

22 September 2009

Department of Planning NSW 22-33 Bridge Street SYDNEY NSW 2000

Attention: Belinda Parker

Dear Belinda,

Drayton Mine Project Approval Modification Environmental Assessment – Response to Submissions

1 INTRODUCTION

Anglo Coal (Drayton Management) Pty Ltd (Drayton) submitted an Application for Modification to Project Approval 06_0202 under Section 75W of the *Environment Planning & Assessment Act 1979* (EP&A Act) for the Drayton Mine (the Modification). The Application and supporting *Drayton Mine Project Approval Modification, Environmental Assessment* (EA) (dated 2009, prepared by Hansen Bailey) were submitted to the Department of Planning (DoP) and government agencies for assessment on 17 July 2009.

DoP received four submissions to the Application. Submissions from regulators were provided to DoP from the Department of Water & Energy (DWE) on 28 July 2009 and the Department of Environment, Climate Change & Water (DECCW) on 10 August 2009. Muswellbrook Shire Council (MSC) provided a submission on 19 August 2009, with a supplementary submission and figure on 2 September 2009. A further submission was provided to DoP from the Department of Industry and Investment (DII) on 20 August 2008.

This report has been prepared by Hansen Bailey Environmental Consultants on behalf of Drayton in response to the submissions noted above.

Input into the report has been provided by the relevant specialists involved in the preparation of the EA and Drayton personnel where appropriate. Excerpts from the submissions are restated in italics, with a response to each excerpt following as normal text.

2 DEPARTMENT OF WATER & ENERGY

Submission

The extent of depressurisation surrounding the approved mining operations does not appear to be increase by the modification. However, the modification will mine through monitoring piezometers, as licensed by DWE. DWE requests that any modification of project approval require ongoing review of the approved groundwater monitoring programme, in consultation with DWE. This should include the revision of trigger responses and remedial actions Anglo Coal will undertaken in the event of impacts extending beyond modelling predictions or affecting perched alluvial groundwaters connected to Ramrod or Saddlers Creeks.

Response

Noted. As stated in Section 7.4 and shown in Figure 3 of the EA, Drayton will not impact (or mine through) any monitoring piezometers as a result of operations proposed for the Modification. As such, a review of the existing approved Drayton Water Management Plan and associated groundwater monitoring program is not required.

Nonetheless, Drayton will continue to monitor groundwater impacts (particularly within Ramrod Creek) and will publicly report this data in the Annual Environmental Management Report (AEMR). A key component of the existing approved Drayton Water Management Plan is the periodic review process, which occurs in consultation with DWE.

3 DEPARTMENT OF ENVIRONMENT, CLIMATE CHANGE & WATER

Submission

The Department of Environment, Climate Change and Water (DECCW) understands that Drayton is seeking to extend the approved mining footprint by an additional 7.4 hectares to the North of the current approved mining area, and add 12 hectares of land to the Drayton Wildlife Refuge to provide an offset for the additional increase in disturbance area.

The proposed extension includes 1.9 hectares of Hunter Lowland Redgum Forest that is listed under the Threatened Species Conservation Act (1995) [TSC Act] as an Endangered Ecological Community [EEC]. The proponent will offset this loss by conserving 6.3 hectares of the same ecosystem. There is minimal detail provided in the EA as to the long term management and financial commitment to the conservation of the proposed offset areas. Whilst the modification offset area appears suitable in terms of condition and extent, appropriate management and conservation in the longer term needs to be detailed.

Any offset area must be managed with respect to long-term conservation and viability with adequate financial commitment provided to fund proposed conservation measures. The longevity of any covenant placed on the land must be ensured via appropriate mechanisms such as a Section 88B instrument of the Conveyancing Act 1919, a Voluntary Conservation Agreement under the National Parks and Wildlife (NPW) Act 1974, a bio-banking agreement under the Threatened Species Conservation Act 1995 and / or reservation of land under Part 4 of the NPW Act 1974.

Response

Noted. As stated in Section 7.3 of the EA, the proposed offset area for the Modification will be added to and managed in accordance with the 'Natural Zone' of the existing Drayton Wildlife Refuge established under Part 4 (Section 68) of the NPW Act in 1987. Furthermore, the existing Flora and Fauna Management Plan for Drayton shall also be revised to include the proposed additional offset area, ensuring that any impacts are minimised and that the additional offset area for the Modification is appropriately managed in the long-term.

Drayton has also prepared a draft Rehabilitation and Offset Management Plan and Offset Strategy, which cover both the offset areas for both the Drayton Mine Extension and the Modification (see Figure 7 of the EA). Both of these documents are currently being reviewed by government agencies for approval. A key component of these management plans includes and details the long-term management and financial commitments to manage the proposed offset areas as part of the Drayton Wildlife Refuge, including weed and feral animal control and fire management.

