

Initial Advice Statement Wollombi Surface Area Application Newlands Project

Introduction

Newlands Coal wishes to extend existing coal mining operations to an area within a current mining lease and requires additional environmental approval. Two endangered regional ecosystems (Brigalow communities) will be impacted by mining operations. Newlands has elected to voluntarily submit an Environmental Impact Statement (EIS) under the state Environmental Protection Act and has already voluntarily triggered a 'controlled action' under the Commonwealth EPBC Act. This initial advice forms part of Newlands application to prepare a Voluntary EIS.

Proponent

Newlands Coal is part of the NCA Joint Venture, an unincorporated Joint Venture of Xstrata Coal Queensland Pty Ltd (55%), Itochu Coal Resources Australia Pty. Ltd. (25%), ICRA NCA Pty Limited (10%) and Sumisho Coal Australia Pty Limited (10%). The Newlands Project has a significant history of achievement in environmental management and employs a dedicated team of Environment Professionals. To date, Newlands has rehabilitated over 1,100 ha of mined spoil and has no disturbed land backlog. In 1999, the company was awarded the prestigious Australian Minerals and Energy Foundations Excellence Award for rehabilitation design. In its 22 year history, Newlands has not been fined, or convicted, of any environmental offences.

Mining Operations

Newlands commenced coal mining operations in 1983 and currently produces 8.5Mt clean coal per annum via both open cut and underground mining methods. Product coal is taken by train to the NCA managed port of Abbot Point and exported.

The mines' workforce and families reside in the purpose built township of Glenden with a population of 1,100 about thirty three km to the south east of the mining areas.

All mining operations take place on Newlands owned or controlled properties. The mine is set in a sparsely populated area where grazing is the predominant land use.

Suttor Creek Operations

In 1994, Newlands acquired the Suttor Creek mining lease (ML4761). Plan 1 shows the spatial relationship of ML4761 to the remainder of the Newlands mining tenure to the immediate north. Environmental approvals were gained in 2000, and open cut operations began at Suttor Creek in February 2004. Coal is hauled to the coal handling and preparation plant at Newlands. There are no tailings or reject dumps at the Suttor Creek mining area.

Wollombi Area Proposal

Extension of the Suttor Creek operations into the western portion of the mining lease is now necessary to maintain the overall Newlands Project coal qualities and volumes. Although the overall Newlands Project workforce and production rates may vary up and down over time, it is not anticipated that mining the Wollombi area in itself will significantly impact these operational characteristics. Resources of approximately 25 Mt have been defined in the Wollombi surface application area.

Open cut mining of the area will be undertaken requiring clearing of vegetation, topsoil removal/replacement, overburden stockpiling, coal extraction and final rehabilitation of disturbed areas.

Minimal infrastructure, including haul roads, coal stockpiles, sedimentation facilities and power easements, is required. There will be no tailings or reject facilities on the area.

Water usage of the project is limited to that required for dust suppression. Water requirements are not expected to exceed that provided by removal of ground water inflow to the pit and incident rainfall captured within the pit and spoil areas (approximately 200 ML per annum).

Mining activities are proposed for December 2006 dependant on receipt of Commonwealth and State approvals. Activities are expected to continue for approximately 20 years.

Background Environment of the Wollombi area

The proposed Wollombi area is located approximately 129 km west of Mackay and 20 km west of Glenden and is located in the Nebo Shire (Plan 2). The surface area application totals 777 ha on the Wollombi pastoral lease (Real Property description 1/CP905226) and Reserve for Quarrying (Real Property description 1/CP845104). The land is currently used for low intensity beef cattle grazing.

