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Our Ref:

Your Ref: Senate Inquiry on the potential impacts of mining on the Murray-Darling Basin

7 October 2009

Senate Standing Committee on Environment, Communications and the Arts
Australian Parliament House
Canberra ACT 2600

Dear Senate Committee

Re: Submission on the potential impacts of mining on the Murray-Darling Basin

On 30 September 2009, the Secretary to the Senate Standing Committee on Environment, Communications and the Arts, Dr Ian Holland, advised New Acland Coal Pty Ltd that a late submission to the Senate's Inquiry into the potential impacts of mining on the Murray-Darling Basin (Inquiry) could be made up until the close of business on 7 October 2009.

New Acland Coal Pty Ltd's operations at the New Acland Coal Mine have been founded on a rigorous environmental impact assessment process which required an extensive program of baseline studies and scientific investigation. The evaluation and recommendations of the environmental impact assessment process now direct overall site and environmental management.

Water use at New Acland Coal Mine in the near future will not create any demand on the Murray-Darling Basin. Through an innovative agreement with the Toowoomba Regional Council, New Acland Coal Mine will be supplied with recycled water generated from another river system east of the Toowoomba Range. This water supply arrangement demonstrates a beneficial use of a waste product.

New Acland Coal Pty Ltd's operations do not adversely impact upon water within the Murray-Darling Basin.

The land now subject to mining operations has been acquired from landholders who voluntarily offered sites to New Acland Coal Pty Ltd as part of their response to rural industry adjustment in the region. A considerable number of farmers have left the dairy and cropping sectors of agriculture.

Land previously acquired for mining is now progressively rehabilitated for eventual return to grazing use. This rehabilitation process allows the mine footprint to move through the land area in a progressional sequence – as the mine moves forward, rehabilitated areas are vegetated and made available for grazing. This rehabilitation process is also carefully audited and assessed by Queensland's regulatory authorities.

The submission of New Acland Coal Pty Ltd to the Inquiry follows below. The submission addresses the Terms of Reference (ToR) and includes additional information considered pertinent to the Inquiry.

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ToR – A:

The potential impacts of current and projected mining operations on all environmental values in the Murray-Darling Basin and, in particular, the potential impacts upon surficial and groundwater flows and quality in the alluvial flood plains at its headwaters in the Namoi Valley and the Darling Downs catchments.

Submission:Background

- The Acland district has a long history of underground coal mining dating back to the late 1800s. This underground mining operated as a number of small mines (e.g. Willeroo, Balgowan and Acland), until the mid 1980s, when the last mine closed.
- New Acland Coal Mine (Mine) comprises two mining leases – ML 50170 (1,103 hectares) granted during late 2001 as Stage 1 and ML 50216 (1,175 hectares) granted during late 2006 as Stage 2. New Acland Coal Pty Ltd (NAC) also has a new mining lease application that is the subject of a new approvals process – MLA 50232 (5,069 hectares), which is designated as the ‘Stage 3 expansion’.
- The Mine, including the Stage 3 expansion area, will potentially disturb 5,941 hectares over its life of operation. The Mine will continue to undertake progressive rehabilitation to ensure that disturbance areas are kept to an operational minimum each year.
- NAC has operated the Mine within the Condamine River catchment of the Murray-Darling Basin since the commencement of mining operations in early 2002. During this period, NAC has maintained a high standard of environmental management, undertaken regular community consultation, and maintained a good working relationship with the relevant regulatory authorities.
- In general, NAC expects to be mining in the Acland district for at least another 50 years based on current resource estimates of greater than 750 million tonnes of in-situ coal.

