
ENVIRONMENTAL AUDIT REPORT

DONALDSON MINE

February 2003

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1.0 Introduction

1.1 Background

Donaldson Coal Pty Ltd operate an open cut coal mine on ML 1461, approximately 4km south of East Maitland and 4 km west of Beresfield, NSW.

The Determination of Development Application (DA 98/01173 lodged with Maitland City Council on 13 February 1998, and DA 118/698/22 lodged with Cessnock City Council on 19 February 1998) for the Donaldson Mine was made by the Minister for Urban Affairs and Planning on the 14 October 1999, following submission of an EIS and a subsequent Commission of Inquiry (CoI), under section 101(8) of the Environmental Planning and Assessment Act 1979. Condition 117 of the Minister's Conditions of Approval (MCoA) required that:

117. At two yearly intervals after commencement of mining, at the completion of mining and at any additional time as the Director-General may direct, the Applicant shall arrange for an independent environmental audit of the development. The audit shall be conducted by an auditor approved by the Director-General, and shall be conducted pursuant to ISO 14010 – Guidelines and General Principles for Environmental Auditing, ISO 14011 – Procedures for Environmental Auditing (or the current versions) and any specifications of the Director-General. The Applicant shall submit eight copies of the report to the Director-General, who shall provide a copy to the EPA, DLWC, DMR, the Councils and the Community Consultative Committee.

This report fulfils the requirements for Year two (2) from the commencement of mining, of an independent environmental audit for the Donaldson Mine, in accordance with MCoA 117.

1.2 Scope of Work

The scope of work for the environmental audit was conducted in accordance with MCoA 118 that states:

118. The audit shall:

- (i) assess compliance with the requirements of this Consent, licences and approvals;*
- (ii) review the effectiveness of the environmental management of the mine, including any mitigation works;*
- (iii) be carried out at the Applicant's expense; and*
- (iv) be conducted by a duly qualified independent person or team approved by the Director-General in consultation with the Councils.*

1.3 Structure of the Audit Report

The audit report has been structured to provide an assessment of all the consent conditions under the following sections:

Section 1 – Background and Scope of the Audit

Section 2 – Development Application – Consent Conditions

Section 3 – Discussion of the Donaldson Mine Environmental Audit Findings

Appendix A – Donaldson Mine - Environmental Audit Table

2.0 Development Application - Consent Conditions

The Minister's Determination of the Development Application for the Donaldson Mine includes:

- Conditions of Development Consent from the Minister for Urban Affairs and Planning; and
- General Terms of Approval from the integrated approval bodies (Environment Protection Authority (EPA), Department of Land and Water Conservation (DLWC), National Parks and Wildlife Service (NPWS) and Councils).

The Minister's Conditions of Approval (MCoA) include some general requirements in relation to the overall development of the project, and reference to more specific requirements where the legislative and administrative responsibility are with other agencies [eg. Department of Mineral Resources (DMR), EPA, DLWC, NPWS, and Councils].

This Independent Environmental Audit reviewed the documentation available from Donaldson Mine and assessed compliance of the mines' operations with the intent of each consent condition.

Where an authority other than the Planning NSW had administrative responsibility for the requirements of a condition, the compliance status was determined by the review of correspondence and consultative requirements outlined in the consent conditions.

The content, for example, of the Mining Operations Plan (MOP) for the mine that had been developed in accordance with the DMR Guidelines, was assumed to be in compliance with the intent of the consent condition as the MOP had been accepted by the DMR. Where specific aspects such as rehabilitation were addressed by a consent condition, compliance was assessed by reviewing the reporting of the progress of the program in the Annual Environmental Management Report (AEMR) and site inspections of specific areas of the mining activities on the mine lease. The specifics of the extent of rehabilitation each year and conformance with the program outlined in the MOP was not assessed for compliance with the MOP predictions, as this was assumed to be the responsibility of the DMR under the *Mining Act 1992*¹ rather than a direct responsibility of the Planning NSW.

