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Director General
Attention Chris Knight
Department of Planning and Infrastructure
PO Box 3145
SINGLETON NSW 2330

20 December 2016

Dear Chris,

Re: Ashton Coal Mine 2016 Independent Environmental Audit

Ashton Coal Operations Limited (ACOL) operates under DA 309-11-2001-i as modified (the consent). Conditions 8.8 to 8.10, Schedule 2 of modification 10 requires an independent environmental audit of ACOL to be undertaken one year after commencement of construction and every three years thereafter until five years after completion of mining in the DA area. While ACOL now operates under Modification 5, the audit was conducted under the Modification 10 consent.

Please find attached a copy of the 2016 Audit Report including ACOL's response to the audit recommendations below for your acceptance. Please note that the audit report was finalised on the 19 December 2016 and in accordance with Condition 8.8 of the consent has been submitted to the Director General of DP&I, Singleton Shire Council, the Office of Environment and Heritage, the Environmental Protection, NSW Office of Water, the Department of Resources and Energy, Roads and Maritime Services, the Mine Subsidence Board and the Community Consultative Committee within the required two week time period (2 January 2017).

A copy of the audit report will also be found on the Ashton Coal website at the below link.

<http://www.ashtoncoal.com.au/Reports--Publications/Environmental/Environmental-Audits/>

If further information or clarification is required on any of the above, please contact me on the details below

Yours sincerely,



Dr. Digby Short
Environment and Community Relations Manager

Attachments:

**Table: ACOL Response to Audit Recommendations
2013 ACOL Independent Environmental Audit**

TABLE 1 SUMMARY OF AUDIT FINDINGS AND PROPOSED ACTIONS

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
DA 309-11-2001-i	2.4	A copy of the MOP, excluding commercial in confidence information, shall be forwarded to SSC and the Director-General within 14 days of acceptance by DRE.	MOP approved 10 May 2016, submission to DG sighted, email submission of MOP to SSC not provided as evidence	Not Compliant Administrative	n	Noted. The requirement to send MOPs to SSC has been removed from the Mod 5 consent.	Send SSC a link to the MOP on the ACOL website.	28 Dec 2016
DA 309-11-2001-i	c	overall environmental management objectives and performance outcomes, for construction, mining and decommissioning of the mine, for each of the key environmental elements for which management plans are required under this consent;	Decommissioning of the mine is not included in the 2006 EMS - it covers Phase 2 Underground Mining Operations.	Not Compliant Administrative	n	Noted. The EMS was updated and approved in 2016. The approval of mod 5 has removed the requirement to include decommissioning in the EMS. Decommissioning aspects will be added to the EMS within 5 years of planned mine closure and will be aligned to the MOP.	n/a	n/a
DA 309-11-2001-i	4.7 a	be prepared in consultation with EPA, NoW, DRE and Council by suitably qualified and experienced persons whose appointment has been approved by the Director-General;	Sighted consultation with NOW, no evidence of consultation with DRE or EPA provided.	Not Compliant Administrative	y	Noted.	Ensure that the review of the site water management plan due in June 2017 includes consultation with EPA and DRE.	15-Jul-17
DA 309-11-2001-i	6.1	<p>Pollutant</p> <p>Averaging Period Criterion</p> <p>Total Suspended Annual a 90 µg/m³</p> <p>Particulate (TSP) Matter</p> <p>Particulate matter < 10 µm (PM₁₀) Annual a 30 µg/m³</p>	2013 - HVAS Camberwell Village North exceeded the 90µg/m ³ over the annual averaging period (96µg/m ³).	Not Compliant	y	Noted. ACOL will continue to implement best practice measures to mitigate dust generation from on-site operations. The Air quality monitoring Program has been reviewed and lodged for approval with DPE. The review has been undertaken in line with the	n/a	n/a

