DRAYTON MINE EXTENSION

RESPONSE TO SUBMISSIONS

for

Anglo Coal (Drayton Management) Pty Limited

October 2007

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ENVIRONMENTAL CONSULTANTS

Table 1

Drayton Extension Environmental Assessment, Response to Submissions

No	Subject	Issue	Response
1	Air Quality	Concerns were raised with respect to air quality, including issues in relation to: • An increase in air quality impacts as a result of the Project; and • The implementation of dust mitigation measures for the Project.	The Air Quality Impact Assessment (Section 8.2 and Appendix E of the EA) includes an assessment of the potential impacts on air quality in a worst-case operating scenario as a result of the Project. Air quality modelling undertaken as part of this assessment indicates that all relevant air quality criteria will be met during the life of the Project and there are no predicted exceedances of any air quality criteria at any receiver. As noted in Section 8.2.4 of the EA, Drayton will continue to manage dust emissions from its operations in accordance with their International Standards Organisation (ISO) 14001 Certified Safety, Health, Environment and Community Management System (SHECMS). An Environmental Monitoring Program (EMP), incorporating air quality monitoring, will also be developed and will include an enhancement of the current air quality monitoring network at Drayton. In particular, Drayton has committed to continuing PM_{10} monitoring on a six daily basis in accordance with sampling method AM-18 to assist in proactively managing air quality impacts from its operations.
2	Noise	Concerns were raised with respect to noise, including issues in relation to: • An increase in noise impacts as a result of the Project; • The acquisition of properties identified as being adversely affected; and • The implementation of noise mitigation and monitoring measures for the Project, including the preparation of a Noise Management Plan.	The Noise Impact Assessment (Section 8.3 and Appendix F of the EA) included an assessment of the potential noise impacts associated with the Project in a worst-case operating scenario. The assessment found that noise levels for the Project were likely to remain within the appropriate noise criteria at all receivers during neutral and noise reducing weather conditions, which occur for a significant proportion of the time. 23 receivers were identified to receive noise levels over the adopted intrusive noise criteria in at least one assessed year and time period under prevailing weather conditions at a maximum intensity of mining. In a worst-case modelling scenario, two receivers may incur noise levels 5 dBA above the criteria. Private discussions have commenced with the two receivers in question. These discussions have included the consideration of additional mitigation measures (or purchase) in accordance with the Industrial Noise Policy to minimise any potential adverse noise impacts.

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			A variety of noise mitigation and management measures have been incorporated into the noise model and conceptual mine plan for the Project to minimise potential noise impacts. Drayton's EMP for noise will be incorporated into the Project EMP as described in Statement of Commitment (SoC) No.3. It will include noise management initiatives and the installation of a real-time noise monitor within the Antiene Estate. These initiatives will assist in proactively managing noise emissions. As such, an additional separate Noise Management Plan will not be required for the Project. The implementation of the noise controls provided in the EA (Section 8.3.4), in conjunction with continued management in accordance with the SHECMS, will ensure noise from the Project is appropriately managed.
3	Blasting	Concerns were raised with respect to blasting, including issues in relation to: • The level of detail provided on potential blasting impacts; • Blasting criteria; • Hours of blasting required for the Project; and • The implementation of blasting mitigation measures, including the preparation of a Blasting Management Plan.	A detailed assessment of blasting impacts resulting from the Project is provided in the Vibration Impact Assessment (Section 8.4 and Appendix F of the EA). The assessment found that with careful ongoing management, the Department of Environment and Climate Change's (DECC) amenity criteria for blasting (as adapted from the Australian and New Zealand Environment Conservation Council (ANZECC) guidelines) will continue to be achieved for all blasts. The Project will require blasting to be conducted between 7:00 am and 5:00 pm, Monday to Saturday. This flexibility in blasting hours will allow Drayton to take advantage of suitable weather conditions in order to minimise the potential for noise and episodic dust impacts on near neighbours. Blasting will continue to be managed in accordance with the SHECMS and an EMP for the Project (incorporating blasting) will also be developed. As such an additional Blasting Management Plan will not be required. Drayton will continue to notify residents of pending blasting events as requested and will continue to plan blasting activities in liaison with Mt Arthur Coal to minimise cumulative impacts on their neighbours.