Current Environmental Approvals

- NAC's mining operations are currently governed by the legal conditions of its main environmental approvals:
 - Environmental Authority No. MIM800317705 (EA), which is administered under Queensland's *Environmental Protection Act 1994* (EP Act) by the Department of Environment and Resource Management (DERM); and
 - EPBC Approval 2004/1885 (EPBC Approval), which is administered under the Commonwealth's *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) by the Department of Environment, Water, Heritage and the Arts (DEWHA).
- NAC's EA incorporates an extensive range of conditions specific to the management of air quality, land resources, water resources (surface water and groundwater), nature conservation, noise and vibration and light.
- NAC's EPBC approval incorporates a series of conditions for the protection and management of the specific issue of ‘threatened species and communities’ (i.e. as a matter of National Environmental Significance under the EPBC Act).
- To date, NAC's mining operations have not been required to address any major issues of non-compliance in relation to its EA or EPBC approvals.

- NAC's current environmental approvals were developed from a rigorous environmental impact assessment process, involving an Environmental Impact Statement (EIS) to address the requirements of the EP and EPBC Acts (i.e. under a bi-lateral agreement). The EIS represents the highest level of environmental impact assessment in Queensland, is thoroughly assessed by a range of State departments/agencies and the Commonwealth, and provides the greatest amount of public consultation and opportunity for comment/input.

Future Environmental Approvals

- NAC is currently involved in an environmental approvals process for the Stage 3 expansion of the Mine (Project), which was granted 'State Significance' in early 2007 by the Department of Infrastructure and Planning (DIP), under Queensland's *State Development and Public Works Organisation Act 1971*. The Project was also deemed a 'controlled action' in early 2007 by DEWHA under the EPBC Act (EPBC 2007/3423). An EIS for the Project has recently been lodged with DIP for assessment against the Terms of Reference, and will eventually be assessed by the State and Commonwealth under a bi-lateral agreement.
- NAC expects the EIS for the Project will receive a similar level of comprehensive assessment from the State and Commonwealth governments. The current EIS process will ensure the public are able to provide their comments to government for consideration. NAC is planning on a minimum of two public meetings, two advisory body meetings (as advised by DIP), and specific consultation with specialist organisations (e.g. local natural resource management groups: Condamine Alliance, Northeastern Downs Landcare, etc.).

Environmental Management

- The statutory requirements of NAC's EA are administered at the Mine by a Plan of Operations (PoOps). This document is assessed by DERM and is subject to compliance inspections by DERM. NAC possesses a range of management plans, which are administered as supporting documents to the PoOps. These management plans address issues, such as general waste, water, tailings, rehabilitation, weeds, nature conservation and monitoring. The majority of these documents required approval from DERM before they were implemented at the Mine and are subject to regular review to ensure their adequacy as mining operations progress.
- NAC employs an extensive environmental monitoring regime to assess the potential impacts of its mining operations in relation to air quality, noise and vibration, water management (surface water and groundwater) and land management. NAC's environmental monitoring regime is specified in an active management plan, and where applicable, is conducted in compliance with regulatory guidelines, Australian Standards, etc.. NAC's environmental monitoring data is always available for audit purposes by DERM, and on an as required basis, is made available on request for individual community members with issues or concerns.

Surface Water / Groundwater

- NAC's groundwater use is also legally conditioned via a range of water bore licences, which are administered under Queensland's *Water Act 2000* (W Act) by DERM. These conditions will specify a strict allocation, require accurate monitoring of water usage, and depending on the water bore, may also require regular formal reporting to DERM (including maintenance and update of a specific groundwater model for the aquifer in use).
- Importantly, NAC is in the final stages of commissioning a pipeline to supply recycled waste water to the Mine from Toowoomba's Wetalla Waste Water Treatment Facility. The recycled waste water, which is the subject of a 43 year contract between NAC and the Toowoomba Regional Council (TRC), will:
 - become the Mine's main water supply which will beneficially allow NAC to reduce its reliance on its licensed groundwater allocation from the Eastern Downs area of the Great Artesian Basin (~1300 ML per annum);
 - 'drought-proof' the existing Mine;
 - meet the expanded water requirements of the proposed Project;

