



NEW HOPE
GROUP

RESPONSE TO ADVERSE COMMENT NEW ACLAND COAL MINE

Senate Community Affairs References Committee

Inquiry into the impacts on health of air quality in Australia

May 2013

EXECUTIVE SUMMARY

The New Hope Group is a responsible environmental manager, committed to working in partnership with neighbours and local communities to achieve the best outcomes for those in the regions surrounding our operations. Our New Acland Coal Mine, north of Oakey, meets strict environmental conditions and proactively initiates best practice air quality monitoring to ensure the health and safety of our employees, neighbours and visitors.

We take our social responsibility very seriously, supporting community groups, local businesses and not for profit organisations, as well as contributing to infrastructure and community development initiatives. Our progressive land rehabilitation program run by our Acland Pastoral Company also ensures the land is not only respected, but returned to commercial viability. We invite the Senate Committee to visit New Acland to witness first hand our high quality mining and pastoral operations, monitoring initiatives and community connectedness.

INTRODUCTION

The New Hope Group is an Australian owned and operated diversified energy company which has been proudly based in South East Queensland for more than 60 years.

With business interests and operations spanning coal mining, oil, agriculture, innovative technologies, investment and port management, New Hope is ranked amongst Queensland's top 5 companies by market capitalisation, and is a top 100 company on the ASX.

The success of New Hope's diversified ventures along with a reputation for hard work and practicable management has seen the business grow to become one of Queensland's largest regionally based corporations, directly employing more than 600 people.

New Hope currently operates two open cut thermal coal mines in Southern Queensland; at New Acland, north of Oakey and at Jeebropilly, near Rosewood. The New Oakleigh coal mine, near Amberley ceased operation in January 2013 and is actively undergoing rehabilitation. The majority of coal from New Hope's Southern Queensland operations is railed to the Port of Brisbane and exported to Asia through the Queensland Bulk Handling multi user export facility.

The company has an Environmental Management System (EMS) that is consistent with *AS/NZS ISO 14001 Environmental Management Systems* and which is used to manage air quality and other significant environmental matters internally. The EMS, first developed in 2009, is being revised during 2013 as part of its continuous improvement cycle.

NEW ACLAND COAL MINE

New Hope's New Acland coal mine is located on freehold land 16km north-west of Oakey acquired through offers to and from landowners affected by rural adjustment and declining productivity. Coal mining has been a significant contributor to the Acland region since 1913, providing not only employment but economic advancement and stability.

The New Acland coal mine is an open cut operation that for more than a decade has been a major employer and economic spur to the Darling Downs. It provides direct jobs for more than 300 locals, 160 contractors, and contributes to 2300 more indirect jobs across the region.

New Acland is a substantial and loyal supporter of local businesses and suppliers, injecting more than \$110 million dollars into the Darling Downs economy each year and over \$300 million into the broader south-east Queensland economy each year.

New Acland actively recruits from the local area and works diligently with the local community to make employment family friendly. Of the 300 employees working at New Acland, 35% live in neighbouring Oakey, Dalby, Jondaryan and local farms and towns; 45% live within 50km in Toowoomba, Highfields and suburbs; and 20% live within approximately 100km in Warwick, Goondiwindi, Kingaroy and other areas.

The operation is committed to providing training to maintain its operation and regularly recruits a range of apprentices and trainees from the surrounding region. Our current apprentices have consistently won awards for their skills and knowledge and we also offer work experience for local high school students.

New Acland coal is supplied to a large number of local and regional businesses including several abattoirs, food processing companies, paper and cartonboard manufacturers, a hospital, and several building products manufacturers.

As well as employment and preference for local business, the operation also provides significant benefit to the surrounding region through infrastructure provision and support, environmental and educational projects, as well as participation and support for community development initiatives.

Before its amalgamation into the present Toowoomba Regional Council, the Rosalie Shire Council identified New Acland mine as a key resources area within the Shire (Rosalie, 23 January 2009).

Productive farming and grazing has long been integral to New Hope's mining and rehabilitation operations. The Acland Pastoral Company (APC), established in 2006, manages 9,200 hectares of the current and future mining lease area at the New Acland operations. As one of the largest land owners in the district APC is a responsible land manager and proud member of Agforce. Only 10 percent of the 10 000 hectares of New Hope land at New Acland is mined at any one time. Current cropping and cattle grazing activities ensure that the land is productive and plans are under development for future intensive farming initiatives.

