850818	Hunter Valley Energy Coal
17	64	850818	Drayton Coal Pty Limited
18	65	850818	Drayton Coal Pty Limited
19	4	843634	Hunter Valley Energy Coal
20	12	29950	Hunter Valley Energy Coal
21	607	802124	Hunter Valley Energy Coal
22	6	29950	Hunter Valley Energy Coal
23	12	29950	Hunter Valley Energy Coal
24	4	48776	Hunter Valley Energy Coal
25	3	48776	Hunter Valley Energy Coal
26	10	29950	Hunter Valley Energy Coal
27	11	29950	Hunter Valley Energy Coal

Other Lands

Crown Roads contained within the Project Application Area

APPENDIX 2

PROJECT LAYOUT PLAN



APPENDIX 3 STATEMENT OF COMMITMENTS

[Note: References to sections, figures and appendices are references to the EA]

Anglo Coal Sub-Lease/Partial-Lease Transfer

- 6.2.1 Mt Arthur Coal will enter into a sub-lease agreement/partial-lease transfer (or other legal agreement with the same effect) with Anglo Coal to enable mining and related activities to be conducted consistent with the proposal outlined in the EA within the Drayton mine Mining Lease. Any sub-lease/partial-lease transfer must be approved by the Minister for Primary Industries before mining or related activities commence in this area. If a sub-lease is entered into, the agreement will include delineation of responsibility for environmental management of this area including water management, rehabilitation, spontaneous combustion and associated approvals (e.g. EPL and MOP).

Blasting

- 6.4.3 Transgrid will be consulted consistent with current practice when blasting in close proximity to the high voltage transmission line located near to the southern boundary of the mining area.

Spontaneous Combustion

- 6.6.1 Where possible, emplacement activities in Bayswater No. 2 and the Drayton West Pit will be prioritised to treat spontaneous combustion affected areas to remediate outbreaks as early as possible.

Aboriginal Heritage

- 6.7.1 Aboriginal site loci within the disturbance area for the project (as defined by the 'new disturbance area' shown on **Figure 1.3**) shall be salvaged by surface collection prior to any earthworks. Salvage works will be undertaken in consultation with the Aboriginal community and in accordance with the salvage methodology contained in Appendix 3 of the Aboriginal Archaeology Assessment report (**Appendix 6** of the EA).

Note: Aboriginal site JF/MJS3 as described in Appendix 6 of the EA includes site 37-2-2335 listed on the DECC Aboriginal Heritage Information Management Service database.

- 6.7.2 A report containing the findings of the salvage program and subsequent artefact analysis will be completed within two years of the salvage works and two copies provided to the DECC. Copies will be made available to Aboriginal community groups that participated in the consultation program for this project.
- 6.7.3 Aboriginal site loci (or parts thereof) identified in the project specific archaeological survey for the project and located outside of the disturbance area for the project (as defined by the 'new disturbance area' shown on **Figure 1.3** and as listed in Table 8.1 of **Appendix 6**), shall be managed *in situ* and protected by fencing, appropriate signage and notification to relevant site personnel. These loci will be protected and managed under Mt Arthur Coal's Archaeology and Cultural Management Plan (prepared for the Mount Arthur North mining area) which will be revised to incorporate these loci.
- 6.7.4 If any human skeletal material is uncovered during ground disturbing works all work will cease and the NSW Police Department, DECC and Aboriginal stakeholder groups will be notified. These stakeholders will then be consulted in relation to the development of appropriate mitigation measures.

Water Management

- 6.8.1 Water management controls for all emplacement areas that are externally draining and other areas within the project area outside the pit water management system shall be designed and constructed to a standard consistent generally with Managing Urban Stormwater: Soils and Construction (Landcom, 2004) (the Blue Book) and Guidelines for Establishing Drainage Lines on Rehabilitated Minesites (Draft) (DLWC, 1999) or their subsequent revisions or alternate guidelines as recommended by the DWE or DPI.
- 6.8.2 Sediment dams constructed to capture and treat runoff from disturbed catchment areas that do not flow into the mining pit will be designed to treat water to a standard such that any overflows do not exceed 50 mg/L of sediment for rainfall events within the dam design capacity (design capacity as per the Blue Book or subsequent revisions at the time of completing works).