Environmental impact assessments have already been completed in the Wollombi area. These include studies of soils, land use, flora, fauna, cultural heritage and surface water. The following is a reference list of existing documents:

- Suttor Creek Project Overburden Characterisation. (Newlands Coal, 2000).
- Soil and Land Suitability Survey, Suttor Creek Project, Newlands Coal. (Emmerton, 1998).
- Pre Mining Groundwater Levels and Quality of the Suttor Creek Lease (ML4761). (Newlands Coal, 2000).
- Suttor Creek Water Quality. (Newlands Coal, 2000).
- Noise Impact Investigation Study. (Sinclair Knight Merz and Newlands Coal, 1999).
- Air Quality Study. (Sinclair Knight Merz and Newlands Coal, 1999).
- Suttor Creek Project Groundwater Investigation. (Sinclair Knight Merz, 1998).
- Vegetation of the Suttor Creek Project (ML4761). (Melzer and Pickering, 1998).
- Fauna Survey Report, Suttor Creek Mining Lease: November 1997. (Environmental Research and Education, 1998).
- Assessment of the biological health of streams in the Suttor\Belyando Rivers catchment based on the aquatic macroinvertebrate community. (DNR, 2000).
- Cultural Heritage Study of Suttor Creek Mining Lease 4761, Proposed Coal Mine. (Birri Gubba Gutha Bimbi, 1997).
- Suttor Creek EMOS. (Newlands Coal, 2000).

Further studies are currently in progress to assess and refine groundwater, fauna, noise and air impacts. Access to the Wollombi area to conduct the required environmental studies is authorised under the Sutter Creek mining lease and with the express permission of the 'Wollombi' landowner, Mr Greg Perry.

A section of the Wollombi surface area (approximately 404 ha) contains two endangered regional ecosystems (ERE's) under the Vegetation Management Act 1999. These are also listed threatened ecological communities under Part 3 of the EPBC Act.

These areas are described in The Conservation Status of Queensland's Bioregional Ecosystems - Sattler and Williams 1999 as:

- 11.4.9 - *Acacia harpophylla* shrubby open forest to woodland usually with *Terminalia oblongata* and *Eremophila mitchellii*. Cainozoic clay plains and weathered basalt with cracking clay soils. *Casuarina cristata* sometimes replaces *Acacia harpophylla*.
- 11.9.5 - *Acacia harpophylla* + *Casuarina cristata* shrubby open forest on Cainozoic to Proterozoic consolidated, fine-grained sediments. Lowlands. Deep texture-contrast soils and cracking clays, often gilgaied. *Geijera parviflora* and *Eremophila mitchellii* in understorey. Understorey can also include semi-evergreen vine thicket species. *Melaleuca bracteata* often present along watercourses.

Environment Management of the Wollombi Area

Given the endangered status of the Brigalow community, conservation is considered to be the most significant issue for operations in the Wollombi area. The impacts will be mitigated by:

- Proposal of a Compensatory Land Agreement to provide more area of similar, or potentially superior ERE than affected by the project.
- Maximising retention of the ecological communities through detailed mine planning.
- Re-establishment of biodiversity values in the rehabilitated areas of the mined ecological communities.
- Establishment of management strategies for target species and additional site specific studies.

The final land capability is envisioned as being a mix of grazing country with areas reserved for native flora and fauna communities.

Other impacts on land, water, noise, air, cultural heritage and community will be managed in line with that currently practiced in other areas of the Newlands Project. Newlands has significant experience and success in managing environmental impacts in similar environments throughout the overall Project area and are therefore highly confident that current and improved practices can be effectively applied in the Wollombi area.

Approvals Process

As required under section 237 of the Mineral Resources Act, Newlands Coal is seeking an Environmental Authority (EA) to gain access to areas of the Suttor Creek mining lease to include an area not currently covered by surface rights (Wollombi).

Newlands have already voluntarily triggered a controlled action under the Commonwealth EPBC Act and now wish to voluntarily trigger an EIS process for the Wollombi area under the EPA Act.