Mining lease areas are continually returned to agricultural and conservation use as it becomes available. To date, more than 215 hectares of land has been rehabilitated with a further 113 hectares due for completion in 2013.

The Acland Pastoral Company currently runs some 2000 head of cattle and independent scientific cattle grazing trials on rehabilitated mining land are showing promising early results for returning the land to commercial grazing.

A significant tree planting program is also under way, with support from Greening Australia, to revegetate the area with native and local species. This includes a local seeding program and areas set aside for protected species relocation.

New Hope understands the importance of responsible water management and New Acland is setting industry benchmarks for conserving this vital resource. The operation purchases and utilises wastewater from Toowoomba Regional Council's Wetalla wastewater reclamation facility and receives waste water from Oakey's reverse osmosis water treatment plant.

AIR QUALITY & HEALTH AND SAFETY MANAGEMENT

Health and Safety management is a major part of New Acland's mining operations.

New Hope's workforce receives regular health checks under the Coal Mine Workers' Health Scheme at least once every 5 years (Chapter 2, Part 6, Division 2 of the *Coal Mining Safety and Health Regulation 2001*).

The New Acland operation directly employs more than 300 people with a further 160 full time contractors. Not only do these employees spend long hours working at the mine, but many also live in the direct vicinity of the operation, along with their families.

AIR QUALITY & ENVIRONMENTAL MANAGEMENT

Environmental management is a major part of New Acland's mining operations.

Our management systems are designed to ensure that environmental impacts generated by mining operations are minimised or contained on site in a responsible manner.

We understand that environmental management of our mining operations is a dynamic process that must keep pace with increasing environmental standards and higher community expectations for protection of the environment.

New Hope continuously monitors the air quality conditions at its New Acland mine site and the township of Jondaryan (where New Acland's rail loading facility is currently located). It operates according to strict environmental requirements of the *Environmental Protection Act 1994* and specifically meets all the Environmental Authority (EA) and Development Approval (DA) conditions set by the Queensland Government.

In addition, New Hope has conducted extensive scientific testing for dust around the New Acland operations spanning more than ten years.

These samples are conducted by professional personnel employed by New Hope and independent experts. Compliance audits are conducted internally and by the regulator (DEHP, 2012) and at Jondaryan by external consultants (ANE, January 2013).

PM₁₀ concentrations have been monitored at six locations around the mine as a proactive approach and to evaluate compliance with the EA conditions.

Dust deposition monitoring has been undertaken proactively at 14 locations near the mine. Dust deposition monitoring has also been undertaken at four other locations to record baseline data for the New Acland Project.

New Hope conducts a comprehensive air quality monitoring program of licensed, campaign and operational monitors within the Jondaryan township. Operational and campaign monitors give forewarning of data received at licensed monitors and include 24 hours per day 'real time' monitoring of total suspended particulates, dust deposition monitoring, dust compositional analysis, quarterly PM₁₀ monitoring, and, if required for example, specialised sampling of rainwater tanks (water and sludge) and other surfaces.

Our Tapered Element Oscillating Microbalance (TEOM) dust monitoring equipment is some of the most highly sensitive and sophisticated in the country. There are two TEOMs installed and operating at Jondaryan.

To date, the Jondaryan air quality monitoring program has not identified any significant air quality issues in relation to either nuisance or health. This has been confirmed by campaign

monitoring using calibrated TEOMs. The 120mg/m²/day licence condition, a standard across Queensland, has been met in all dust deposition monitoring data except one: at AD33 in May 2012 when the coal fraction was 161 mg/m²/day. This anomalous spike hasn't been recorded before or since and was not consistent with other monitoring results that were recorded at adjacent locations for the same period.

New Hope provides a monthly summary of its air quality monitoring results to the local community (which is posted on the public Notice Board at the Jondaryan Caltex service station).

Thorough evaluation of all monitoring data is used to adjust, change or improve coal dust mitigation practices and for further evaluation.

For example, a recent review by Katestone Environmental Consultants (Katestone, February 2012) confirmed that New Hope's approach on health concerns to monitor coal dust to PM₁₀ was more appropriate than PM_{2.5} and the high quality Caltex diesel used in our operations met the Australian Standard for sulphur and was the same as available to the general public.

