

20 July 2012

David Kitto
Director Mining and Industry Projects
Department of Planning and Infrastructure
23-33 Bridge Street
Sydney NSW 2000

Re: Changes to project description for Integra Mine Complex Modification 2

Dear David,

EMGA Mitchell McLennan Pty Limited's (EMM) letter dated 12 June 2012, prepared on behalf of Integra Coal Operations Pty Limited (Integra), was submitted to inform the Department of Planning and Infrastructure (DP&I) of Integra's intent to modify the project description for the Integra Mine Complex Modification 2.

As detailed in the Preliminary Environmental Assessment (PEA), prepared by EMM and lodged with the DP&I on 21 October 2011, Integra intends to modify its Project Approvals MP 08_0101 and MP 08_0102 for the Integra Mine Complex under Section 75W of the *Environmental Planning and Assessment Act 1979*. The proposed elements of Modification 2, as detailed in the PEA and as modified via our letter dated 12 June 2012, comprised the following:

1. removal of Schedule 3 Condition 48, which requires the installation and operation of an overland conveyor from the underground surface facilities to the Camberwell Coal Handling and Preparation Plant (CHPP);
2. amendment to Schedule 3 Condition 41, to enable offset areas of equivalent biodiversity conservation value to be provided;
3. amendment of Schedule 2 Condition 11(a) to enable the operations within the NOC from 7 am to 10 pm Monday to Sunday, and public holidays in place of the currently approved 7 am to 10 pm Monday to Saturday, and 8 am to 10 pm Sunday and public holidays; and
4. amendment to Schedule 3 Condition 1 to remove "351 – Andrews" from Table 1. It is noted that further validation may result in the removal or addition of additional properties.

In regards to proposed modification element 2, Integra, in its letter dated 5 June 2012, documented its intention to utilise the Upper Hunter Strategic Biodiversity Assessment (UHSBA) process to identify alternative biodiversity offset areas.

DP&I has stated that Integra's participation in the UHSBA is encouraged, however, it noted that outcomes of the process are still months away. As such, in its letter dated 4 July 2012, the DP&I requires Integra to implement and maintain a biodiversity offset strategy for the existing offset areas until an appropriate alternative is identified and assessed. Specifically, DP&I require:

- a biodiversity offset strategy to satisfy conditions 41 and 42. This must include the Martins Creek offset area identified in Integra’s letter of 29 June 2011;
- a biodiversity management plan in accordance with condition 44 to implement the agreed biodiversity offset strategy;
- a conservation bond, in accordance with condition 45; and
- an audit of all biodiversity offset areas in accordance 44A.

Integra acknowledges these requirements.

As stated in DP&I’s letter dated 4 July 2012, the Director-General agrees to an extension of time to provide long term security of the offset areas as required by Condition 43. Accordingly, Integra propose to replace proposed modification element 2 with:

“amendment of Schedule 3 Condition 43, to extend the timeframe for the long term security of all areas in the revised offset strategy from September 2012 to September 2014”.

In addition and as proposed in element 4 of Modification 2 above, Integra has conducted further validation of properties referred to in the Project Approval and seeks modify the proposed elements of Modification 2 to amend the details of landowner “53” in Table 6 of Schedule 3 Condition 6. The revised proposed modification elements form Attachment A to this letter.

Director-General’s Requirements (DGRs) were prepared by DP&I based on the proposed modification elements documented in the PEA (EMM 2011) and issued on 23 December 2011.

The DGRs for Modification 2 were predominantly based on predicted impacts as a result of emplacement in Area 11. Therefore, it is considered that the removal of this element would substantially impact the DGRs currently in place. A review of the applicability of the current DGRs as a result of the changes to the project description was undertaken and included in EMM’s letter dated 12 June 2012. A further amendment to DGR *Key Issues – Biodiversity and Rehabilitation* is considered warranted in view of the changes to modification element 2, as documented in this letter. Accordingly, the table presented previously has been updated and forms Attachment B to this letter.

Integra requests that DP&I review Integra’s understanding as indicated within the attached table and formally advise which elements of the current DGRs are still applicable in light of the modified project description.

