

## Charbon Colliery's Response to Auditor's Recommendations – May 2015.

- As required under Schedule 5 Condition 9 of Project Approval 08\_0211, Table 1 below provides Charbon Colliery's response to the recommendations outlined in the 2015 Independent Environmental Audit Report. Table 2 provides Charbon's response the recommendations outlined in the Rehabilitation Audit component of the Independent Environmental Audit.

**Table 1. Charbon Colliery's Response to Auditor's Recommendations – May 2015.**

Condition	Description	Risk	Charbon Colliery's Response
Error! Reference source not found.	Resolve all possible outstanding non-compliances from 2012 audit not addressed below.	High	Noted
<b>Table 5</b>	Respond to all recommendations from 2012 audit not addressed below.	Administrative	Noted
<b>PA 08_0211 Non-Compliances</b>			
Schedule 2, Condition 22	<p>Although a majority of key parameters were generally in accordance with the activities described in the EA (e.g. production, manning, method of mining, etc.) some overburden emplacement has occurred outside approved disturbance areas to that indicated in Appendix 2 of the project approval.</p> <p>Charbon advises that DP&amp;E is aware of this issue and is responding directly (however, no documented evidence was sighted as part of audit). It is Recommended that this issue be resolved asap and the MOP, relevant management plans and Closure Plan be updated to reflect the agreed final landform.</p>	High	<b>This matter is currently being addressed separately with DP&amp;E and DRE</b>
Schedule 2, Condition 8	Viewed correspondence letter to DP&I dated 4 October 2013 surrendering consent for Charbon Colliery. The letter was not within 12 months of the date of the approval which would have been 7 September 2010.	Administrative	<b>Noted. Charbon is in the process of implementing a compliance management system. This will help to prevent future non-compliances.</b>

Condition	Description	Risk	Charbon Colliery's Response
Schedule 2, Condition 9	<p>Figure CH01018 provided shows the outline of the Charbon Colliery underground and open cut workings within the Kandos State Forest. However, the figure does not show when each area was mined and when the mining occurred during the audit period and correspondence with State Forest NSW.</p> <p>As such, it is unclear which areas were mined at what stage and whether the notices below were provided within 6 months of that date as required by the condition.</p> <p>Recommended that this be clarified to confirm appropriate approvals are in place.</p>	<b>Moderate</b>	<b>Noted. Charbon to investigate and confirm that all appropriate approvals are in place.</b>
Schedule 3, Condition 1	Evidence of noise exceedances at Locations F, L, G and H.	<b>Low</b>	<b>Noted. Charbon has negotiated agreements in place with H &amp; F and has acquired location G. Continued noise mitigation measures are unlikely to trigger future exceedances.</b>
Schedule 3, Condition 3	No documented evidence was provided at time of audit to confirm compliance with operational times (e.g. induction package or training presentation).	<b>Low</b>	<b>Induction package to be updated to incorporate operational times.</b>
Schedule 3, Condition 5	As detailed in the 2012 audit, a Verification Report prepared by Spectrum Acoustics (Neil Pennington) was sighted, along with submission to DoP. No evidence that the report was submitted to OEHL was provided.	<b>Administrative</b>	<b>Charbon to follow up and confirm with the EPA that the report was received. Written communication to be obtained.</b>
Schedule 3, Condition 6	No evidence provided at time of audit to confirm response to request from the Landholder.	<b>Moderate</b>	<b>Noted. Charbon to ensure all future correspondence is appropriately filed.</b>
Schedule 3, Condition 24	Subsidence results for the Western Underground not provided to review at time of audit.	<b>High</b>	<b>Charbon to secure copies of all subsidence reports.</b>
Schedule 3, Condition 25	<p>No letter in relation to consultation with I&amp;I available to confirm if consultation occurred within 3 months prior to commencement date of month 2012 in Western underground.</p> <p>No letter of approval of DP&amp;E available to view at time of audit.</p>	<b>High</b>	<b>Noted. Charbon to investigate.</b>
Schedule 3, Condition 33	<p>Confirmed that still no regular groundwater monitoring takes place on site.</p> <p>Recommend this immediately implemented at locations as agreed with regulators.</p>	<b>High</b>	<b>Charbon is currently in the process of commissioning ALS to implement groundwater monitoring as outlined in Charbon's Groundwater Monitoring Plan.</b>