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4	Flora and Fauna	Concerns were raised with respect to flora and fauna, including issues in relation to: • Habitat loss from the Project placing threatened flora and fauna species under increasing threat of extinction; and • Weed and feral animal presence increasing as a result of the Project, damaging important flora and fauna communities.	As discussed in Section 8.6.4 and Appendix H of the EA, 38 hectares (ha) of woodland will be cleared by the Project, which includes 1.3 ha of Hunter Lowland Redgum Forest (HRLF) which is listed as an Endangered Ecological Community (EEC) under the *Threatened Species Conservation Act 1995* (TSC Act). The 10 threatened and/or migratory fauna species identified at Drayton were found in parts of the Survey Area not to be affected by the Project. The areas to be cleared as part of the Project do not represent critical habitat for any of the threatened fauna species identified at Drayton (Section 8.6.3 of the EA). The impacts of vegetation clearing from the Project on threatened / migratory flora and fauna species was provided in the Assessments of Significance (Appendix H of the EA) undertaken for each of the species. These assessments concluded that the Project will not have a significant impact on any of the threatened flora and fauna species identified at Drayton. The 'Natural Zone' of the Drayton Wildlife Refuge will not be impacted by the Project and will continue to be managed to enhance its flora and fauna values (see Issue No.5 for further detail on offsets). The continued management of the Drayton Wildlife Refuge and all other remnant vegetation at Drayton by the SHECMS and revised Flora and Fauna Management Plan (FFMP) will more than compensate for the impacts of the Project on flora and fauna. Drayton's SHECMS incorporates a comprehensive annual weed and feral animal control program, which has successfully minimised the occurrence of noxious weeds and feral animals. This program will be revised as part of the SCHEMS for the Project to ensure the continued, proactive management of noxious weeds and feral animals.
5	Flora and Fauna	Concerns were raised with respect to flora and fauna offset provisions for the Project, including issues in relation to: • The provision of suitable compensatory (offset) measures for the loss of native vegetation and potential threatened species habitat;	Since the issuance of Drayton's mining tenements (i.e. Mining Leases and Coal Leases), it was recognised that the area would be utilised for coal mining purposes. In light of this, Drayton proactively established an offset area to compensate for all vegetation disturbances within their mining tenements. This resulted in the proclamation of the Drayton Wildlife Refuge in 1987, in consultation with DECC under the provisions of Section 68 of the *National Parks and Wildlife Act 1974* (NPW Act).