New Hope is an industry leader in coal dust management in Southern Queensland and proactively goes beyond requirements in the best interests of our neighbours, communities, and the wider region.

Early in 2013, the New Hope Group became the first company transporting coal along the Western rail corridor to begin the process of profiling and veneering coal wagons. Trains from its New Acland mine are coated with an environmentally-friendly veneering solution which can reduce the amount of dust from wagons by up to 80 percent. (QR, 2008)

The solution dries to form a flexible 'crust' over the coal and physically prevents dust from being released from the wagons.

The new veneering station will move from near the town of Jondaryan, where the rail loading facility is currently located, to a remote new site on the mining lease as part of the mine's future planning.

Our coal has comparatively low levels of dust (ANE, January 2013) – especially when compared with coal from central Queensland. All New Acland coal is washed. This results in higher levels of total moisture which further reduces any tendency for dust.

The company has taken the step to veneer the coal despite independent testing consistently showing coal dust levels, along the Western rail corridor, are well below government requirements.

Queensland Government monitoring in the Brisbane suburb of Tennyson in late 2012 found dust levels do not exceed national standards along the Western rail corridor (DSITIA, September to October 2012).

Experts from the Queensland Department of Science, Information Technology, Innovation and the Arts (DSITIA) conducted air quality testing adjacent to the rail corridor used by trains transporting coal, including from Acland, to the Port of Brisbane.

The investigation examined coal train dust impacts in the community from the perspectives of health risk and nuisance, and the contribution of coal particles to overall dust levels.

The results found fine particles (PM₁₀ - particles less than 10 micrometres in diameter) levels did not exceed the 24 hour average air quality objective on any day at the Tennyson Railway Station monitoring site during the entire investigation. The highest 24-hour PM₁₀

concentration measured was 39.8 µg/m³, or 80 per cent of the EPP (Air) objective of 50 µg/m³.

Findings from the monitoring also indicated that coal trains were not a significant contributor to fine particle PM₁₀ levels in the Tennyson community compared to other local and regional sources of PM₁₀ such as motor vehicle emissions.

Deposited dust, otherwise known as dustfall, was also tested and found to be less than dust nuisance trigger guidelines of 130 mg/m²/day. Insoluble dust maximums ranged between less than 50 and 97 mg/m²/day across the three monitoring sites.

The monitoring did find that the proportion of coal dust within the dustfall samples was higher than that found in a previous 1998 study by Simtars (Simtars, 1999). However, it determined the major component of deposited dust was from soil and rock particles while coal particles only made up of about 10-20% of deposited dust. Black rubber particles from tyres also contributed about 10% (see Figure 8).

Despite this reassuring finding, New Hope is joining with other users and rail operators to fund an independent coal dust monitoring program, beginning early 2013 (DSITIA, tba, 2013), to provide further baseline data on the levels and sources of dust along the rail corridor.

This monitoring program will involve dedicated sites for a period of two months adjacent to the rail corridor at Oakey, Toowoomba, Ipswich, Tennyson, Fairfield and Coorparoo. Simultaneous monitoring at Chelmer, which is not adjacent to the coal corridor, will provide background control measurements. The results of this baseline monitoring will be published.

Following the completion of baseline monitoring in early May 2013, the New Acland mine will officially shape the coal (profile) and apply a veneer spray.

A second round of month-long dust monitoring will then commence at the same seven sites to test the effectiveness of the veneering program. The results of both rounds of monitoring will be published in an evaluation report.

A continuous particle monitoring station will be operated for 12 months at a site along the corridor to measure seasonal dust trends and the progress of measures towards reducing coal dust emissions.

The independently verified results of the initiatives will be fed into the development of a comprehensive rail corridor Coal Dust Management Plan, which is expected to be completed by the South West System User Group during mid to late 2013.

NEW ACLAND COAL MINE STAGE 3 PROJECT

The continuation of the New Acland Coal mine is important to maintain the current jobs and economic benefit currently flowing from the operation into the Darling Downs community.

Late last year, the New Hope Group announced a revised New Acland Coal Mine Stage 3 Project (the revised Project) following extensive consultation with local residents, key stakeholders and the Queensland Government.