- 6.8.3 Operational water quality control to be implemented as part of the project to minimise impacts on the surrounding environment will include:
- clearly identifying and delineating areas required to be disturbed and ensuring that disturbance is limited to those areas, clearing as little vegetation as required and minimising machinery disturbance outside of these areas;
 - construction of drains upslope of mine disturbance areas to convey clean runoff around disturbed areas where practically possible;
 - constructing road and earthworks cut and fill batters (excluding the mining pit and emplacement areas) at slopes of 1V:3H or less, where possible, to maximise long term stability;
 - regular maintenance of all erosion control works and rehabilitated areas;
 - prompt revegetation of areas as soon as practical following completion of earthworks; and
 - inspections of all major sediment erosion and control works on a regular basis and after major storm events to ensure these are in a functional condition and operating effectively.
- 6.8.4 Water usage, estimated on-site water make (runoff and groundwater inflow) and external water sourcing will be reported in the AEMR.
- 6.8.5 Saddlers Creek itself will not be disturbed as part of mining or related activities with this area protected by management measures, including fencing.

Licences and Approvals

- 6.8.6 Mt Arthur Coal will apply for a licence under Part 5 of the *Water Act 1912* from the DWE for the mining pit prior to the commencement of mining operations in the project area.

Monitoring and Contingency Measures

- 6.8.7 An annual analysis of surface and groundwater monitoring data will be undertaken and will include:
- identification of any changes or long term trends in surface water quality. Should any adverse trends be identified, an investigation will be implemented to determine if the trend is a result of Mt Arthur Coal's operations and if so, will identify management strategies to be implemented to address the identified issues;
 - a comparison to modelled groundwater impact predictions.

The monitoring results and analysis findings will be reported in the AEMR.

- 6.8.8 Mt Arthur Coal will explore the potential to establish a groundwater/base flow monitoring system for Saddlers Creek in consultation with the DWE. Where a suitable approach can be identified, a base flow measurement program will be implemented with results reported on an annual basis in the AEMR, or as otherwise agreed, to the DWE.
- 6.8.9 Mt Arthur Coal will discuss with Drayton Mine opportunities to share groundwater monitoring data for use in impact verification.

Visual

- 6.9.1 The northern faces of the overburden emplacement area at Bayswater No. 2 will be given priority in the first five years of mining operations in the project area to provide visual screening. The emplacement of overburden over the former North Pit tailings dam may not be possible within this period due to the need to allow sufficient time for tailings to dry out, however, this area will also be completed if possible.
- 6.9.2 Initial revegetation works will be completed on the northern faces of the emplacement area within six months of final shaping unless severe dry conditions prevail.
- 6.9.3 To assist in the visual screening achieved by the northern face of the emplacement area, native trees chosen for their fast-growing and habitat qualities, will be planted along the crest line and adjacent land in this area.
- 6.9.4 Controls to be implemented for operations undertaken as part of the project to minimise night time lighting impacts will include:
- designation of specific night-time overburden emplacement locations so that night-time operations are undertaken in visually shielded locations where possible; and
 - use of louvres or shields on mobile lighting plant used in exposed areas (i.e. potentially visible off site) to reduce potential for lighting visibility at night and to reduce fugitive light emissions.