I trust the above information is clear, however, should you require clarification or any further information please contact the undersigned on (02) 9493 9500.

Yours sincerely



Luke Stewart
Director
lstewart@emgamm.com

Attachment A – Revised proposed modification elements
Attachment B – Applicability of Director-General’s Requirements

Attachment A

Revised proposed modification elements

Revised proposed modification elements comprise:

- removal of Schedule 3 Condition 48, which requires the installation and operation of an overland conveyor from the underground surface facilities to the Coal Handling and Preparation Plant;
- amendment of Schedule 3 Condition 43, to extend the timeframe for the long term security of all areas in the revised offset strategy from September 2012 to September 2014;
- amendment to the definitions of “Day” and “Night” in Schedule 1 to enable the operations within the North Open Cut (NOC) to be carried out for the period from 7 am to 10 pm Monday to Sunday, and public holidays in place of the currently approved 7 am to 10 pm Monday to Saturday, and 8 am to 10 pm Sunday and public holidays under Schedule 2 Condition 11(a);
- amendment to Table 1 in Schedule 3 Condition 1 to remove “351 – Andrews” and to amend the landowner details for “352”; and
- amendment to Table 6 in Schedule 3 Condition 6 of the landowner details for “53”.

Attachment B

Applicability of Director-General's Requirements

Table B.1 Applicability of Director-General Requirements

Requirements	Applicability
General requirements	
The Environmental Assessment (EA) of the project must include:	
<ul style="list-style-type: none"> • an executive summary. 	Continues to be applicable.
<ul style="list-style-type: none"> • a detailed description of: <ul style="list-style-type: none"> - existing and approved mining operations, infrastructure, biodiversity and heritage offset areas; - the proposed modification; - need for and justification of the proposed modification; and - plans of any proposed building works. 	Continues to be applicable.
<ul style="list-style-type: none"> • consideration of all relevant environmental planning instruments, including identification and justification of any inconsistencies with these instruments; 	Continues to be applicable.
<ul style="list-style-type: none"> • a detailed assessment of the key issues specified below, and any other significant issues identified in the risk assessment included in the Preliminary EA for the proposed modification, which includes: <ul style="list-style-type: none"> - a description of the existing environment, using sufficient baseline data; - an assessment of the potential impacts of the modification, including any cumulative impacts, taking into consideration any relevant laws, policies, guidelines and plans; and - a description of the measures that would be implemented to avoid, minimise, and if necessary offset the potential impacts of the modification. 	Continues to be applicable.
<ul style="list-style-type: none"> • a statement of commitments, summarising the proposed environmental management and monitoring measures; 	Continues to be applicable.
<ul style="list-style-type: none"> • a conclusion justifying the modification, taking into consideration: the suitability of the site; the economic, social and environmental impacts of the project as a whole; and whether the modification is consistent with the objects of the <i>Environmental Planning & Assessment Act 1979</i>; and 	Continues to be applicable.
<ul style="list-style-type: none"> • a signed statement from the author of the EA, certifying that the information contained within the document is neither false nor misleading. 	Continues to be applicable.
Key issues - The EA must include a detailed assessment of the following key issues:	
Air Quality - including:	
<ul style="list-style-type: none"> • a quantitative assessment of potential air quality impacts, including a comparison of the impacts of the modification with the approved project; • assessment of cumulative impacts with reference to the Camberwell Cumulative Impact Study; • details of any changes to existing acquisition and management zones, mitigation measures, monitoring programs or operating practices (including the real-time monitoring system). 	A quantitative air quality assessment will still be undertaken for the continued truck haulage.
Greenhouse Gases – including:	
<ul style="list-style-type: none"> • a quantitative assessment of potential Scope 1, 2 and 3 greenhouse gas emissions; • a comparison of the impacts of the modification with the approved project; and • an assessment of reasonable and feasible measures to minimise greenhouse gas emissions and ensure energy efficiency; 	No longer applicable due to removal of emplacement in Area 11.
Noise, Vibration & Blasting - including a quantitative assessment of potential:	
<ul style="list-style-type: none"> • construction, operational and transport noise impacts, including a comparison of the impacts of the modification with the approved project; • blasting impacts on people, livestock and property; • cumulative impacts, with reference to the Camberwell Cumulative Impact Study; and • any changes to existing acquisition and management zones, mitigation measures, 	A quantitative noise assessment will still be undertaken for the continued truck haulage and change in operating hours.

