EXTRACTS FOR DIVISION OF RESOURCES AND GEOSCIENCE

2. RESPONSES TO ISSUES RAISED ABOUT THE AMENDED PROJECT

2.10 ECONOMIC ISSUES

2.10.8 Coal Royalty and Taxes

2.10.8.1 Representative Comment(s)

The Project is a proposed open cut mine and as such a royalty rate of 8.2% applies to all saleable production, this rate is applicable to the net disposal value. Net disposal value is the price received per tonne minus any allowable deductions.

Division of Resources and Energy – Page 9

… allowable deductions for royalty for the Project would amount to $4.50 per tonne.

… the Division uses medium to long term export prices (in real terms) in the range of A$110 to $A 125 per tonne for the semi-hard coking coal from the Project and A$80 to A$95 per tonne for thermal coal from the Project.

… the Division has calculated that in a typical full production year the State will receive around $10 million per annum in royalty and $128 million over the life of the Project. The net present value of this royalty stream would be $69 million using a 7% real discount rate.

Division of Resources and Energy – Page 10

Response

The Division of Resources and Energy has estimated royalties to be $69 million using a 7% discount rate, assuming average production over the life of the project and their own coal price forecasts. The DRE also assumes allowable deductions of $4.50 per tonne.

The Economic Assessment includes only the $3.50 allowable deduction for fully washed coal as levy payments may be variable over time and are determined based on gross revenue rather than the royalties payable (see Section 4.3.2 of the Economic Assessment). It also estimates royalty payments according to year-on-year revenue, discounted to NPV terms. This approach (that follows that recommended by the 2015 Guidelines) estimates royalties of $63 million, which is slightly below the DRE estimate. Hence, the approach adopted by Deloitte Access Economics is conservative.

2.26 REHABILITATION

2.26.6 Mining Operations Plan

2.26.6.1 Representative Comment(s)

… further information required from the proponent includes:

- *further detail on the proposed mine layout and scheduling with the objective of maximising opportunities for progressive rehabilitation, including (as a minimum);*

- *mapping of the proposed rehabilitation schedule for each pit against production milestones*
- *the proposed final land uses in the context of broader (regional) strategic plans or policies*
- *identified potential to integrate the progressive rehabilitation strategy with other regional land use strategies, including opportunities to integrate with nearby mining operations.*