¹ Section 65 and clause 15 in Part 2 of Schedule 1 of the *Mining Act 1992* were considered in relation to specific conditions where the "special purpose conditions" apply to the requirements in the consent conditions.

3.0 Donaldson Mine Environmental Audit Findings

The audit of the MCoA for the Donaldson Mine was undertaken in February 2003 with a site inspection, document review and discussions with relevant project personnel conducted between the 24 to 27 February 2003.

There was a high degree of compliance of the Donaldson Mine operations with the MCoA.

The preparation of documentation, reporting and operations of the Donaldson Mine demonstrate compliance with the majority of the conditions in relation to the activities and operations on the Mining Lease Area.

The status and availability of documentation held by Donaldson that was required to verify actions related to each condition of consent, provided the auditor with adequate information to undertake the audit in an efficient manner and made the conduct of the environmental audit a straight forward exercise.

The terms used in the audit for the assessment of compliance of the Donaldson Mine with the MCoA were:

Compliance - YES	Implies compliance with the intent and/or requirement of the consent condition.
Compliance - NO	The specific requirement of the consent condition has not been met.
Substantial Compliance	The intent of the consent condition has been met for the majority of the requirement and/or time, with some aspects where full compliance did not occur (eg. providing written notification of the requirement of a condition following verbal advice to the authority).
In progress	Consultation or negotiations with authorities or other parties have been initiated to address the requirements of the MCoA and are ongoing.
Not Activated	The requirement of the consent condition has not yet been triggered.
General condition	No specific auditable requirement applicable to the condition.

The following tables provide a summary of the consent conditions (extracted from the full audit table in Appendix A) where the audit and available documentation indicated other than full compliance with the requirements of the MCoA.

Table 3a Summary of Consent Condition Non-Compliance – Donaldson Mine, February 2003			
Consent Condition	Status – Non-compliance	Recommendation	
25	(2) The Applicant shall not blast within 500 metres of private lands unless there is a written agreement between the Applicant and the landowner/occupier(s) to the satisfaction of the Director-General which guarantees the safety of persons who might use those lands.	(2) No Written Agreement(s) with land owners had been developed in relation to blasting at the time of the environmental audit. The only private land that would be within 500 metres of the blast areas at the mine is a small area to the east of the Donaldson property boundary. The land is bush land (within Lot 115 DP240782) with no residential or other development. The closest residential development is currently >1000m from the mining area.	A written agreement with the landowner should be obtained to guarantee the safety of persons who might use the lands.
97	(ii) submit an annual report on fire management activities to the local Bush Fire Management Committee;	(ii) No report on fire management activities yet submitted to the Bush Fire Management Committee. Consultation has commenced with the Bush Fire Management Committee in relation to the content of the report.	Consultation with the local Fire Brigade and consultation with the Bush Fire Management Committee progressed for provision of an Annual Report on bush fire management activities on the mine site.

Table 3b Summary of Consent Conditions Demonstrating Substantial Compliance – Donaldson Mine, February 2003			
Consent Condition	Status-Substantial Compliance	Recommendation	
69	The Applicant shall prepare a Management Plan for the Tetratheca juncea Conservation Area in consultation with NPWS and to the satisfaction of the Director-General, prior to commencement of construction. The Plan shall be consistent with the Flora and Fauna Management Plan (Conditions 76-79); and include measures for fire management. The Applicant shall clearly mark the boundary of the Conservation Area and make provision for signage which specify that no dumping, clearing or other works are permitted in the Conservation Area. Such signage shall be replaced as required. The Applicant shall make copies of the Tetratheca juncea Management Plan available to NPWS, Councils and the Community Consultative Committee within 14 days of approval by the Director-General.	NPWS provided correspondence advising they were satisfied that the Tetratheca juncea Management Plan adequately provides management of the T. juncea locations. The boundary of the Conservation Area is pegged but not fenced or signed. The presence of a fence or signage would highlight the location of the T. juncea and result in unwanted attention and possibly vandalism to the area. The current status of the Conservation Area indicates that there is no intrusion of work areas or other disturbance to the T. juncea locations. Weekly surveillance of the Conservation Area is conducted by the Environment Officer and weekly inspection and maintenance of the fence along John Renshaw Drive occurs. A biologist monitors the T. juncea areas at least twice a month to keep records of the status of growth and flowering.	Donaldson Mine should continue the regular surveillance of the area and keep records of the status of the Conservation Area for reporting in the AEMR.