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Requirements	Applicability
<p>monitoring programs or operating practices (including the real-time monitoring system and predictive meteorological forecasting);</p>	
<p>Biodiversity – including:</p> <ul style="list-style-type: none"> • accurate predictions of the vegetation clearing required for the modification, including identification of any impacts on existing offset areas; • biodiversity survey of areas to be impacted by the modification and any alternative offset areas, taking account of seasonal variations for adequate survey; • assessment of the potential impacts of the proposed modification on any threatened species, populations, ecological communities and their habitats, regionally significant vegetation and vegetation corridors; and • an amended offset strategy that includes a suitable replacement for the offset in the project approval for the mine (08_0101 and 08_0102), and ensures that the project will maintain or improve the biodiversity conservation value of the region in the medium to long term (in accordance with NSW policies); • details of the conservation mechanism to be used to provide long term protection and management of the offset areas. 	<p>Not applicable. No change to approved impacts.</p> <p>Justification for amendment to Schedule 3 Condition 43 will be provided.</p>
<p>Rehabilitation - including an amended rehabilitation strategy for the site, having regard to the key principles in the Strategic Framework for Mine Closure and any relevant strategic land use planning:</p> <ul style="list-style-type: none"> • rehabilitation objectives, final land use, performance standards, completion criteria and proposed monitoring for the revised North Open Cut and emplacement area; • a detailed description of how the site would be progressively rehabilitated and integrated with: <ul style="list-style-type: none"> - the final landform of the Integra complex; - the revised offset strategy; - any other rehabilitation and/or offset strategies in the region; • any revisions to approved rehabilitation strategies and management plans; 	<p>No longer applicable due to removal of emplacement in Area 11 and the refuelling station. No ground disturbance activities are proposed and the existing rehabilitation strategy for Integra remains relevant.</p>
<p>Land Resources - including a detailed assessment of the potential impacts on:</p> <ul style="list-style-type: none"> • soils and land capability (including salinisation and contamination); • landforms and topography; and • land use, including agricultural, forestry, conservation and recreational use, with particular reference to the Strategic Regional Land Use Plan; 	<p>No longer applicable due to removal of emplacement in Area 11 and the refuelling station. No ground disturbance activities are proposed which would impact on soils and land capability.</p>
<p>Water Resources– including:</p> <ul style="list-style-type: none"> • an amended site water balance for the mine; • a detailed description and assessment of the impacts of proposed changes to the mine water management system and final landform, including: <ul style="list-style-type: none"> - the quantity and quality of both surface water and groundwater resources; - water users, both in the vicinity of and downstream of the project; and - the riparian, ecological, geo-morphological and hydrological values of the watercourses on site and downstream of the project. 	<p>No longer applicable due to removal of emplacement in Area 11 and the refuelling station. No ground disturbance activities are proposed which would impact on the existing water management systems.</p>
<p>Heritage Impacts - including:</p> <ul style="list-style-type: none"> • an Aboriginal cultural heritage assessment of the modification (including both cultural and archaeological significance) which must: <ul style="list-style-type: none"> - demonstrate effective consultation with Aboriginal communities in determining and assessing impacts, and developing and selecting mitigation options and measures; - outline any proposed impact mitigation and management measures (including an evaluation of the effectiveness and reliability of the measures); and 	<p>No longer applicable due to removal of emplacement in Area 11 and the refuelling station. No ground disturbance activities are proposed which would impact on Aboriginal or historic heritage.</p>