<b>Condition</b>	<b>Description</b>	<b>Risk</b>	<b>Charbon Colliery's Response</b>
Schedule 3, Condition 34	No letters of consultation with the Aboriginal community, OEH or approval available to view at time of audit.	<b>Moderate</b>	<b>Charbon to review available information.</b>
Schedule 3, Condition 42	No evidence available at time of audit that this road audit was undertaken. Seek confirmation from DP&E that a road safety audit of the public roads is not required.	<b>Moderate</b>	<b>Charbon to contact DP&amp;E in writing and receive a written response confirming that a road safety audit is not required.</b>
Schedule 3, Condition 43	No confirmation that lighting meets these standards was available at time of audit.	<b>Low</b>	<b>This issue will be addressed as part of the Consent Application process.</b>
Schedule 4, Condition 1	No confirmation that BOS was in place before 31 December 2012; or date that clearance of EEC in the 8 Truck area. Areas of offsets in project approval do not match with those in management plan. Recommended that management plan be updated to confirm the above to satisfaction of relevant regulators.	<b>Moderate</b>	<b>Management Plan will be updated as part of the Consent Application process.</b>
Schedule 4, Condition 2	Current Landscape Management Plan does not match the values and communities in this project approval. Although suitable arrangements to provide appropriate long-term security for the offset areas have been progressing, these however there is no evidence available at the time of the audit to confirm that the offset areas were secured by the required date. Recommended that plan be updated to clearly demonstrate nexus between values.	<b>Moderate</b>	<b>Management Plan will be updated as part of the Consent Application process.</b>
Schedule 4, Condition 3	No evidence available at time of audit to confirm status of bond.	<b>Moderate</b>	<b>Noted.</b>
Schedule 4, Condition 4	Specific monitoring is required to assess ecosystem function and should be initiated, as this is not currently conducted.	<b>Moderate</b>	<b>Ecosystem function monitoring will be addressed as part of the Consent Application process.</b>
Schedule 4, Condition 5	Charbon Colliery is behind schedule on both mining completion and rehabilitation, when compared to the 2010 MOP and EA. Recommended that when non-compliance in Schedule 2, Condition 22 if resolved with DP&E, MOP and Closure Plan be updated for consistency with final landform and rehabilitation, in consultation with relevant regulars.	<b>Moderate</b>	<b>Noted. Charbon will action recommendation.</b>

Condition	Description	Risk	Charbon Colliery's Response
Schedule 4, Condition 6	No documented evidence was provided at time of audit to confirm that the Landscape Management Plan was prepared in consultation with I&I, NOW, DECCW and Council.	Moderate	<b>Noted. A revised management plan will be prepared that addresses the recommendation.</b>
Schedule 4, Condition 7	The Rehabilitation Management Plan is behind the planned schedule as detailed in the MOP and there was no evidence at the time of this audit that Plan is being updated.  Recommended that when non-compliance in Schedule 2, Condition 22 is resolved with DP&E, MOP and Closure Plan be updated for consistency with final landform and rehabilitation, in consultation with relevant regulars.	Moderate	<b>Noted. Charbon will action recommendation.</b>
Schedule 5, Condition 1	Environmental Management Strategy (EMS) does not recognise contractor on site, hence does not address how they are responsible for management of environmental aspects. Recommended that the EMS be reviewed if contractor has responsibilities during closure (e.g. rehabilitation).	High	<b>Noted. EMS to be updated to reflect contractor management responsibilities.</b>
Schedule 5, Condition 4	Strategies, Plans and Programs were not updated within 3 months of the submission of the previous audit report or confirmation that this is not required should be confirmed.	Moderate	<b>Noted.</b>
Schedule 5, Condition 7	Several approved strategies, plans and programs are not available on the website (i.e. Subsidence Management Plan, Noise Management Plan, Air Quality Management Plan, etc.).  Recommended that website for Charbon Colliery be updated asap and regularly going forward.	Administrative	<b>Noted. Website audit to be completed. All absent documents to be uploaded</b>
Schedule 5, Condition 8	The 2012 audit report was not submitted within 2 months of approval of the audit team.	Administrative	<b>Noted.</b>
Schedule 5, Condition 9	No evidence was available at time of audit to confirm 2012 audit report was submitted to DP&E.	High	<b>Noted. Charbon to follow up with DP&amp;E to confirm that the audit report was received.</b>
Schedule 6, Condition 1	Noise exceedances were not reported within 2 weeks of obtaining the monitoring results, to the Director-General, the affected landowners and tenants (including tenants of mine-owned properties).  Recommended that monitoring specialist immediately report any potential exceedances to Charbon (including those within 2dBA of criteria).  Recommend that Charbon report any noise exceedances to DP&E in accordance with this condition.	Moderate	<b>Noted. Charbon will ensure any noise exceedance is reported as per condition.</b>