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
						EPA's proposed monitoring program, which no longer requires these High Volume Air Samplers. This exceedance was reported by ACOL in the 2013 AEMR and Annual Report.		
DA 309-11-2001-i	6.43	The NMP shall be submitted for the approval of the Director-General, no later than one month prior to the commencement of mining operations, or within such period otherwise agreed by the Director-General. Mining operations shall not commence until written approval has been received from the Director-General. Upon receipt of the Director-General's approval, the Applicant shall supply a copy of the NMP to Council, EPA, and DRE within 14 days. The Applicant shall make the NMP available for public inspection on request.	Approval letters in Appendix C of NMP NMP available on ACOL website. No evidence of circulation to Council, EPA or DRE	Not Compliant Administrative	n	Noted. The requirement to circulate the documents has not carried through to the Mod 5 approval and hence, no action is required on this finding in the future.	n/a	n/a
DA 309-11-2001-i	12.8	The Applicant shall seek the approval of the Mine Subsidence Board for the construction of any improvements, including those related to the mine buildings and associated works, any relocation or diversion of infrastructure or existing improvements, prior to undertaking the works. The Applicant shall submit a copy of the final plans to	Sites Opinion - Since it was a minor update to the existing plant within the existing footprint it should have been covered under any approvals sought for the CHPP in relation to subsidence. Requirement is clear	Not Compliant Administrative	y	Noted.	n/a	n/a

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
		MSB prior to commencement of construction.	though as any improvement requires submissions to the MSB...					
ML 1529	1	<p>1)a) Within a period of three months from the date of grant/renewal of this mining lease, the lease holder must serve on each landholder a notice in writing indicating that this mining lease has been granted renewed and whether the lease includes the surface. A plan identifying each landholder and individual land parcel subject to the lease area, and a description of the lease area must accompany the notice.</p> <p>b) If there are ten or more landholders, the lease holder may serve the notice by publication in a newspaper circulating in the region where the lease area is situated. The notice must indicate that this mining lease has been granted renewed; state whether the lease includes the surface and must contain a plan and description of the lease area. If a notice is made under condition 1(b), compliance with condition 1(a) is not required.</p>	<p>ML 1529 renewal took effect 13 October 2014.</p> <p>Sighted letter to Glendell notifying them of renewal (dated 12 Feb 2015)</p>	Not Compliant Administrative	n/a	Noted. No actions required - this requirement has been completed however it was not completed on time.	n/a	n/a

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
EPL11879	O1.1	Licensed activities must be carried out in a competent manner. This includes: a) the processing, handling, movement and storage of materials and substances used to carry out the activity; and b) the treatment, storage, processing, reprocessing, transport and disposal of waste generated by the activity.	Site inspection, staff interviews, etc. and the rest of this audit. Minor breach identified with drum of hydrocarbon material not fully banded at CHPP, rectified in the presence of the auditor.	Not Compliant		Noted. This was an isolated incident.	Toolbox talks will reiterate the importance of containing all hydrocarbons in bunds. Hydrocarbon management was included in the recent environmental awareness training package provided to all employees.	March 2017
EPL11879	O4.1	Stormwater Management Scheme A Stormwater Management Scheme must be prepared for the development and must be implemented. Implementation of the Scheme must mitigate the impacts of stormwater runoff from and within the premises following the completion of construction activities. The Scheme should be consistent with the Stormwater Management Plan for the catchment. If a Stormwater Management Plan has not yet been prepared the Scheme should be consistent with the guidance contained in Managing Urban Stormwater: Council Handbook (available from the EPA).	SWMP is consistent with the Blue Book Guideline as is site management except for a small area adjacent to the rail line. This area is now rehabilitated and the water exiting site is free of sediment. There is evidence of saline seepage in this area. Recommendation - water at this point should be sampled in storm events to show that no pollution of local streams is occurring. ACOL should seek to have the area declared "safe" to return water to natural flow paths.	Not Compliant		Noted. Recommendation will be adopted.	Water at this point will be sampled as part of the monthly sampling program to show that no pollution of local streams is occurring. ACOL will seek to divert the clean water catchment of the NEOC to natural watercourses and ensure that the impacts are acceptable.	Dec 2017