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<ul style="list-style-type: none"> • a Historic heritage assessment (including archaeology) which must: <ul style="list-style-type: none"> - include a statement of heritage impact (including significance assessment) for any State significant or locally significant historic heritage items; and - outline any proposed mitigation and management measures (including an evaluation of the effectiveness and reliability of the measures); 	
<p>Visual - including:</p> <ul style="list-style-type: none"> • analysis of the changes to visual impacts for private landowners in the surrounding area as well as key vantage points in the public domain, including lighting impacts; and • description of any modifications to, or additional visual mitigation measures including the north open cut amenity bund; 	<p>No longer applicable due to removal of emplacement in Area 11 and the refuelling station. No structures are to be constructed which would result in visual impacts. Consideration will be given to the visual benefits that continued truck haulage would prevent in comparison to construction of the conveyor.</p>
<p>Social & Economic - including:</p> <ul style="list-style-type: none"> • an assessment of the costs and benefits of the modification relative to the approved project, including consideration of the potential impacts on the local and regional community; 	<p>Continues to be applicable.</p>
<p>Traffic & Transport - including:</p> <ul style="list-style-type: none"> • accurate predictions of the road and rail traffic generated by the modification; • comparison of the impacts of the modification and the approved project; • a detailed description of any measures required to maintain and/or improve the capacity, efficiency and safety of the road and rail networks in the surrounding area; 	<p>Continues to be applicable.</p>
<p>Waste - including:</p> <ul style="list-style-type: none"> • accurate estimates of the quantity and nature of the potential waste streams of the modification, including tailings and coarse reject; • a tailings and coarse reject disposal strategy for the duration of mining; and • a description of measures that would be implemented to minimise production of other waste, and ensure that waste is appropriately managed; 	<p>No longer applicable due to removal of emplacement in Area 11. No additional wastes are proposed to be generated.</p>
<p>Hazards - including:</p> <ul style="list-style-type: none"> • a Preliminary Hazard Analysis (PHA) demonstrating that the cumulative offsite risk from all credible incidents on the site for all existing, approved and proposed plant and equipment will not exceed the risk' criteria in the Department's Hazardous Industry Planning Advisory Paper No.4, Risk Criteria for Land Use Safety Planning. 	<p>No longer applicable due to removal the refuelling station. No changes to storage or handling of hazardous materials are proposed.</p>
<p>References</p> <p>The environmental assessment of the key issues listed above must take into account relevant guidelines, policies, and plans. While not exhaustive, the following attachment contains a list of some of the guidelines, policies, and plans that may be relevant to the environmental assessment of this project.</p>	<p>Continues to be applicable.</p>
<p>Consultation</p> <p>During the preparation of the EA, you should consult with the relevant local, State or Commonwealth Government authorities, service providers, community groups or affected landowners.</p> <p>In particular you must consult with the:</p>	
<ul style="list-style-type: none"> • Commonwealth Department of Sustainability, Environment, Water, Population and Communities; 	<p>Continues to be applicable.</p>
<ul style="list-style-type: none"> • Office of Environment and Heritage (including the Heritage Branch); 	<p>Continues to be applicable.</p>

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Requirements	Applicability
<ul style="list-style-type: none"> • Division of Resources and Energy within the Department of Trade and Investment, Regional Infrastructure and Services; 	Continues to be applicable.
<ul style="list-style-type: none"> • Department of Primary Industries (including the NSW Office of Water; NSW Forestry, Agriculture and Fisheries sections; Catchments and Lands (Crown Lands Division)); 	Continues to be applicable.
<ul style="list-style-type: none"> • Transport for NSW (including the Centre for Transport Planning, Roads and Maritime Services); 	No longer applicable.
<ul style="list-style-type: none"> • NSW Health; 	Continues to be applicable.
<ul style="list-style-type: none"> • Australian Rail Track Corporation; 	No longer applicable.
<ul style="list-style-type: none"> • Dams Safety Committee; 	No longer applicable.
<ul style="list-style-type: none"> • Hunter-Central Rivers Catchment Management Authority; 	No longer applicable.
<ul style="list-style-type: none"> • Singleton Council; and 	Continues to be applicable.
<ul style="list-style-type: none"> • relevant Aboriginal groups. 	No longer applicable.
<p>The consultation process, and the issues raised during this process, must be described in the EA.</p>	Continues to be applicable.