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		• Details on the long-term management and financial commitment to offset area; • Retrospective offset proposals such as the Drayton Wildlife Refuge, gazetted under Section 68 of the *National Parks and Wildlife Act 1974* not being considered as a suitable offset; • The proposed offset area (Drayton Wildlife Refuge) not being consistent with the 2:1 offset ratio recommended by the DECC; and • The objectives of the *Native Vegetation Act 2003* (NV Act) being applied to the Project and offset.	The proclaimed Drayton Wildlife Refuge encompasses three zones – Mining, Grazing and Natural Zones. When the 'Mining Zone' and 'Grazing Zone' were gazetted, it was envisioned that the majority of these areas (including the Project open cut mining area) would eventually be cleared for mining purposes (as consistent with the Project). The Natural Zone (334 ha) was created to offset impacts from the commencement of Drayton's mining operations to its eventual closure. As the Project only involves the extraction of coal from within the same Drayton mining tenements and Mining and Grazing zones, the Project is subject to the existing Drayton Wildlife Refuge agreement. The ongoing management of the 'Natural Zone' of the Drayton Wildlife Refuge has successfully facilitated the regeneration of much of the Drayton Wildlife Refuge into high quality remnant vegetation containing HLRF. Therefore, the ongoing management of the 'Natural Zone' of the Drayton Wildlife Refuge (which is not proposed to be disturbed as a result of the Project) adequately compensates for the disturbance associated with the Project. The 'Natural Zone' of the Drayton Wildlife Refuge (334 ha) offsets all primary native vegetation to be cleared by the Project (152 ha) in a 2.1:1 ratio (meeting the 2:1 offset ratio now recommended by DECC). Comparatively, the loss of native woodland associated with Project (including the disturbance of 1.3 ha of HLRF) is offset by the 'Natural Zone' of the Drayton Wildlife Refuge in an 8.8:1 ratio (i.e. 334 ha of Natural Zone to compensate for 38 ha of woodland disturbance). As the Drayton Wildlife Refuge is land reserved under the NPW Act and contains HLRF (an EEC protected under the TSC Act), the refuge cannot be disturbed without the approval of the Minister. This therefore provides certainty (beyond its reserve status) that the Drayton Wildlife Refuge will be conserved. Drayton will continue to provide all necessary financial commitments to the Drayton Wildlife Refuge for its conservation and will make relevant areas of the refuge available for ecological research. Drayton will continue to manage the Drayton Wildlife Refuge in accordance with the revised FFMP and SHECMS for weeds and feral animals, fire management and public access etc. to ensure its long-term viability. This management regime has been demonstrated to work extremely well over the last 20 years.

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			As the Project is seeking Project Approval under Part 3A of the EP&A Act, the NV Act does not apply to the Project. The provisions of a biodiversity offset for the Project (i.e. the 'Natural Zone' of the Drayton Wildlife Refuge) has been undertaken in accordance with the requirements of DECC and therefore, a Property Vegetation Plan for the Project is not necessary or required. However, in recognition of biodiversity conservation, Drayton will continue to consider and apply the principles of the NV Act to their operations, where practicable.
6	Land Zoning	Concern was raised in regards to the basis for approval.	This will be an issue on which the Department of Planning will advise the Minister.
7	Land Use Conflict	Concern was raised in regard to a conflict of land use over the timing of the East Pit void availability for fly ash emplacement and the rehabilitation of the East Pit void.	Section 8.7 of the EA describes Macquarie Generation's intention to utilise the East Pit void created by the Project for the disposal of fly ash from its Power Stations. Accordingly, the conceptual final landform presented in Section 8.7 of the EA assumes Macquarie Generation will place fly ash in the East Pit void which will then be capped with at least 2 m of overburden, rehabilitated and left in a free-draining state. This will be the subject of a further planning approval process to be undertaken by Macquarie Generation. The mining schedule proposed in the EA for the East Pit maximises the recovery of 8 Million tonnes of remnant coal and results in the provision of a suitable void for future fly ash emplacement by Macquarie Generation. The mining of the East Pit is an integral component of the Project mine plan, which maximises the use of the coal resource, the efficiency of the Project and promotes the most appropriate use of the land within the existing mining tenements. Drayton and Macquarie Generation are currently in discussions in relation to the land use conflict.
8	Stakeholder Consultation	Concern was raised that: • Stakeholder consultation for the Project was not adequately described in the EA; and • The existing Drayton Community Consultative Committee (CCC) should be utilised for the Project.	Section 6.0 of the EA describes the stakeholder consultation program undertaken as part of the EA. Consultation was conducted through one-on-one meetings; presentations to regulators, Mt Arthur Coal, Macquarie Generation, the Drayton Mine CCC; and by the distribution of Project Newsletters. The stakeholder consultation program included all key stakeholders as identified in the Environmental Assessment Requirements (EARs), with all issues raised by stakeholders addressed in the EA (see EA Table 13 for checklist). As provided in SoC No.20 of the EA (Table 35), Drayton will continue to facilitate the operation of the Drayton CCC for the Project.