Ecology

- 6.10.1 Mt Arthur Coal will implement an ecological offset package for the project in consultation with the DECC and to the satisfaction of the Department. This package will include:
- modifying the Voluntary Conservation Agreement process (cultural heritage) underway for the proposed Mt Arthur conservation area to ensure that it provides for appropriate protection of the ecological values of this area in perpetuity, in addition to its archaeological values. This will include provision of adequate funding and management actions for implementation of the proposed Voluntary Conservation Agreement for the life of the mine and suitable arrangements for the ongoing management of this area post mine closure as part of future mine closure planning processes;
 - a vegetated corridor (approximately 45 hectares) will be established to connect the vegetated habitats of Mt Arthur and Saddlers Creek (refer to **Section 5.2.4.1**). The corridor will be established through seeding/planting of native species;
 - Saddlers Creek near the project area (as defined in Figure 2.1 of the Response to Submissions report, November 2007) will be fenced off to protect the riparian corridor and encourage natural regeneration. Cattle grazing (other than as a land management tool) will be excluded from this area; and
 - rehabilitation to create additional areas of native vegetation as discussed in commitment 6.10.7 below. Mt Arthur Coal will provide adequate funding and management actions for rehabilitated lands for the life of the mine and will consider any ongoing management requirements for these areas post mine closure as part of future mine closure planning processes. The post mine closure arrangements will be detailed in the closure plan prepared as part of the final MOP for the project area to the satisfaction of the DPI.
- 6.10.2 Tree clearing will be undertaken in accordance with the process outlined in Section 6.3 of the Ecological Assessment (refer to **Appendix 5** of the EA).
- 6.10.3 The existing Mt Arthur Coal ecological monitoring program will be modified to include a fauna monitoring site on Saddlers Creek to the south of the project area, to be monitored on an annual basis for a period of 5 years, with the need for ongoing monitoring to be determined at this time in consultation with the Department.
- 6.10.4 Monitoring of rehabilitation success within the project area will be undertaken on an annual basis for a period of 5 years following completion of rehabilitation works, with the need for ongoing monitoring to be determined at this time in consultation with the DPI.
- 6.10.5 Nest boxes will be established as part of the project to offset the loss of tree hollows within the project area as discussed in Section 6.3.2 of the Ecological Assessment (refer to **Appendix 5** of the EA).
- 6.10.6 Nest boxes installed as part of the project will be monitored on an annual basis for a period of 5 years, with the need for ongoing monitoring to be determined at this time in consultation with the Department.
- 6.10.7 To offset the loss of native woodland and forest vegetation, the following minimum areas of each vegetation community will be established as part of rehabilitation or habitat creation works:
- at least 48 hectares of Central Hunter Spotted Gum – Ironbark - Grey Box Forest;
 - at least 5 hectares of Central Hunter Bullock Forest Regeneration; and
 - at least 0.5 hectares of Hunter Floodplain Red Gum Woodland Complex via assisted regeneration of the Saddlers Creek riparian zone.
- 6.10.8 Consistent with the offset for impacts on the regionally significant spotted gum as part of the Mount Arthur North project, seed stock from the site will be used to establish spotted gums included in offset plantings, where practical.

Rehabilitation and Decommissioning

Rehabilitation & Habitat Management Strategy

- 6.11.1 Mt Arthur Coal will prepare and implement a Mt Arthur mine complex wide Rehabilitation and Habitat Management Strategy to guide future rehabilitation works and habitat management strategies for the Mt Arthur Coal operations area. The plan will be submitted to the Director General of the Department for approval within 12 months of the commencement of mining operations and reviewed at least every 5 years. Progress in implementing the strategy will be reported in Mt Arthur Coal's AEMR. (Note: this strategy may be incorporated into the site wide Flora and Fauna Management Plan to be developed from existing management plans for site).

- 6.11.2 The rehabilitation and landscape management strategy to be implemented as part of the project will include:
- linkage of the Saddlers Creek riparian corridor to the Mt Arthur remnant vegetation area by a vegetation corridor as shown on **Figure 5.15** (resulting in establishment of approximately 45 hectares of native woodland/forest vegetation); and
 - establishment of substantial areas of native vegetation on rehabilitated overburden emplacement areas in the Bayswater No. 2 area as shown on **Figure 5.15** to ensure a net gain of woodland/forest vegetation as a result of the project and consistent with the Synoptic Landscape Plan.

Rehabilitation Works

- 6.11.3 The detailed emplacement area design will be included in Mt Arthur Coal's MOP for approval of the DPI prior to emplacement activities commencing and will aim to enhance progressive rehabilitation opportunities.

Decommissioning of Bayswater No. 2 Infrastructure

- 6.11.4 A decommissioning plan will be prepared for the Bayswater No. 2 workshop and industrial area as part of the MOP that proposes covering this area with overburden from new mining areas. This plan will be provided to the DPI for approval prior to the commencement of works.

Final Void

- 6.11.5 Details of the final void associated with the project will be included in the Final Void Management Plan, or subsequent revision depending on the date of Project Approval, required to be prepared for the Mount Arthur North project by year five of operations at Mount Arthur North.

Drayton West Pit

- 6.11.6 Mt Arthur Coal will reshape, construct drainage and sow with pasture grasses the Anglo Coal sub-lease/partial-lease transfer areas affected by emplacement activities conducted by Mt Arthur Coal. These works will be conducted in accordance with the terms of the sub-lease/partial-lease transfer and be detailed in the MOP covering activities in this area.

Landform Design

- 6.11.7 Mt Arthur Coal will seek the approval of the DPI for all landform designs that are proposed to have slopes of greater than 10 degrees as part of the MOP process.