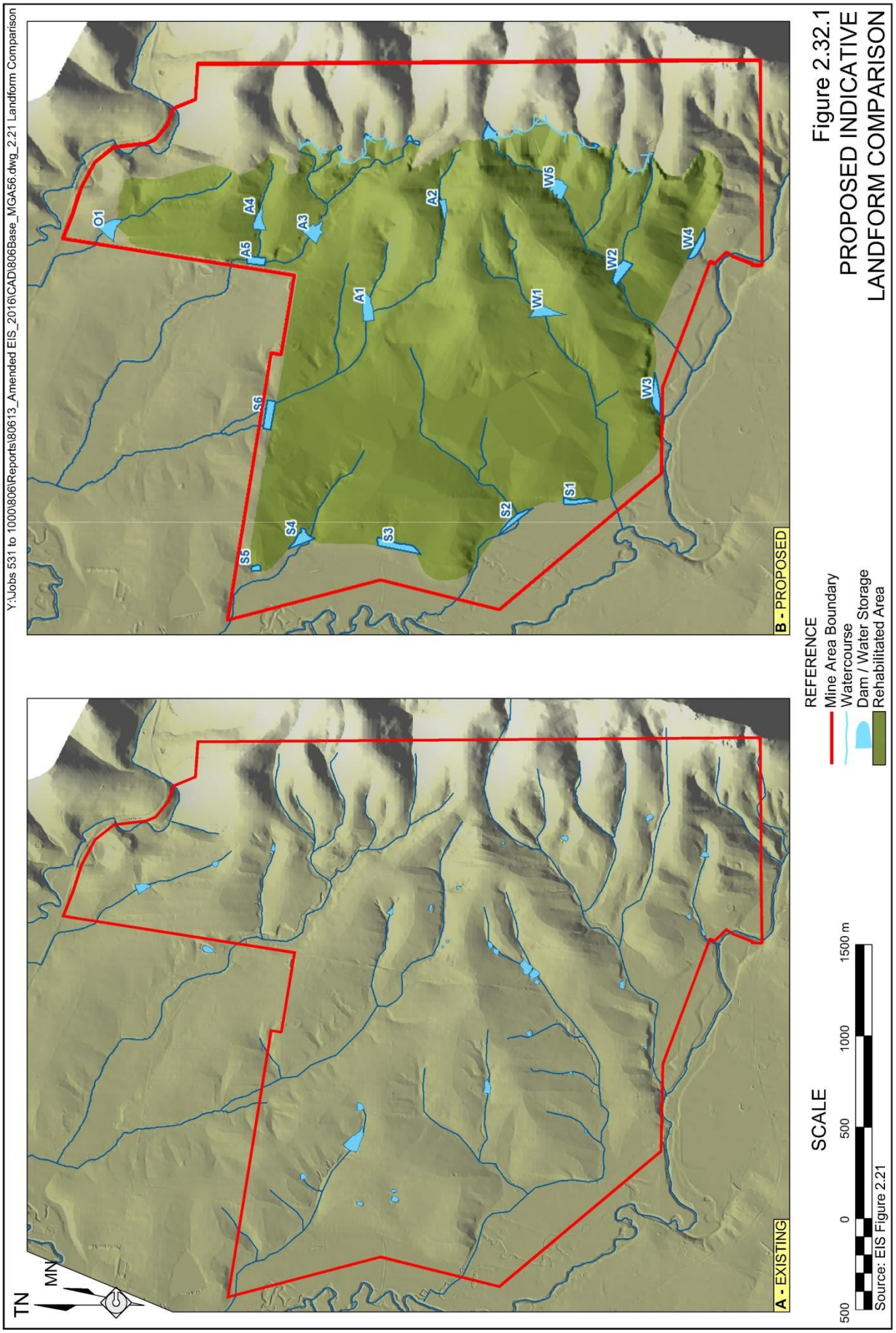
Division of Resources and Energy – Page 2

Response

The requirement for a Mining Operations Plan (MOP) is a standard conditional requirement of the Division of Resources and Geoscience on all mining leases issued under the *Mining Act 1992*. GRL's commitment to preparing the document after receipt of development consent is presented in EIS Section 1.8.2. Each of the items referred to in the above submission extract together with all other nominated requirements would be addressed in the MOP which would be prepared prior to the commencement of site establishment and construction operations within the Mine Area. The MOP would effectively provide a greater level of detail for those activities described in EIS Section 2.

2.32 VISUAL IMPACTS

No submissions by State government agencies included comments regarding the visual effects or potential visual impacts of the proposed development. The Department of Industry, through the DRE raised a general issue in relation to post mining landforms and stated that they should be "designed to be similar to the pre-mining landform, and incorporate micro-relief". This accords with GRL's strategy for visual impacts mitigation and rehabilitation of land and the potential visual effects of new landforms created as part of the amended Project. In RLA's opinion, the proposed final landform would achieve the level of similarity with the pre-mining landform including the micro-relief in the landform that is required as is shown in **Figure 2.31.1** (reproduced from EIS Figure 2.21).


Y:\Jobs 531 to 1000\806\Reports\80613_Amended EIS_2016\CAD\806Base_MGA56.dwg_2.21 Landform Comparison
A - EXISTING
B - PROPOSED
O1
A1
A2
A3
A4
A5
W1
W2
W3
W4
W5
S1
S2
S3
S4
S5
S6
TN
MN
REFERENCE
Mine Area Boundary
Watercourse
Dam / Water Storage
Rehabilitated Area
SCALE
500
0
500
1000
1500 m
Source: EIS Figure 2.21
Figure 2.32.1
PROPOSED INDICATIVE
LANDFORM COMPARISON

3. RESPONSE TO PROPOSED CONDITIONS OF CONSENT

3.4 DIVISION OF RESOURCES AND ENERGY (NOW THE DIVISION OF RESOURCES AND GEOSCIENCE)

3.4.1 Rehabilitation Issues

3.4.1.1 Representative Comment(s)

---

1. Rehabilitation must be substantially consistent with the Rehabilitation Objectives as described in the EIS and the Statement of Commitments ...