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9	Spontaneous Combustion	Concern was raised with respect to spontaneous combustion, including issues in relation to: • An increase in the occurrence and impacts of spontaneous combustion; • The mitigation and management of spontaneous combustion impacts; and • Eliminating spontaneous combustion by the end of the Project.	As described in Section 9.3 of the EA, it is envisaged that the occurrence of spontaneous combustion as a result of the Project will decrease and the effects of spontaneous combustion will be effectively reduced to zero by the end of the life of the Project. Spontaneous combustion at Drayton will continue to be managed in accordance with the SHECMS and its Spontaneous Combustion Management Plan (SCMP). In particular, the SCMP will be revised for the Project to incorporate mining techniques and proactive management strategies to prevent and reduce spontaneous combustion at Drayton. The Project has been specifically designed such that the occurrence of spontaneous combustion will decrease over the life of the mine (see Section 9.3.3 of the EA).
10	Water Resources	Concerns were raised in regard to water resources, including issues in relation to: • The Project resulting in a decrease in water quality and flow to the Hunter River and Lake Liddell; • The Project impacting on riverine and aquatic environments; • The preparation of a Water Management Plan; • Obtaining all relevant water licences for the Project; and • Undertaking a bore census within the zone of depressurisation surrounding the Project and replacing loss of water to the registered bore owner should loss of yield occur.	The Groundwater and Surface Water Impact Assessments undertaken as part of the EA (Section 8.5 and 9.2 of the EA respectively) assessed the impact of the Project on the surrounding water resources. All groundwater inflow and surface water runoff will continue to be captured and managed in the Drayton Mine Water Management System. Drayton will remain as a nil discharge mine and will continue to rely on its own water make for all its water requirements. Drayton is not seeking approval to pump water into or from the Hunter River and thus, will not impact on any riverine or aquatic environments. Section 8.5.2 of the EA provides that additional groundwater inflows as a result of the Project will not capture or impact on flow to the Hunter River or creeks and associated alluvial and colluvial aquifers. Section 8.5.2 of the EA also notes that simulated groundwater discharge to Muscle Creek, Ramrod Creek, Maidswater Creek, Saltwater Creek and the Hunter River is not reduced as a result of the Project. Lake Liddell (which is a man-made dam for industrial purposes only) may receive 0.1ML/day additional groundwater inflow as a result of the Project. Drayton is committed to obtaining all relevant Water Access Licences for the Project (see section 8.5.3 of the EA).

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			Drayton will also undertake a census of bores surrounding the Project and monitor these for any potential impacts, providing a comparable water supply to the registered bore owner if loss of yield occurs as a result of the Project (Section 8.5.3 of the EA). As described in Section 8.5.3 and 9.2.3 of the EA, groundwater and surface water will continue to be managed in accordance with the SHECMS with its Water Management Plan and EMP being revised for the Project as specified in SoC No. 4.
11	Aboriginal Archaeology	Concerns were raised in regards to the protection of Aboriginal Archaeology, including issues in relation to: • The preparation of an Aboriginal Archaeology and Cultural Heritage Management Plan to protect Aboriginal Archaeology.	As stated in Section 9.6.3 of the EA, the Drayton Aboriginal Archaeology and Cultural Heritage Management Plan (AACHMP) will be revised for the Project. This plan will be developed in consultation with DECC and the local Aboriginal community to outline and facilitate the salvage of the 29 sites identified to be impacted by the Project and to provide for the ongoing management and protection of the remaining Aboriginal sites. The revised AACHMP will be implemented prior to the disturbance of any sites associated with the Project.
12	Socio-economics	Concerns were raised in regards to socio-economics, including issues in relation to: • The employment profile provided in the EA; • The level of detail provided in the socio-economic assessment of the EA; and • The provision of community contributions.	An appropriate level of socio-economic assessment was conducted for the Drayton Extension EA as provided in Section 9.12.3 of the EA. The Project will provide the continued employment of 329 employees, whilst providing up to an additional 59 full time positions at full production. It is acknowledged that the current employment level at Drayton of 329 employees is significantly less than the employment levels at the mine in the mid 1990's (519 employees). The annual contributions resulting from the Project are listed in Table 34 of the EA (Section 9.12.3). This information provides that over its life, the Project will result in $374 Million in wages and salaries, $110 Million in Government taxes, $135 Million in royalties and $354 Million in flow-on effects to the local community. The Project will also result in $2.3 Million in contributions to the Australian Coal Association Research Program (ACARP) for research and development. As detailed in Section 9.12.4 of the EA, Drayton has offered and Muswellbrook Shire Council (MSC) has agreed in principle to enter into a Voluntary Planning Agreement (VPA) which provides community contributions from the Project and ongoing socio-economic benefits to the local community.