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
EPL11879	M2.2	Air Monitoring Requirements	2013 - TEOM data capture not 100% at all monitoring points. 2015 - Statutory TEOM returned 95% data.	Not Compliant		Noted. ACOL will continue to implement its air quality management plan and monitor TEOMs to get the best data capture rates possible.	n/a	n/a
MOP	3.15	Oils, fuels, greases and chemicals are labelled and stored in designated, impermeable bunded areas or approved storage facilities and are only used on a prescribed basis. Appropriate barriers are in place to eliminate the potential for soil contamination. Bunded fuel and oil storage areas are located near the NEOC Workshop CHPP Store and on the workshop level of the Underground Pit Top Facility.	Site Inspection - one drum stored incorrectly at the CHPP small drum store.	Not Compliant		Noted. This was an isolated incident.	Pre start talks will reiterate the importance of containing all hydrocarbons in bunds. Hydrocarbon management was included in the recent environmental awareness training package provided to all employees.	March 2017

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
MOP	8.2.3.1	Pasture Productivity Assessment In areas with a post mining landuse aligned to pasture, pasture sampling is undertaken in accordance with the collection technique guidelines – Form Collect1-Version No.2-01/11/07 supplied by the NSW Department of Primary Industries (DPI) (2007). Samples are to be sent to an accredited laboratory for analysis to determine the quality of feed available. Based on the testing results on the feed quality, pasture productivity will be calculated aligned to stocking rates and farm size assessment tools relevant for Beef cattle in the Hunter Valley, which in turn determine sustainable carrying capacities.	No evidence provided	Not Compliant Administrative		A pasture productivity audit was undertaken with evidence of adequate soil testing rather than pasture testing. This information can be used to guide stocking rates as required by the MOP commitment and so fulfills the intent of the commitment, just not in the same manner as prescribed in the MOP. ACOL will review the methodologies outlined in the MOP to ensure the intent of the commitment is addressed at the next review date.	Review the methodologies outlined in the MOP to assess farmland productivity to ensure that the intent of the commitment can be addressed in further studies.	June 2017
MOP	8.2.3.2	Land Capability Assessment The land capability system is applied to the survey area in accordance with the guideline called Systems used to classify rural lands in New South Wales (Cunningham et al. 1986). Data will be collected on a range of factors and assessed to determine land capability. These will include climate, soils, geology, geomorphology, soil erosion, topography and the effects of past landuses.	Noted, the Agricultural Productivity Audit references the Land Class guideline, not the Land Capability Guideline. There was no evidence of the application of the Land Capability guideline at ACOL.	Not Compliant		Noted. While there is still benefit to using this system and both systems are widely accepted, there would be value in remaining consistent to the system used in the MOP.	Future pasture productivity assessments should be carried out consistent with the MOP.	Dec 2017

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
MOP	8.5.1	<p>Also as required under the Development Consent, ACOL will undertake an Annual Review of the environmental performance of the project. This review will:</p> <ul style="list-style-type: none"> - describe the works (including any rehabilitation) that were carried out during the previous calendar year, and the works that are proposed to be carried out over the current calendar year; - include a comprehensive review of the monitoring results and complaints records of the project over the previous calendar year, which includes a comparison of these results against: <ul style="list-style-type: none"> o relevant statutory requirements, limits or performance measures/criteria; o monitoring results of previous years; and o relevant predictions in the EA; - any non-compliance over the previous calendar year, and describe what actions were (or are being) taken to ensure compliance; - any trends in the monitoring data over the life of the project; - any discrepancies between the predicted and actual impacts of the project; 	<p>Annual Reviews for the audit period were reviewed.</p> <p>2013 AR does not include comparison with EA predictions for noise or surface water monitoring results.</p>	Not Compliant Administrative		Noted. This has been addressed in subsequent AR's. No further actions necessary.	n/a	n/a

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
		- the analysis of the potential cause of any significant discrepancies; and - what measures will be implemented over the current calendar year to improve the environmental performance of the project.						
EMS 2006	12.5	Ashton will initiate internal environmental audits at least once per year, when no external audit is scheduled. The results of these audits will be reported in the AEMR, along with an approved list of corrective actions.	Internal audits are conducted, corrective actions from the internal audits are not recorded in the Annual Reviews. Recommendation - Revise wording in the Annual Review to include the context of the internal audits and suggest the inclusion of a summary of site inspections to show compliance in "on ground" works.	Not Compliant Administrative		The EMS has been updated in 2016 and no longer contains this commitment. No action necessary.	n/a	n/a
AQMP	3.1.1	Compliance criteria from the DA Schedule 2 Condition 6.1	2013 - HVAS Camberwell Village North exceeded the 90µg/m ³ over the annual averaging period (96µg/m ³).	Not Compliant		Noted. ACOL will continue to implement commitments in the AQMP to prevent / minimise exceedances.	n/a	n/a
AQMP	4.1	Emergency Contacts	Contacts are out of date and require changes to reflect personnel changes	Not Compliant Administrative		Noted.	Update contacts in next AQMP review.	June 2017