Table 3b Summary of Consent Conditions Demonstrating Substantial Compliance – Donaldson Mine, February 2003			
Consent Condition	Status–Substantial Compliance	Recommendation	
104	<p>Upon commencement of coal extraction, the Applicant shall initially make use of the coal preparation plant (CPP) at the adjoining Bloomfield coal mine for up to two years from commencement of mining or such other period as approved by the Director-General. This will allow the Applicant to:</p> <p>(i) trial the washing of Donaldson coal to assist in the determination of its washing characteristics; and</p> <p>(ii) commence the earliest possible coal extraction at Donaldson, and hence hasten project completion.</p>	<p>Donaldson Mine advised DUAP of the use of the Bloomfield Coal Preparation Plant and the amended agreement that extended the use of the plant from 2 to 5 years.</p> <p>All Donaldson coal is being processed through the Bloomfield coal preparation plant.</p>	<p>Written notification to the Director-General of the extension to the use of the Bloomfield Coal Preparation Plant should be provided as noted in the Minutes of the meeting held with DUAP on 21 Nov 2001.</p>
106	<p>The Applicant shall notify the Director-General within eighteen months of the commencement of mining as to the results of the Bloomfield washery trials.</p>	<p>See comment on MCoA 104. Written notification to the Director-General of the extension to the use of the Bloomfield Coal Preparation Plant should be provided as noted in the Minutes of the meeting held with DUAP on 21 Nov 2001.</p>	<p>Written notification to the Director-General of the extension to the use of the Bloomfield Coal Preparation Plant should be provided as noted in the Minutes of the meeting held with DUAP on 21 Nov 2001</p>

Table 3c Summary of Consent Condition Activity In Progress – Donaldson Mine, February 2003			
Consent Condition	Status– In Progress	Recommendation	
70	<p>Within six months of this Consent, or as otherwise agreed by the Director-General, the Applicant shall identify a bushland area(s) in the region that will adequately compensate for the impact of the mine on biodiversity, provide compensatory habitat and be managed for the primary purposes of conservation.</p>	<p>(i) A detailed assessment of the current flora and fauna and habitat values of the mine site has been conducted by Barker Harle.</p> <p>(ii) The Bushland Area Management Plan has not yet been prepared. The Plan will be finalised when NPWS provide Donaldson with comment on the requirements for the bushland area management have been identified.</p> <p>(iii) NPWS provided Donaldson Mine with a number of compensatory bushland areas to consider in 2001. Donaldson Mine assessed the suggested areas and found that none were of a suitable standard for acceptance. (Several of the suggested areas were cleared farmland or rural developments, and most have multiple ownership). Donaldson assessed the possibilities for the inclusion of land around the mining lease, and have established the Conservation Area for protection of the bushland compensatory area around the mine lease.</p>	<p>Donaldson Mine should continue to consult with NPWS to develop the Bushland Area Management Plan for the established Conservation Area, to satisfy the requirements of the MCoA.</p>