Waste Management

- 6.12.1 No waste will be disposed of on site except for inert wastes permissible under Mt Arthur Coal's Environment Protection Licence with all other waste disposed of at an appropriately licensed waste management facility.

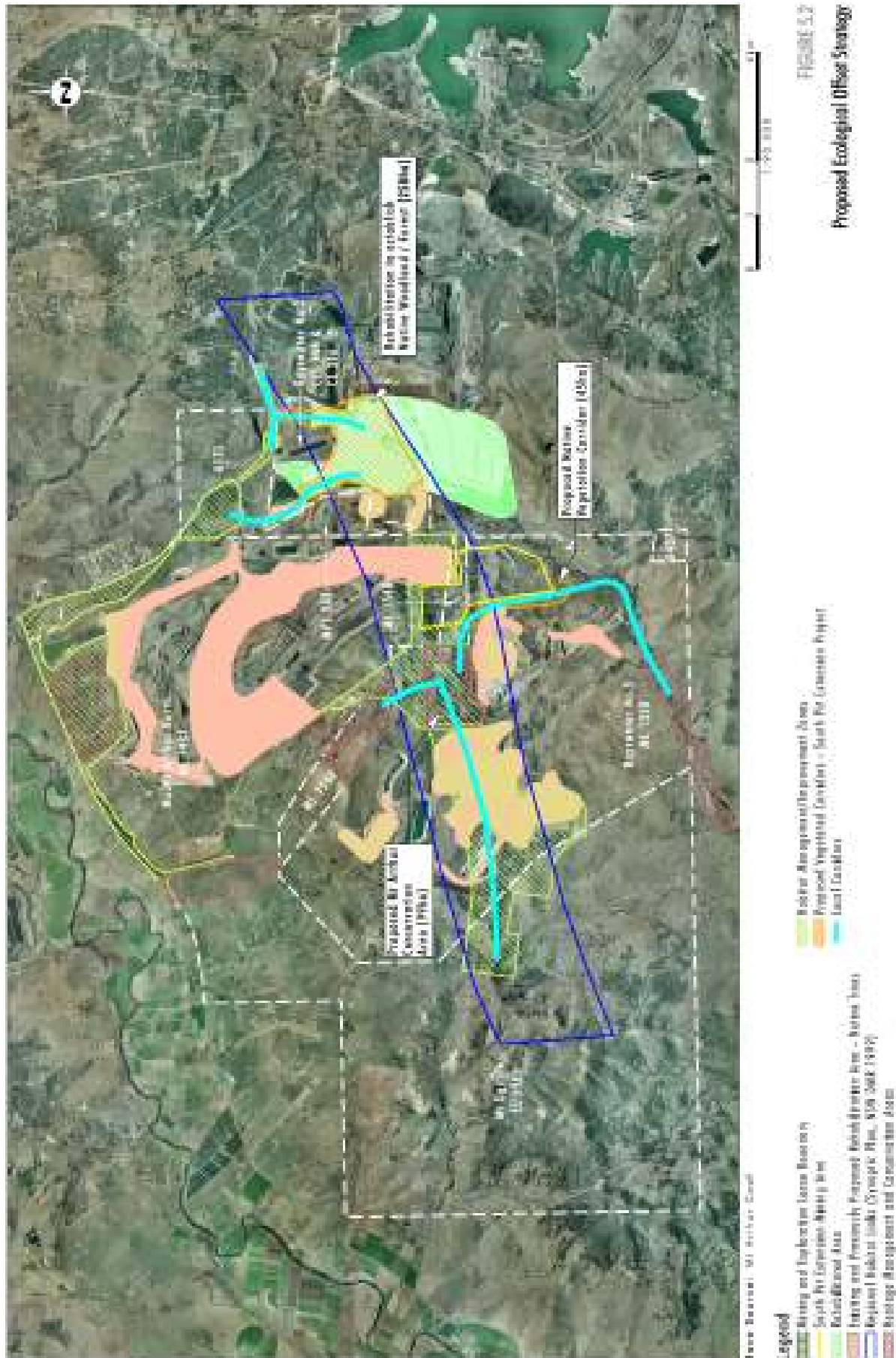
Development Contributions

- 6.15.1 Mt Arthur Coal will enter into an agreement with Council under the Muswellbrook Section 94 Contributions Plan (2001) on the basis that the development contributions applicable to the project have already been paid as part of the development contribution for the Mount Arthur North Coal Project.