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
AQMP	5.6C, Pg 22	<p>Upon approval of this management plan, a trial will be commenced whereby ACOL will report all daily real time results exceeding 50µg/m³. The results of the trial will be reported in the next AEMR, and a review of this section of the management plan may be undertaken.</p> <p>Any exceedance of the 50µg/m³ will be reported within three working days of the exceedance, and where possible an initial report within one working day of the result becoming available.</p> <p>The report will include:</p> <ul style="list-style-type: none"> • Result of daily average air quality result at Site 8 • Prevailing weather conditions, wind speed and direction • Whether there were any localised events that may contribute to the elevated result • If possible, whether upwind data was above or below readings at site 8. <p>As required</p>	Some results that exceeded in 2014 following the approval of the AQMP have not been reported (evidence for reporting not able to be provided)	Not Compliant		Noted. This non-compliance was identified during an internal audit and was rectified in 2014. The AQMP has been updated and in consultation with DPE this condition is no longer required and will not be undertaken in the future unless requested.	n/a	n/a

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
Bushfire MP	3.2	The ACOL morning meetings determine the conditions and response, and this is communicated to the employees and contractors. To support the determination, ACOL should check the NSW RFS website for the NSW RFS classification for Total Fire Ban and Current Fire Danger map	Not captured in Morning Meetings as these no longer take place, however control through Hot Works Permit and Works permits for people operating where there is a risk of fire.	Not Compliant Administrative		Noted. Controls are still considered adequate. The BMP is no longer required by the consent and the risk associated with this finding will be assessed and managed internally.	n/a	n/a
FFMP	1.11	Undertake bi-annual weed monitoring surveys within the Bowmans Creek riparian corridor immediately following the commencement of rehabilitation works. Bi-annually during mine operations and for at least 5 years following the completion of longwall mining under Bowmans Creek.	Weed Monitoring survey as part of Weed Management Plan undertaken annually.	Not Compliant Administrative		Noted. Weeds are managed adequately onsite.	Amend the FFMP to reflect current practices (annual weed monitoring rather than six monthly).	June 2017
NMP	5.5B	Confirmation of Noise Management Approach Undertake one targeted noise survey (in addition to monthly monitoring), during the winter months, targeting the night time period (10pm to 6am) with weather conditions conducive to noise generation and transmission, with all operational areas running (i.e. train loading and CHPP in operation). If the targeted survey, along with complaints data, demonstrates that the ACP operations are generating	2015 - A worst-case scenario monitoring was not carried out during winter as required by Item 5.5B of the NMP	Not Compliant		Noted. This requirement is no longer part of the approved noise management plan.	n/a	n/a

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
		<p>noise levels above impact criteria at private residences, then proactive measures detailed in the Management Plan will be reviewed and increased.</p> <p>Once during winter in noise conducive conditions with all aspects of ACP in operation</p>						
NMP	5.5E	<p>Replacement Monitoring</p> <p>In the event meteorological conditions are not suitable (as per the Compliance Evaluation) further attended monitoring will be undertaken when conditions are suitable.</p> <p>When meteorological conditions are not suitable</p>	Noted in 2015 AEMR that was not undertaken in May 2015.	Not Compliant		Noted. This has been discussed among environmental staff and the acoustic consultants to ensure a repeat of this does not occur.	n/a	n/a
NMP	5.8C	<p>Advice to Existing and Future Tenants</p> <p>Existing and future tenants are to be provided with the following:</p> <ul style="list-style-type: none"> • Direction to access the online ACOL noise monitoring data. • The Environmental Hotline number. • Contact details for the Ashton Community Consultative Committee members. <p>New tenants OR Following approval of an updated NMP, or changes to other listed details OR Where noise</p>	This has not been done.	Not Compliant		Noted.	Work with current property manager to deliver appropriate advice to existing and future tenants.	June 2017