Table 3c Summary of Consent Condition Activity In Progress – Donaldson Mine, February 2003				
Consent Condition		Status– In Progress		Recommendation
72	Upon approval of the identified bushland area(s) by the Director-General, the Applicant shall: (i) secure care, control and management of the bushland area(s) prior to the commencement of mining; (ii) retain management and ownership of the land for a minimum of 36 years from the commencement of construction, unless other arrangements are agreed in accordance with Condition 73; and	(I) The bushland area around the mine operations is owned by Donaldson Mine. (ii) See above. (iii) The development of the Bushland Conservation Area Management Plan will occur following response from NPWS to Donaldson on the allocated land.		Donaldson Mine should continue to consult with NPWS and the Director-General to obtain agreement that the Conservation Area declared around the mine site satisfies the requirements of the MCoA.
73	The Applicant shall undertake negotiations with the NPWS and Councils to reach agreement on the long term tenure and management status of the Bushland Conservation Area. These negotiations must commence within six months of commencement of construction.	Donaldson Mine provided information on the management of the proposed bushland conservation area land. Donaldson is still awaiting response from NPWS.		See above
74	The Applicant shall revise the Bushland Conservation Area Management Plan as considered necessary by the Director-General after review by the independent expert and provide an updated Plan five years after commencement of mining to the Director-General, NPWS, Councils and the Community Consultative Committee.	See MCoA 73 comments. The Bushland Conservation Area Management Plan will be prepared when the negotiations with the authorities are complete.		The Bushland Conservation Area Management Plan will be updated at least each five years.
101	The Applicant shall carry out intersection improvements as determined necessary by the Regional Traffic Committee as a result of the development and by such times as directed by the Regional Traffic Committee.	Upgrade of the New England Highway intersection from Donaldson Mine not required if the John Renshaw Drive intersection upgrade is approved by Cessnock City Council. A Development Application submitted to the Cessnock City Council for the John Renshaw Drive intersection. Regional Traffic Committee considered the DA and recommended a number of changes, and the plan was amended and re-submitted to the Council. The Council is to re-exhibit the DA. Donaldson Mine is awaiting a response from the Council following the exhibition period.		Action to be undertaken will be dependent on the outcome of the Development Application submitted to the Cessnock City Council.

Table 3d Consent Conditions Not Yet Activated - Donaldson Mine, February 2003	
MCoA No	Condition requirement
4	The Applicant shall comply with any order of the Director-General to cease activities causing serious or irreversible environmental concerns, until those concerns have been addressed to the satisfaction of the Director-General.
20	In the event that a landowner or occupier considers that noise or vibration from the project at their property is in excess of the relevant criteria set out in this Consent, the Applicant shall, upon receipt of a written request and at its own expense immediately undertake direct discussion with the landowners or occupiers affected to determine their concerns. Independent investigations of the noise complaints shall be carried out if the matter is not resolved within six weeks, in accordance with Conditions 48-53
21	If noise monitoring or independent noise investigations indicate that noise from construction or operation of the mine at the boundary of a dwelling, or within 30 metres of the dwelling where the boundary is more than 30 metres from the dwelling, is in excess of the noise limits set out in this Consent under adverse weather conditions and if appropriate noise control measures cannot be achieved on the mine site, the landowner may request the Applicant in writing to acquire the whole of the property or such part of the property requested by the landowner where subdivision is approved. Note: Adverse weather conditions means the presence of winds up to 3 metres per second, and/or temperature inversions of up to 4 degrees Celsius per 100 metres.
22	Any such request shall be referred to the Director-General for determination in consultation with the independent expert. If the Director-General determines acquisition is necessary, the Applicant shall acquire the property in accordance with Conditions 54-55.
23	If monitoring or independent investigations indicate that noise or dust from the mine is in excess of the criteria set out in this Consent and the affected landowner does not wish to be acquired, the Applicant shall, if requested by the affected landowner, enter into a negotiated agreement. Where a negotiated agreement is required, the Applicant shall, within the time period specified by the Director-General: (i) appoint an independent facilitator, approved by the Director-General; (ii) negotiate a package of benefits for the landowner, which may include undertaking noise reduction measures on the property or at the dwelling(s) or compensation; (iii) pay all reasonable costs of the process; and (iv) report to the Director-General and the EPA on the agreement reached.
25	(4) The Applicant shall not blast within 500 metres of a public road unless the road is closed with the prior written agreement of the Regional Traffic Committee (or in the absence of the Regional Traffic Committee, the Director-General). A copy of any such agreement shall be supplied to the Director-General within 14 days of the agreement. If determined necessary by the Regional Traffic Committee, the Applicant shall prepare a Traffic Study to identify upgrading of the surrounding road system commensurate with the additional traffic volumes. The Study shall be prepared in consultation with Councils and the RTA, and to the satisfaction of the Regional Traffic Committee. All recommended traffic management measures and road infrastructure upgrading are to be undertaken at the Applicant's expense prior to any closure of John Renshaw Drive. If the study identifies the need for acquisition to enable the works to be undertaken, acquisition shall occur in accordance with the acquisition procedures established under this Consent.
25	(5) The 500 metre distance may be reduced by the Director-General if a risk analysis undertaken by the Applicant to the Director-General's requirements indicates a lesser distance provides an appropriate level of safety.
32	In the event that a landowner or occupier considers that blast emissions from the development may have affected the material condition of their property, the landowner may make a written request to the Director-General for an independent dilapidation assessment. If the Director-General, in consultation with the DMR, is satisfied that an independent investigation is required, the Applicant shall ensure: (i) the survey is carried out by a technically qualified person, as agreed in consultation with the Director-General and the relevant landowners or occupiers; and (ii) a copy of any inspection report (including video or photographs, if requested), certified by the person who undertook the inspection, is supplied to the relevant property owner within 14 days of receipt of same.
46	If dust monitoring or independent dust investigations indicate that dust from operation of the mine at a dwelling is in excess of the criteria set out in this Consent and if appropriate dust control measures cannot be achieved on the mine site, the landowner may request the