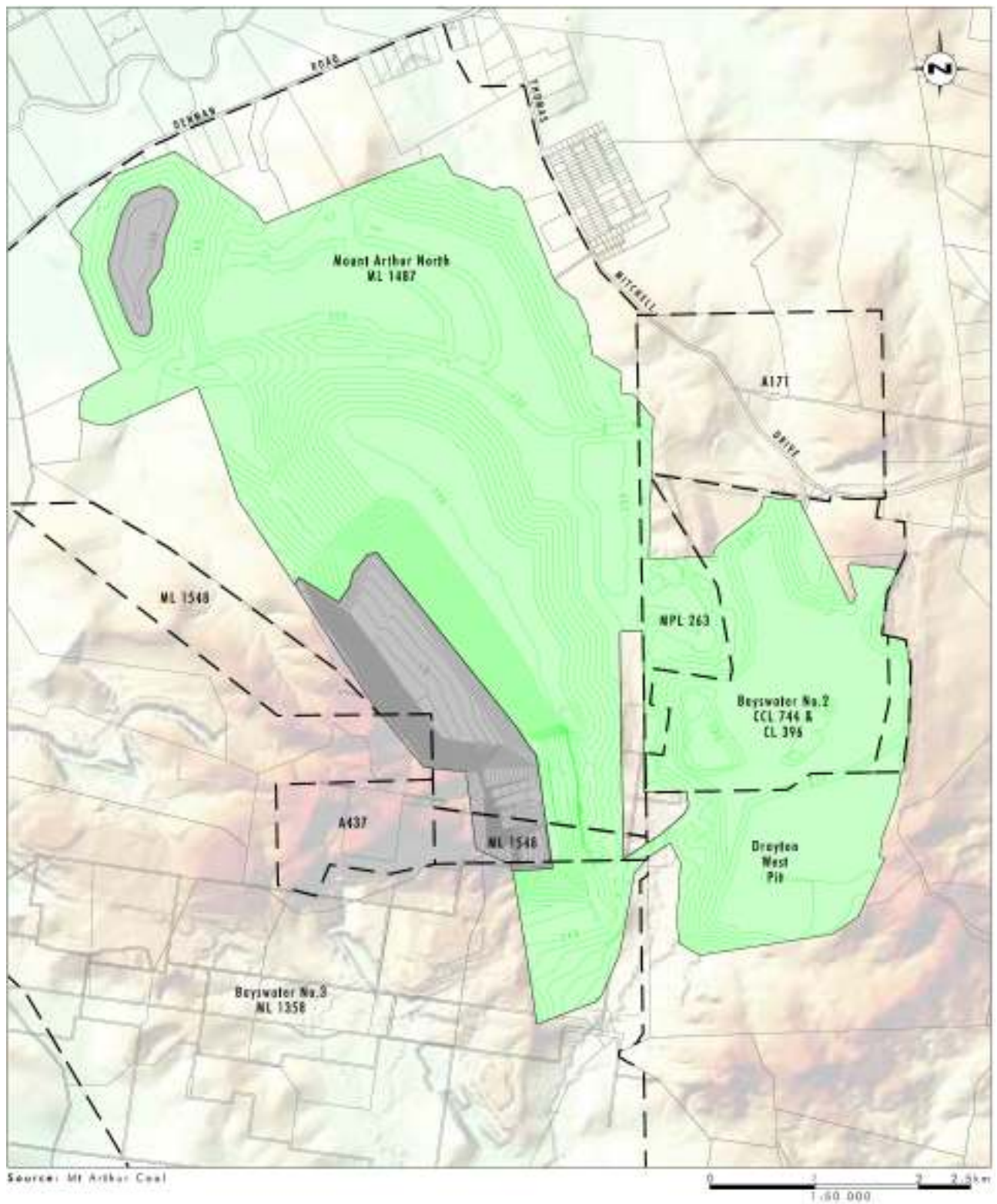
Traffic

- 6.16.1 Mt Arthur Coal will apply to the DoL to close the Crown road reserves within the project area.
- 6.16.2 Mt Arthur Coal will commission a traffic consultant to undertake a night time road safety audit for the New England Highway/Thomas Mitchell Drive and Denman Road/Thomas Mitchell Drive intersections. This audit will be undertaken in a manner that considers existing Mt Arthur Coal operations and the currently proposed Mt Arthur Underground Project. The audit findings will be reported to the RTA and Council.