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13	Catchment Action Plan	Concern was raised in regards to how the EA and Project apply the 19 principles of the Hunter-Central Rivers Catchment Action Plan.	Each of the 19 guiding principles of the Catchment Action Plan were addressed in the EA, in particular they are referenced in the following sections: • Air Quality (Section 8.2 and Appendix E); • Noise (Section 8.3 and Appendix F); • Groundwater (Section 8.5 and Appendix G); • Flora and Fauna (Section 8.6 and Appendix H); • Rehabilitation, Final Landform and Voids (Section 8.7); • Surface Water (Section 9.2 and Appendix I); • Visual (Section 9.5 and Appendix K); • Aboriginal Archaeology (Section 9.6 and Appendix L); • Traffic and Transport (Section 9.9 and Appendix N); and • Statement of Commitments (Section 10).
14	Traffic and Transport	Concerns were raised in regards to traffic and transport, including issues in relation to: • The potential impacts of increased traffic and train movements. One neighbour requested a schedule of train movements; and • The implementation of mitigation measures, including the preparation of a Road Closure Plan.	A Traffic and Transport Impact Assessment was undertaken to evaluate the impact of the Project on the surrounding road network (Section 9.9 and Appendix N of the EA). The Project will result in a maximum traffic increase of 3.9% on Thomas Mitchell Drive. No significant impacts on the surrounding road network are anticipated from this relatively minor increase. All export coal produced as a result of the Project will continue to be transported to the Port of Newcastle, as approved under the separate Antiene Rail Spur Development Consent. The Noise Impact Assessment found that additional road traffic from the Project will result in a noise level increase of less than 0.1 dBA, which is considered insignificant and should not be noticed by receivers. Further, the Antiene Rail Spur Environmental Impact Statement (EIS) found that "the operation of additional trains on the Antiene Rail Spur will not result in noise levels exceeding the recommended criterion at any residence."

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			Drayton will provide a schedule of train movements to neighbouring landowners who request such information. Drayton will continue to manage traffic impacts in accordance with the SHECMS with an EMP for the Project (incorporating noise) being developed. Drayton will prepare a Road Closure Plan (providing for temporary road closure of Thomas Mitchell Drive during blasting) for the Project in consultation with MSC.
15	Cumulative Impacts	Concern was raised in regards to the increase in cumulative impacts of air quality, noise and vibration with surrounding mining operations and industry.	Cumulative impact assessments for the Project were undertaken as part of the following assessments: • Air Quality Impact Assessment (Section 8.2 and Appendix E); • Noise and Vibration Impact Assessment (Section 8.3 and Appendix F); • Groundwater Impact Assessment (Section 8.5 and Appendix G); • Visual Impact Assessment (Section 9.5 and Appendix K); and • Traffic and Transport Impact Assessment (Section 9.9 and Appendix N). No significant issues associated with cumulative impacts from the Project were identified from these assessments in the EA.
16	Visual	Concern was raised over the proposed timing of the completion of tree planting along Thomas Mitchell Drive	As provided in Section 9.5.4 and SoC No. 15 of the EA (Table 35), Drayton will undertaken dense tree planting along the northern edge of the EA Boundary on Thomas Mitchell Drive to create a visual screen within the initial Project years. This work has commenced.
17	Project Mitigation and Management Measures	Concern was raised in regards to the ongoing environmental management of the Project, including issues in relation to: • Drayton undertaking the commitments provided in the EA; and • The preparation of management plans as identified in the EA.	Section 10.0 of the EA provides Drayton's SoC's for the Project. The SoC included in Section 10 of the EA commits Drayton to an environmental management regime. The aim of this SoC is to ensure that any potential environmental impacts resulting from the Project are minimised and managed by implementing appropriate environmental management, mitigation and monitoring strategies. As provided in SoC No. 5, Drayton will prepare and/or revise the following Management Plans for the Project, in consultation with relevant regulators to the approval of DoP: • Spontaneous Combustion Management Plan;