Table 3d Consent Conditions Not Yet Activated - Donaldson Mine, February 2003	
MCoA No	Condition requirement
	Applicant in writing to acquire the whole of the property or such part of the property requested by the landowner where subdivision is approved.
47	Any such request shall be referred to the Director-General for determination. If the Director-General determines acquisition is necessary, the Applicant shall acquire the property in accordance with Conditions 54-55.
48	The Applicant shall bear the reasonable costs of the appointment by the Director-General of an independent noise and air quality expert(s) and/or mediator to assist in the implementation of the Conditions of this Consent. The independent expert(s) shall: <ul style="list-style-type: none"> (i) receive and advise the Director-General on the Noise, Blast and Air Quality Management Plans; (ii) receive and advise the Director-General on noise and dust monitoring results; (iii) be responsible for, or supervise, the independent investigation of complaints; and (iv) advise the Director-General on the need for acquisition due to noise, vibration or dust. The independent expert(s) shall report directly to the Director-General and provide such advice as agreed by the Director-General to the Applicant and the landowner or occupier.
50	If exceedances are identified, within six weeks or as otherwise directed by the Director-General, the Applicant shall modify the mining activity which may be causing the impacts and/or enter into a negotiated agreement (Condition 23) with the affected landowner.
51	The Applicant shall bear the cost of the independent investigations and make available plans, programs and other information necessary for the independent expert(s) to form an appreciation of the past, present and future works and their effects on noise, vibration and/or dust emissions.
52	Investigations shall be carried out in accordance with a documented Plan. The Plan shall be designed and implemented to measure and/or compute (with appropriate calibration by measurement) the relevant noise, vibration and/or dust levels at the complainant's residence/property boundary emitted by the development.
53	Further independent investigations shall cease if the Director-General, in consultation with the independent expert, is satisfied that the relevant approval levels are not being exceeded and are unlikely to be exceeded in the future.
54	Upon determination of the Director-General in relation to the purchase of a property in accordance with any Conditions of this Consent, the Applicant shall negotiate and purchase the whole of the property (unless the request specifically requests acquisition of only part of the property and subdivision has already been approved) within six months of receipt of notification from the Director-General. The Applicant shall pay the landowners an acquisition price resulting from proper consideration of: <ul style="list-style-type: none"> (i) a sum not less than the current market value of the owner's interest in the land, whosoever is the occupier, having regard to: <ul style="list-style-type: none"> (a) the existing use and permissible use of the land in accordance with the applicable planning instruments at the date of the written request; (b) the presence of improvements on the land and/or any Council approved building or structure which although substantially commenced at the date of the request is completed subsequent to that date; and
55	<ul style="list-style-type: none"> (c) as if the land was unaffected by the development proposal. (ii) the owner's reasonable compensation for disturbance allowance and relocation within the Lower Hunter Region; (iii) the owner's reasonable costs for obtaining legal advice and expert witnesses for the purposes of determining the acquisition price for the land and the terms upon which it is to be acquired; and (iv) the purchase price determined by reference to points (i), (ii) and (iii) shall be reduced by the amount of any compensation awarded to a landowner pursuant to the Mining Act, 1992 or other legislation providing for compensation in relation to coal mining but limited to compensation for dwellings, structures and other fixed improvements on the land, unless otherwise determined by the Director-General in consultation with the DMR.
56	In the event that the Applicant and the landowner cannot agree within three months upon the acquisition price of the land and/or the terms upon which it is to be acquired under the terms of this Consent, then either party may refer the matter to the Director-General who shall request an independent valuation to determine the acquisition price. The independent