Condition	Description	Risk	Charbon Colliery's Response
<b>PA 08_0211 Recommendations</b>			
Various	All monitoring programs and management plans be updated in consultation with relevant regulators to ensure they are consistent and appropriate for operations including consideration of moving to the closure phase of operations in the near future.	Administrative	All monitoring programs and management plans will be updated as part of the Consent Application process.
Various	Consider consolidation of management plans into a single Landscape Management Plan with monitoring requirements included (with approval sought from DP&E) for closure period.	Administrative	Charbon will consider this option.
SOC 8.3	Confirmation should be sought from DP&E that as no blasting will occur on site going forward, that the BMP is no longer required to be updated.	Administrative	Charbon will address as part of Consent Application process.
Schedule 3, Condition 37	During the next audit period, the Proponent should consider consulting with Council in relation to release of outstanding bond monies.	Administrative	Consultation proposed to be undertaken.
<b>SOC Non-compliances</b>			
Condition 3.2	Updated noise model not provided to review at time of audit.	Moderate	Noise Model to be updated as part of the Consent Application process.
Condition 4.2	Landscape Management Plan not prepared within 6 months of receipt of Project approval.	Administrative	Noted.
Condition 5.3	Updated air quality model not provided to review at time of audit.	Moderate	Air Quality Model to be updated as part of the Consent Application process.
Condition 9.6	Assessment of onsite irrigation of effluent not prepared within 6 months of receipt of Project approval.	Administrative	Noted.
Condition 11.2	Subsidence results for the Western Underground not provided to review at time of audit.	High	Charbon to obtain copies of all subsidence reports.
<b>EPL 528 Non-compliances</b>			
Conditions L2.1& 2.4	Exceedances for total suspended solids as evidenced in the Annual Return for reporting period 31 October 2011 to 30 October 2012.	Low	Noted. Water Management Systems have since been improved to address this.
Condition L5.1	Evidence of noise exceedances at Locations F, L, G and H. It is recommended that the EPL and Noise Management Plan be updated to ensure they are consistent and appropriate for operations including consideration of moving to the closure phase of operations in the near future.	Low	Noise Management Plan to be revised as part of the Consent Application process.

Condition	Description	Risk	Charbon Colliery's Response
Condition U3.1	<p>No evidence provided at time of audit to confirm that EPL conditions are addressed in Particulate Matter Report dated 6 February 2012.</p> <p>Recommend that when the AQMP is reviewed, everything from the report is incorporated into the Particulate Matter Control Report (Condition U3.1).</p>	Low	Air Quality Management Plan to be revised as part of the Consent Application process.
<b>ML 1647 Non-compliances</b>			
Condition 7	<p>Rehabilitation has not occurred as reasonably practicable. Charbon Colliery is behind schedule on both mining completion and rehabilitation, when compared to the 2010 MOP and EA conceptual landforms.</p> <p>Recommended that this issue be resolved asap with DP&amp;E and the MOP, relevant management plans and Closure Plan be updated to reflect the agreed final landform.</p>	Moderate	Noted. This recommendation will be address during the Consent Application process.
Condition 8	<p>No letter in relation to consultation with I&amp;I available to confirm if consultation occurred within 3 months prior to commencement date of month 2012 in Western underground.</p> <p>No letter of approval of DP&amp;E available to view at time of audit.</p>	Administrative	Noted.
Condition 11	Unable to confirm if any drilling was conducted within lease during the audit period.	Low	1 hole drilled in Jul 2012.. Documentation has now been located and filed.
Condition 24	No co-operation agreement available to view at time of audit. Viewed Compensation agreement dated 15 May 2013, State Forests NSW signed.	Moderate	Noted.