APPENDIX 4 OFFSET STRATEGY PLAN



APPENDIX 5 CONCEPTUAL REHABILITATION PLANS



Legend

- Mining and Exploration Lease Boundary
- Final Void
- Rehabilitated Mining Area

FIGURE 3.6
Conceptual Final Landform

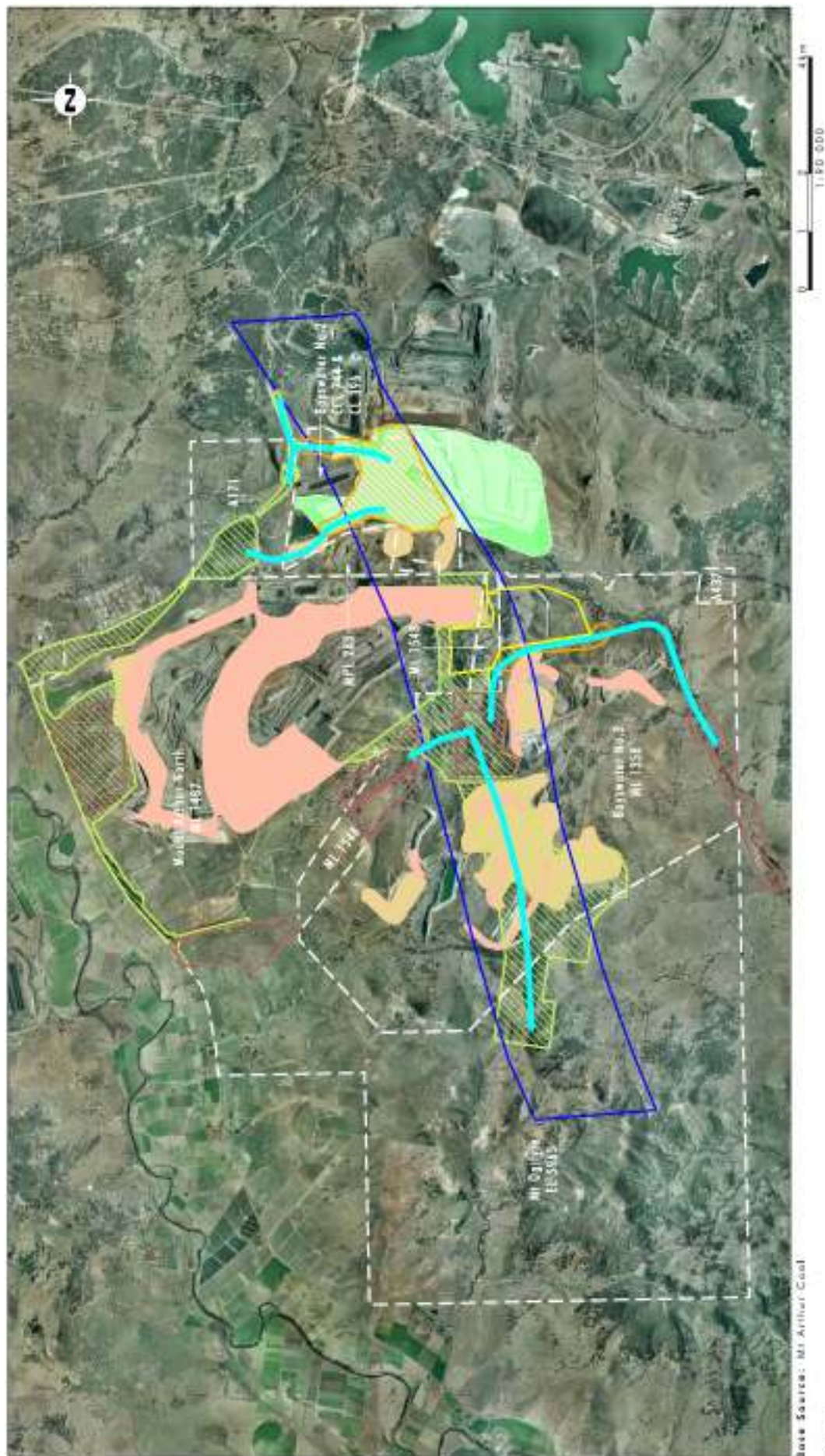


FIGURE 5.15
Revised Mt Arthur Coal Rehabilitation
and Landscape Strategy Incorporating
South Pit Extension Project