4 DEPARTMENT OF INDUSTRY AND INVESTMENT

Submission

The proposal to extend mining within the existing mining leases within the Drayton Colliery Holding will require the submission of a Mining Operations Plan (MOP) modification to the satisfaction of DII.

Drayton's existing approval condition requires the preparation of a Rehabilitation and Offset Management Plan to the satisfaction of DII. DII is currently reviewing the Rehabilitation and Offset Management Plan dated July 2009 which addresses the modification proposal. DII will provide advice on that assessment separately to Department of Planning, when completed.

DII requests that any approval for the proposed modification include the following condition:

"The proponent is required to submit an updated Mining Operations Plan (MOP) for approval by the Director General DII. The MOP should include a revision of the Rehabilitation and Offset Management Plan.

As required by the Rehabilitation and Offset Management Plan, the proponent should undertake an audit and peer review of performance to the satisfaction of DII."

The proponent should consult with DII at the early stages of the MOP modification.

Response

Noted. Drayton will submit an updated Mining Operations Plan (MOP) for the Modification, to the approval of the Director – General of DII, once approval for the Modification is granted.

As noted in DII's submission, the Drayton Rehabilitation and Offset Management Plan (ROMP) is currently being finalised to the satisfaction of DII, which includes the offset areas for both the Drayton Mine Extension and the Modification. As such, a review of the ROMP will not be required. The Drayton ROMP also includes detailed performance and completion criteria and review process. An audit and peer review of the ROMP is therefore not required.

5 MUSWELLBROOK SHIRE COUNCIL

Submission 1 – 19 August 2009

At its meeting held on 10 August, 2009 Council considered a report concerning the assessment of the proposed modification application and decided the following:

Modification application submitted by Drayton Coal Pty Ltd to the Department of Planning to permit an extension to its mine disturbance area of 7.5 hectares be supported subject to the following matters being addressed in the determination of the application:

- a) Inclusion of an area to the west of the proposed offset area which is additional to that area identified in the Environmental Assessment (EA) and to the one which has been identified in the current Drayton Aboriginal Cultural Heritage Management Plan.
- b) Assessment of cumulative impacts associated with the operation of Mt Arthur North and associated rail linkages and environmental impacts, including noise and blasting, on neighbouring properties and that such assessment includes a peer review of the supporting information submitted with the EA regarding these environmental issues;

Supplementary Submission – 2 September 2009

As you are aware, Council replied by letter dated 19 August 2009. Two issues were noted in the support of the application being:

1. The inclusion of an area to the west of the proposed offset area which is additional to that identified in the EA.

I have attached a PDF file which identifies the location of the additional area.

Council considered that the proposed offset area (i.e. that area proposed in the original *EA*) had already been identified for preservation based upon the presence of existing aboriginal artefacts.

2. The assessment of cumulative impacts associated not only by Drayton Coal activities but also those activities undertaken through the existing rail transport system and the operation of other major industries and activities which operate in the immediate area. (e.g. Mt Arthur North coalmine (noise and blasting, dust and visual impacts), Council's industrial area, the use of the local New England Highway and the Antiene rail spur line.

In assessing these cumulative impacts and the impacts attributable to the operation of the Drayton coalmine it was also considered that a peer review be undertaken of the supporting information (i.e. consultant reports, conclusions and recommendations) submitted in the relevant EA to ensure that such information was credible and adequately supported the findings and conclusions of the EA. The peer review would also provide confidence to the local community in its relevant and support of the proposed project.

Response

The proposed offset area for the Modification is not subject to any existing conservation mechanisms. The approved Drayton Aboriginal Cultural Heritage Management Plan (2007) (ACHMP) did not propose nor outline any conservation mechanisms within the proposed offset area for the Modification. The ACHMP highlights, consistent with both the Drayton Mine Extension EA (2007) and Drayton Modification EA (2009), that isolated Aboriginal sites are known within the proposed offset area and that these sites were not proposed to be disturbed by mining activities at Drayton.

As described in the EA, the ecological impacts of the Modification are proposed to be offset through the establishment of an additional 12 hectare area of vegetation adjacent to the Drayton Wildlife Refuge, which would exceed a 2:1 offset ratio for the woodland area that is proposed to be removed, consistent with DECCW requirements. Accordingly, no further offset area to that outlined in the EA is considered necessary for the Modification.

Further, as described in EA, the Modification will not increase rail movements, groundwater or surface water impacts, air quality or noise and blasting impacts. Therefore, no cumulative impacts are anticipated or required to be assessed. Correspondence with DoP, dated 8 September 2009, has confirmed that the Drayton Modification EA was subject to an adequacy review by DoP and that DoP does not consider a peer review of the EA is warranted in this instance.

Yours faithfully HANSEN BAILEY

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Melissa Walker Environmental Scientist