No	Subject	Issue	Response
			• Water Management Plan; • Flora & Fauna Management Plan; • Rehabilitation & Landscape Management Plan (including Void Management); and • Aboriginal Archaeology & Cultural Heritage Management Plan.
18	Neighbouring Properties	Concerns were raised in regard to: • Property devaluation as a result of the Project; • The protection of neighbouring properties by a Property Value Protection Policy (PVPP); • Property damage from blasting and the proponents response to concerns raised; and • The purchasing of some neighbouring properties under conditions equivalent to the *Land Acquisition (Just Terms Compensation) Act 1991*.	Section 9.12.3 of the EA provides the findings of the EA investigation in regards to property devaluation as a result of the Project. The investigation indicates that the Project should not result in any devaluation of properties within the surrounding area. A PVPP is therefore not required to be prepared. Drayton has maintained compliance with their blasting criteria at all neighbouring landowners within Antiene Estate, as reported in their Annual Environmental Management Report (AEMR) for at least the last five years. Upon request, Drayton commissions and undertakes property structural inspections for those near neighbours who are concerned that blasting activities at Drayton have affected their properties. Within the past five years, Drayton has conducted five such property structural inspections within the Antiene Estate, with a copy of the inspection report provided to the near neighbour. Each of these inspections has confirmed that Drayton's blasting activities have not been responsible for property damage. Despite this, on at least one occasion, Drayton has financially contributed to property repairs in good faith and on a no prejudice basis. As stated in Section 8.4 and Appendix F of the EA, Drayton's blasting activities will remain at levels well below recognised amenity levels and as such, substantially below recognised blast damage criteria. Drayton will continue to offer to investigate property damage thought to have resulted from blasting activities at Drayton and will undertake repairs appropriately as recommended in any such inspection for the life of the Project. Private discussions have commenced with those landowners in the EA who have been identified to potentially receive adverse impacts beyond recognised amenity levels as a result of the Project. These discussions have included the consideration of additional mitigation measures (or offer of purchase) to minimise adverse impacts on these residence as a result of the Project.

No	Subject	Issue	Response
19	Current Operations	Concerns were raised regarding: • Current impacts on adjoining neighbours resulting from existing mining operations (including noise emissions, air quality impacts and blasting impacts); • The Drayton community enquiries hotline; • Drayton's ability to address community complaints (regarding current complaints); and • Current monitoring techniques.	Drayton is committed to meeting these concerned neighbours in an attempt to resolve any current issues with Drayton's operations outside of the Part 3A approval process. This process will be supported by monitoring data from Drayton's extensive environmental monitoring network which is demonstrating that Drayton is maintaining regulatory compliance with all relevant environmental amenity criteria within Antiene Estate. Drayton maintains a Community Enquiries Hotline on which community members including near neighbours are encouraged to contact Drayton to discuss any concerns. This hotline is regularly advertised in locally distributed newsletters and local papers. All concerns are responded to promptly. All environmental monitoring at Drayton is conducted in accordance with relevant Australian Standards and guidelines and is reported to government (and publicly) in the AEMR.