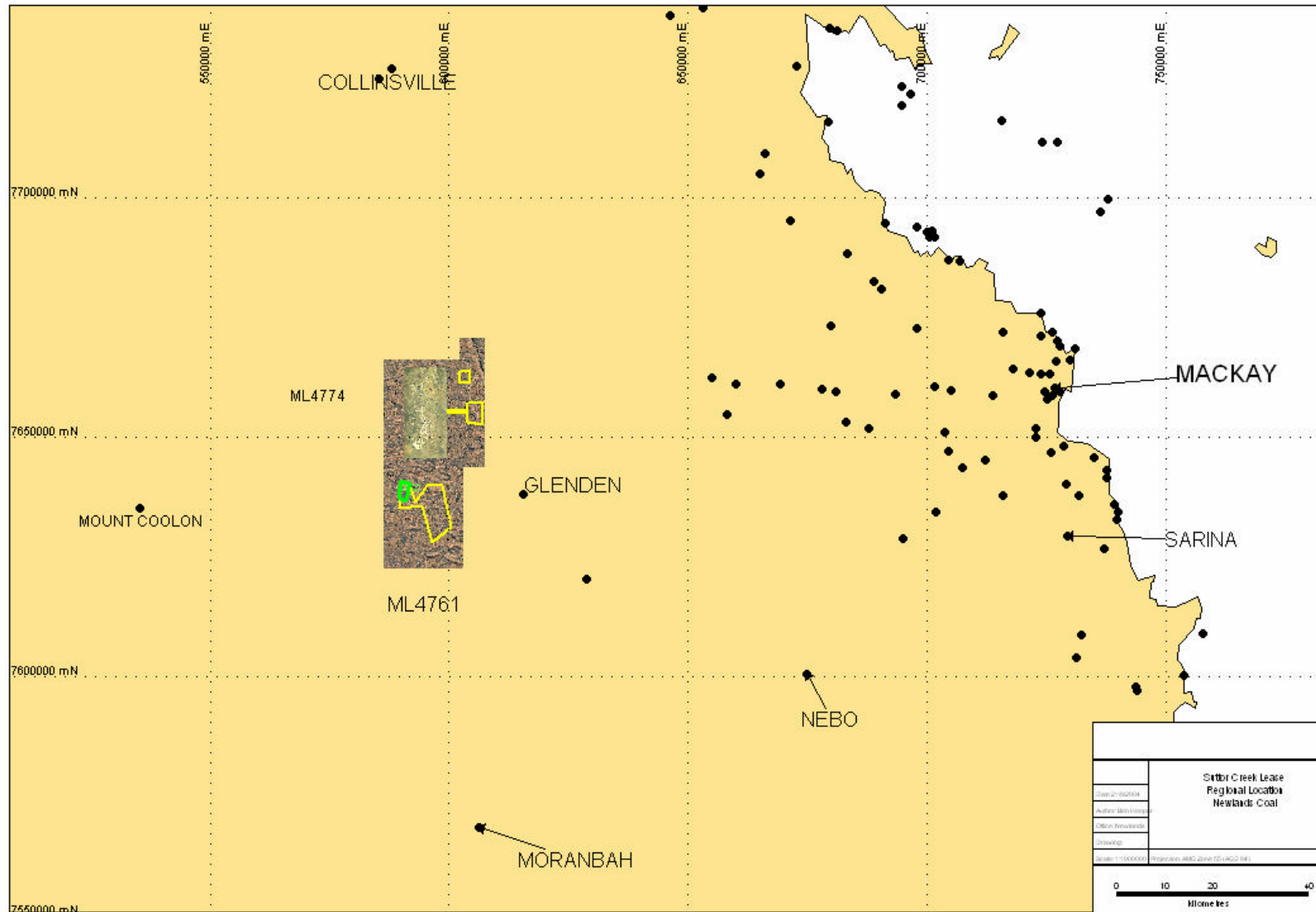
Affected and Interested Persons

Those identified as being likely stakeholders in the Wollombi area include:

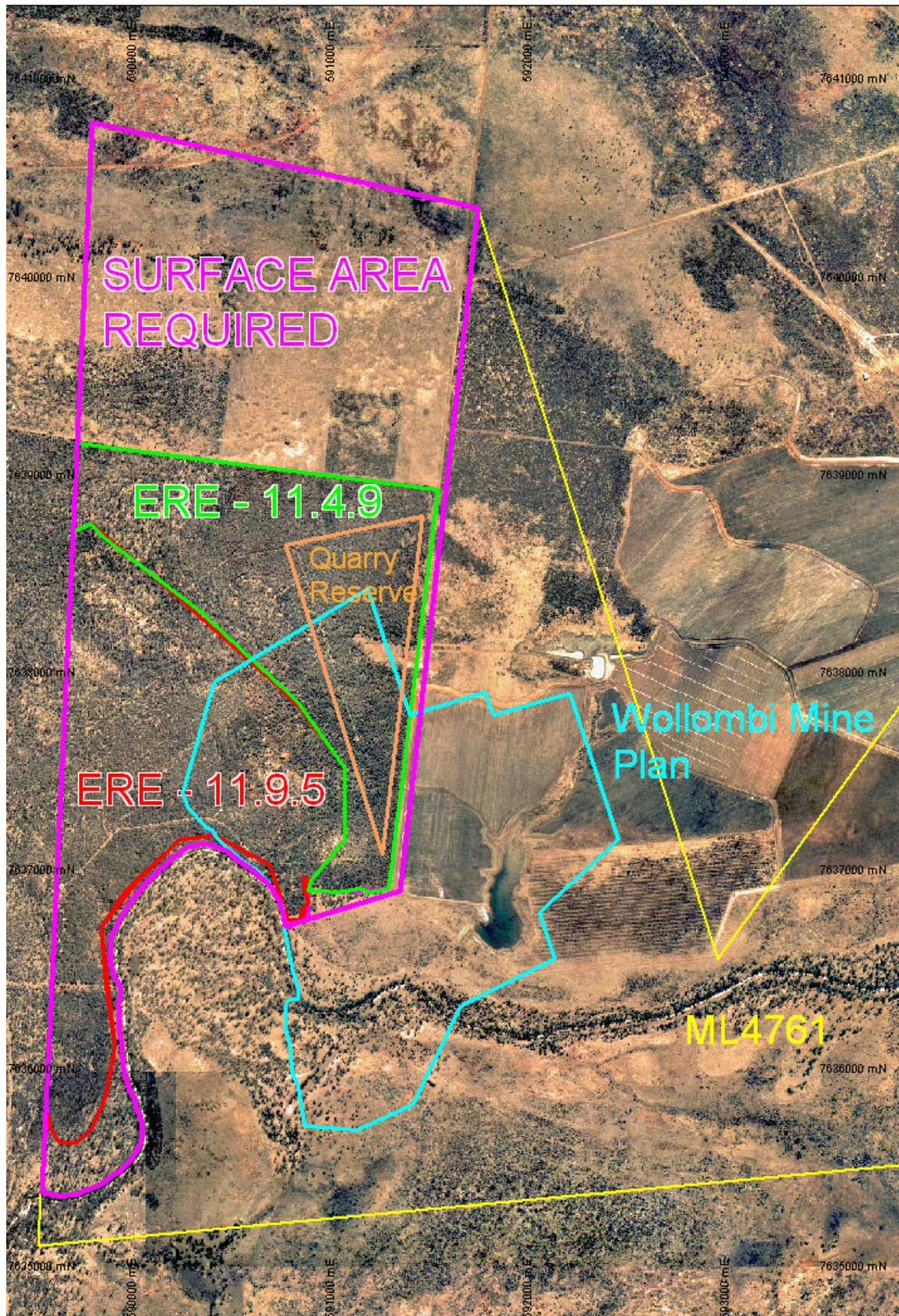
- Wollombi Property (Perry family)
- Lancewood Property (Camm Family)
- Suttor North Property (Maddern Family)
- Suttor Creek Station (Gillham Family)
- Colinta Holdings (subsidiary of Xstrata)
- Environmental Protection Agency (Mackay, Brisbane)
- Department of Primary Industries and Forestry (Rockhampton)
- Native Title Claimants (The Jangga People, Townsville)
- Department of Natural Resources and Mines (Emerald)
- Nebo Shire Council

Further potential stakeholders may be identified during the course of the EIS process.

It is proposed that consultation with stakeholders with conservation interests will be via the 'Wollombi Community Reference Panel' with a view to confirming appropriate environmental management practices. Additionally, one on one discussions will continue to be held with interested and affected landowners, site visits will be conducted as appropriate, and the workforce and community will be kept informed through regular newsletters.



Plan 1. Regional location of Sutor Creek (ML4761) and Newlands Mining Leases.



Plan 2. Location of surface area (Wollombi) and endangered regional ecosystems within Suttor Creek Mining Lease.