Rehabilitation Feature	***Objective***
Mine site (as a whole)	*Safe, stable and non-polluting, fit for the purpose of the intended post-mining land use(s).* *Post mining landforms are designed to be similar to the pre-mining landform, and incorporate micro-relief and reinstate the pre-mining hydrology.* *The post mining landform will be constructed generally in accordance with the EIS (Figure 2.19).* *The final landform will incorporate constructed drainage lines that mimic 'natural' drainage and, where reasonable and feasible, avoid straight run drainage drop structures and integrate with surrounding landforms.* *Water structures retained in the post-mining landscape are to be appropriately sized with regard to water licencing requirements of the post-mining land use.*
Surface Infrastructure	*All built infrastructure is to be decommissioned and removed, unless DRG agree otherwise.*
Rehabilitation materials	*Materials (including topsoils, substrates and seeds of the disturbed areas) are recovered, appropriately managed and used effectively as resources in the rehabilitation.*
Water Quality	*Water retained on site is fit for the intended land users) for the post-mining domain(s).* *Water discharged from site is consistent with the baseline ecological, hydrological and geomorphic conditions of the watercourses prior to mining disturbance.* *Water management is consistent with the regional catchment management strategy.*
Post mining land use(s)	*The post mining landform has a land capability comparable to the pre-mining landform.* *The post mining landform is rehabilitated to provide a mixture of open woodland, and grazing land that incorporates tree lots and fauna habitat corridors.*
Open woodland and fauna habitat corridors	*At least 185 hectares of areas disturbed by mining will be rehabilitated with open woodland native vegetation.* *At least 25 hectares of areas disturbed by mining will be rehabilitated to provide habitat corridors and native tree lots within pasture rehabilitation areas, generally in accordance with EIS (Figure 2.19): Indicative Final Landform.* *Native vegetation species are selected that re-establishes and complements regional and local biodiversity.* *The size, locations and species for native tree lots and habitat corridors are appropriate to establish and sustain local biodiversity values.*

Agricultural Land	*At least 287 hectares of land disturbed by mining will be rehabilitated to land capable of agricultural production.* *Agricultural land will achieve the pre-mining land and soil capability classifications and be self-sustaining within 5 years of land use establishment (first planting of vegetation.)*

Response

GRL would accept the recommended condition with the minor adjustment to the text.

---

2. Progressive Rehabilitation

The proponent shall carry out all surface disturbing activities (e.g. pre-stripping in advance of mining operations) in a manner that, as far is reasonably practicable, minimises potential for dust emissions and shall carry out rehabilitation of disturbed areas progressively, as soon as reasonably practicable.

Rehabilitation Plan

The Proponent must prepare and implement a Rehabilitation Plan.

The Rehabilitation Plan must:

a. be submitted and approved by the Division or Environmental Sustainability prior to carrying out any ~~surface disturbing~~ mining activities of the development, unless otherwise agreed by the Secretary

b. be prepared in accordance with Division guidelines and in consultation with the Division, Office of Environment & Heritage, Environmental Protection Authority, Department of Primary Industry - Water, Council and the Community Consultation Committee

c. *incorporate and be consistent with the rehabilitation objectives in the EIS, Summary of Environmental Management and Monitoring Measures (Section 8)*

d. integrate and build on, to the maximum extent practicable, the other management plans required under this approval

e. address all aspects of mine closure and rehabilitation , including post mining land use domains, rehabilitation objectives, completion criteria and rehabilitation monitoring and management

f. Incorporate a rehabilitation monitoring program that identifies analogue locations representative of the 'open woodland' rehabilitation and 'agricultural production' rehabilitation areas, and baseline monitoring of the analogues required to develop detailed completion criteria to demonstrate rehabilitation success.

Response

GRL would accept the recommended condition with the minor adjustment to the text.