Table 3d Consent Conditions Not Yet Activated - Donaldson Mine, February 2003	
MCoA No	Condition requirement
	valuer shall consider any submissions from the landowner and the Applicant in determining the acquisition price.
57	If the independent valuer requires guidance on any contentious legal, planning or other issues, the independent valuer shall refer the matter to the Director-General, who, if satisfied that there is a need for a qualified panel, shall arrange for the constitution of the panel. The panel shall consist of: (i) the appointed independent valuer; (ii) the Director-General; and/or (iii) the President of the Law Society of NSW or nominee. The qualified panel shall, on the advice of the valuer, determine the issue referred to it and advise the valuer.
58	The Applicant shall bear the costs of any independent valuation or survey assessment requested by the Director-General.
59	The Applicant shall, within 14 days of receipt of a valuation by the independent valuer, offer in writing to acquire the relevant land at a price not less than the said valuation.
65	On request of a landowner whose water supply from licensed bore holes or springs has been determined by DLWC at any time to have been affected by the project, the Applicant shall replace lost water supply with water of an equivalent quality and quantity to meet the landowner's requirements, to the satisfaction of DLWC.
74	The Applicant shall revise the Bushland Conservation Area Management Plan as considered necessary by the Director-General after review by the independent expert and provide an updated Plan five years after commencement of mining to the Director-General, NPWS, Councils and the Community Consultative Committee.
79	The Applicant shall revise the Flora and Fauna Management Plan as necessary and provide an updated Plan five years after commencement of mining to the Director-General, NPWS, Councils and the Community Consultative Committee.
90	The Applicant shall provide a minimum of 50 metres of landscaping between the outer edge of the bund wall and the edge of John Renshaw Drive. The 50 metres may include landscaping within the road verge if agreed by Cessnock Council.
102	If closure of John Renshaw Drive is agreed by the Regional Traffic Committee under Condition 25(4), the Applicant shall: (i) pay \$20,000 to Cessnock City Council to upgrade the alignment and surface of the unsealed western end of Black Hill Road; (ii) provide a water cart and apply water to the unsealed western end of Black Hill Road to the requirements of Cessnock City Council prior to each closure of John Renshaw Drive for blasting; and (iii) prepare a Traffic Management Plan for the approval of the RTA in relating to the closure of John Renshaw Drive during blasting.
124	The Applicant shall participate in (including a financial contribution if appropriate, to a maximum of \$10,000) the preparation of a revised Planning Strategy for the Thornton-Beresfield area. Any such financial contribution shall be paid as directed by the Director-General and any amounts not expended in the review upon completion of mining shall be refunded to the Applicant.
125	The Applicant shall provide reasonable funding to Councils for independent counselling services for any landowner within 1.5 kilometres of the mining lease area who may request support on stress-related matters resulting from the development.

APPENDIX A

DONALDSON MINE ENVIRONMENTAL AUDIT

TABLE OF COMPLIANCE WITH MCoA