The revised Project will extend the life of the current operation until about 2029, boosting current employment from 300 local jobs to about 400, increasing 160 full-time equivalent contractors to 170 positions and growing indirect jobs from about 2,300 to more than 2,850.

The Queensland Coordinator-General has restarted the approvals process taking the revised Project, which is a significant project for Queensland and the Darling Downs, back to the Terms of Reference (ToR) stage, with the final ToR released on 22 March 2013. The final ToR is available at: www.aclandproject.com.au.

Under the revised Project the existing Jondaryan Rail Loading Facility will be relocated and the land used for mining will be reduced by more than half from the original proposal.

This has resulted in a reduction in planned mine output from 10 Mtpa to a maximum of 7.5 Mtpa, and extends the life of current mine to approximately 2029.

RELOCATION OF JONDARYAN RAIL LOADING FACILITY

An important element of the revised Project is the relocation of the Jondaryan Rail Loading Facility away from near the township to a remote area on the New Acland mining lease – some eight kilometres away.

New Hope understands community concern regarding the current location of the rail loading facility and is progressing plans for the relocation of the \$62 million facility as part of the revised Project.

The relocation of the facility comes despite externally audited testing results showing coal dust within strict regulatory limits (ANE E. &, January 2013). Relevant opportunities to improve mitigation of coal dust will be considered in the rail corridor Coal Dust Management Plan.

COMMUNITY COMMITMENT AND SOCIAL RESPONSIBILITY

New Hope believes passionately in supporting its neighbours and local communities and as a member of the Darling Downs community for more than a decade we are committed to providing assistance wherever possible.

The New Acland Community Reference Group (CRG) (CRG ToR available at: www.aclandproject.com.au) ensures that opportunities and issues associated with the current and future New Acland operations are understood and properly considered. The CRG comprises representatives from a broad cross section of local interests, including health, education, business, agriculture, community development, landowners and industry.

New Acland's dedicated Community Liaison Officer, based at our Community Information Centre in the main street of Oakey, is available to community members to provide information and support. Further, neighbours of New Acland have access directly to senior site employees via a 24 hour dedicated telephone number should they have any issues that require immediate attention.

There have been some 750 visitors to the Oakey Community Centre over the past 12 months with the overwhelming majority of enquiries relating to employment opportunities, followed closely by applications to the New Hope sponsorship and donation program.

New Hope actively encourages the use of local products and local people wherever possible and our local supplier policy guarantees the areas in our regions of operation are given priority.

Through our generous Community Sponsorship and Donation Program, we provide in excess of \$650,000 each year to help support local community and sporting groups, volunteer organisations, schools and individuals. In the 2011-12 financial year alone, more than 60 not-for-profit organisations in the Darling Downs region were supported through this program.

A substantial Community Investment Fund, under development, will further enable the Darling Downs community to directly take part in decisions to fund larger community development projects.

New Hope is proudly a major supporter of the Careflight Rescue Helicopter service which saves lives right across Southern Queensland.

REFERENCES

- ANE, E. &. (January 2013). *NHG rail coal dust report vfinal draft, section 2.4*. EnviroPartners Pty Ltd and Air Noise & Environment Pty Ltd for NHG.
- ANE, E. &. (January 2013). *NHG rail coal dust report vfinal draft, Section 4.3*. EnviroPartners Pty Ltd and Air Noise and Environment Pty Ltd for NHG.
- DEHP. (2012). *Compliance Evalutaion of Level 1 Mining Project, New Acland Pty Ltd*. Department of Environment and Heritage Protection.
- DSITIA. (2013). *tba*. DSITIA for SWSUG.
- DSITIA. (September to October 2012). *Tennyson Dust Monitoring investigation*. DSITIA.
- Katestone. (February 2012). *Review of Air Quality Issues associated with Coal Mining and the New Acland Coal Mine*. Katestone Environmental Pty Ltd.
- New Hope Corporation Limited. (April 2013). *New Acland Project - Homepage*. New Hope Corporation Limited.
- QR. (2008). *Coal Loss Management Project*. Connell Hatch.
- Rosalie. (23 January 2009). *Planning Scheme*. Rosalie Council Shire.
- Simtars. (1999). *Coal dust monitoring: west Ipswich to Fisherman Islands - twelve month summary report*. QR.