- be deemed as a 'beneficial use of a waste product' under the 'waste hierarchy' specified in Queensland's *Environmental Protection Regulations 2008*; and
 - provide the TRC (and Toowoomba rate payers) with a long term revenue stream for a waste product that is currently discharged to the environment.
- NAC's EA has a comprehensive set of conditions to ensure the protection and management of groundwater. An extensive monitoring regime has been established around the Mine by NAC to assess the potential impacts that may occur to groundwater as a result of mining operations. To date, monitoring has demonstrated that the Mine's operations have had a minimal impact on the local groundwater regime.
 - As part of NAC's past and current environmental approval processes, conservative numerical groundwater modeling has been conducted as part of the environmental impact assessment process. This scientific information is assessed by DERM and is used to develop appropriate groundwater conditions.
 - Where possible, NAC employs 'leading practice' water management at the Mine which:
 - ensures all statutory requirements are properly addressed;
 - ensures water management is an integral part of all stages of mining planning;
 - defines and separates clean and dirty water catchments;
 - diverts clean water away from disturbed areas;
 - captures run off from disturbed areas for treatment and possible discharge off site, or supplementary use on site for dust suppression and coal washing purposes;
 - promotes water recycling (e.g. from the tailings storage facility);
 - minimises the risk of discharge via special strategies, such as water recovery from environmental dams (which maximizes their holding capacity);
 - monitors the water quality of water storages on and off site;
 - uses risk based hydraulic design for water storages on site; and
 - ensures areas of hydrocarbon use possess additional protection measures, such as bunding, oil-water separators, etc.
 - To date, no significant water discharges have occurred from the Mine to the Spring or Lagoon Creek catchments, which are 'first order' streams within the Condamine River catchment. The Mine has not interfered with flows within Lagoon Creek, which is the main water course in close proximity to the current mining operations. Lagoon Creek possesses a relatively small upstream catchment area of approximately 300 ha and is ephemeral, only flowing after significant rainfall events.
 - NAC has established a conservation zone either side of Lagoon Creek where it flows through the Mine's Stage 2 expansion area (Mining Lease 50216). This conservation zone is managed via a DERM approved management plan and is designed to re-establish the riparian zone of the creek.
 - To date, the Mine has not diverted or interfered with Lagoon Creek. NAC is proposing to divert Lagoon Creek within its Project area in order to recover nine million tonnes of coal from below the creek's alignment. The diversion of Lagoon Creek will be a staged process that is designed not to interfere with the creek's flow regime or impact on the downstream environment. As part of the diversion process, NAC is planning to re-establish the creek as close as possible to its original alignment.

- Importantly, NAC is planning to rehabilitate the riparian zone along the re-established section of Lagoon Creek. This riparian rehabilitation zone is planned to link with the Mine's existing conservation zone, and as a consequence, a superior environmental outcome will be achieved in comparison to Lagoon Creek's current ecological status. Please note: Lagoon Creek's current ecological status is classed as 'poor-very poor' by DERM, which has resulted from a long history of disturbance by agricultural activities.
- NAC's proposed diversion of Lagoon Creek within its Project area will be comprehensively scrutinized by DERM and will require approval under Queensland's EP and W Acts. As part of the process, NAC will be required to produce detailed technical studies and management plans covering geotechnical, hydraulic/hydrologic, fluvial and environmental aspects of the proposed diversion.

ToR – B:

Evaluation of the potential impacts in the context of the Murray-Darling Plan and agricultural productivity.

Submission:

- NAC's sister company, Acland Pastoral Company Pty Ltd (APC), was formed during 2006 to productively manage the agricultural land acquired to support the Mine and the proposed Stage 3 expansion (Project). The main focus of APC's activities is to manage agricultural activities on company land both ahead and behind the mine path. This joint land management approach by NAC and APC allows continued agricultural production pre and post mining, which contributes to a more sustainable outcome, and ensures that there is an economic imperative as well as environmental and social imperatives driving the Mine's rehabilitation success. NAC also plans to have APC assist with specific rehabilitation management activities, such as grazing trials, offset establishment trials, offset management, weed management, etc..
- NAC's return of former mined land to grazing is consistent with the current land uses practised within the Acland district (grazing and dryland cropping), and is considered a long term sustainable outcome. In general, agricultural production will be possible in the form of grazing. This rehabilitation outcome has been successfully demonstrated at other New Hope Group mine sites (e.g. Jeebropilly Coal Mine). NAC and APC will ensure that a suitable management regime is developed for the former mined land through site specific grazing trials and long term monitoring against approved rehabilitation acceptance criteria.
- The formation of APC by the New Hope Group is an innovative concept that promotes synergies between mining and agricultural production. This business decision has come at some initial expense for the New Hope Group, but is seen as a long term venture and investment in the Acland district.

Additional Information:

Economic Benefits

- NAC will invest approximately \$15 billion over the full life of the proposed Project on development, operational, transport and other associated activities. The Project is expected to contribute approximately \$105 million per annum to Queensland's Gross State Product.
- NAC currently employs 245 people at the Mine. This number is expected to rise to over 300 people during 2010, and eventually over 500 people at the height of the proposed Project. Based on current economic predictions, a multiplier of up to three times can be applied to the number of jobs created in the local community for each job created by the Project.
- NAC's proposed Project will increase its operational life by a minimum of 25-30 years. Therefore, NAC is planning a long term future on the Darling Downs, and as a result, has established important relationships with the TRC and other organisations in the local community.

- NAC's development of the Mine has provided employment and other opportunities for struggling local dairy farmers adversely affected by deregulation, and has provided an additional income for some local farmers via part-time employment opportunities at the Mine. Where possible, NAC preferentially employs local people for full and part time employment at the Mine.

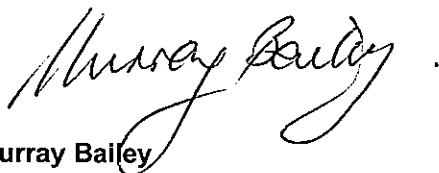
Environmental Management / Community Consultation

- A large portion of NAC's coal resource within the Acland district is recognised by State and local government planning schemes as a 'key resource area'.
- NAC has recently implemented an Environmental Management System (EMS) based on ISO14001 as a new tool to promote continuous improvement in environmental performance at the Mine. NAC was the first company in the New Hope Group to implement an EMS.
- NAC holds regular six monthly community consultation meetings in the local district. These meeting started in late 2001 prior to the commencement of mining activities. NAC conducts a range of other community consultation activities to ensure the local community is well informed and has a reasonable opportunity to raise any concerns (e.g. an annual neighbour's day).
- NAC has implemented a range of initiatives to improve after-hours complaints response for near neighbours and has established a blast notification system for near neighbours. NAC continues to maintain a good relationship with the majority of its near neighbours.
- NAC's land acquisition for the Project has been conducted in a fair and equitable manner. Where possible, NAC has facilitated reasonable relocation conditions for sellers often allowing them to retain certain items of infrastructure, continue to farm their former land for a period, etc.. NAC can provide evidence of a significant number of people directly approaching the company for sale of their land, particularly within the township of Acland.
- As part of the Project, heritage issues have been managed via committees comprising representatives of the local community, TRC and NAC (e.g. relocation of the Acland War Memorial, etc.).

The above submission is a small snap shot of the range of activities undertaken by NAC to ensure that its mining activities are conducted in a sustainable and socially responsible manner. NAC intends to continue mining in the Acland district for a long period into the future, and therefore, understands the importance of good environmental management and gaining support from the local community. The formation of NAC's sister company, APC, also demonstrates that mining and agricultural activities can co-exist.

If required, NAC can provide the Senate Committee with a copy of the EIS for the Project. Review of this document will provide a better understanding of the level of scientific rigour that is applied to the environmental assessment of mining projects in Queensland.

Yours faithfully
NEW ACLAND COAL PTY LTD



Murray Bailey
Chief Operations Officer