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
		monitoring or modelling of existing or future development shows an increase in noise levels above the noise impact criteria (Table 4 of Noise Management Plan)						
WMP	5.5A, Pg 13	Waste Tyres Waste tyres will be: <ul style="list-style-type: none"> • Used as road boundaries. • Removed from site for offsite recycling. Management and disposal of waste tyres	2 waste tyres sighted in yards over underground (near blue house)	Not Compliant		Noted. The waste management plan is not required under the current consent however the tyres should still be disposed of properly.	Tyres to be removed from site for recycling or otherwise utilised in accordance with the internal waste management plan.	June 2017

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
SWMP	7.2	<p>In the event of a surface water assessment criterion (Table 15) being exceeded, the following protocol will be followed:</p> <ol style="list-style-type: none"> 1. Check and validate the data which indicates an exceedance of the criterion, including whether the exceedance is ongoing. 2. A preliminary investigation will be undertaken to establish the cause(s) and determine whether changes to the water management system or operations are required. This will involve the consideration of the monitoring results in conjunction with: <ol style="list-style-type: none"> a) site activities being undertaken at the time; b) baseline monitoring results; c) predictive modelling; d) surface water monitoring at nearby locations and upstream (including NOW stations); e) the prevailing and preceding meteorological and streamflow conditions; f) available data indicating releases from upstream regulating storages or other sites; g) changes to the land use/activities being undertaken in the contributing catchment area; and 	<p>Sighted the process that ACOL followed in the audit period.</p> <p>Preliminary investigation showed no potential impact from site was responsible.</p> <p>The TARP process is not followed completely by the site as it is not practicable (auditor agrees).</p> <p>Recommendation - the WMP Surface Water TARP requires review.</p>	Not Compliant Administrative		noted	Review Surface water TARP	June 2017

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
		<p>h) hydrological conditions.</p> <p>3. If the preliminary investigation shows that the impact is linked to activities undertaken by ACOL, a report will be emailed to the DPE and any other relevant department. Causal factors will be addressed and rectified if possible. Contingency measures will be developed in consultation with the DPE and any other relevant department and implemented in response to the outcomes of the investigation.</p> <p>4. Remedial/compensatory measures will be developed in consultation with DPE and any other relevant department and implemented in response to the outcomes of the investigations.</p> <p>5. Monitoring would be implemented as required to confirm the effectiveness of remedial measures.</p> <p>Any loss of baseflow in excess of predictions would be further offset against ACOL's WALs. ACOL could purchase additional WALs if required. Any exceedances and responses taken to ameliorate these exceedances will be reported in the AEMR.</p>						

Reference	Condition	Requirement	Evidence	Audit Finding	In mod 5 (y/n)	ACOL Comments	Proposed Action	due date
EOP report	19	<p>Access to Information</p> <p>Within 3 months of the submission of an End of Panel Report (as required by Condition 18) or the approval of a plan, programme or strategy required under this Approval or the SMP (or any subsequent revision of these documents), the Leaseholder must, to the satisfaction of the Director General:</p> <p>a) provide a copy of these document/s to all relevant agencies;</p> <p>b) ensure that a copy of the relevant documents is made publicly available at the Leaseholder's regional office; and</p> <p>c) put a copy of the relevant document/s on the Leaseholder's website.</p> <p><i>Note: Relevant agencies currently include MSB, EPA, NOW and DP&I.</i></p>	No evidence for satisfaction of DG.	Not Compliant Administrative		Noted, however once ACOL has provided all relevant documentation, it is out of our hands to gain DG approval.	Consider writing to the DG requesting documented satisfaction relating to lodgment of documentation.	June 2017
2013 Audit	DA 309-11-2001-i Condition 3.36	Ensure the ACHMP summarises the commitments made in relevant documents listed in Condition 1.2 of the development consent, and shows how consistency has been achieved with these. Revise Figure 1 included in the ACHMP to show the location of the VCA.		Not Compliant Administrative			Add the VCA to Figure 1 at next document review.	June 2017