

Middlemount Coal Mine

Compliance Report –


North-eastern Extension (EPBC 2016/7717)

Reporting Period -

18 September 2017 to 17 September 2018

Environmental Protection and Biodiversity Conservation Act 1999

December 2018

| | |
|---|---|
| Project Name | Middlemount Coal Mine, North-eastern Extension, Bowen Basin, QLD |
| Approval Holder | Middlemount Coal Pty Ltd |
| ACN | 122 348 412 |
| Address | Level 17, 444 Queen Street, Brisbane City, QLD 4001 |
| EPBC Reference | EPBC 2016/7717 |
| Approved Action | To extend the existing East Dump (overburden placement) site at Middlemount Coal Mine, 2.4 km west of Middlemount, Queensland |
| Approval Date of Action | 29 March 2017 |
| Commencement Date of Action | 16 August 2017 |
| Reporting Period | 18 September 2017 to 17 September 2018 |
| Expiry Date of Action | 1 November 2042 |
| Document Version | 1.0 |
| Declaration of Accuracy In making this declaration, I am aware that sections 490 and 491 of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (Cth) (EPBC Act) make it an offence in certain circumstances to knowingly provide false or misleading information or documents. The offence is punishable on conviction by imprisonment or a fine, or both. I declare that all the information and documentation supporting this compliance report is true and correct in every particular. I am authorised to bind the approval holder to this declaration and that I have no knowledge of that authorisation being revoked at the time of making this declaration. | |
| Signature of authorised reporting officer |  |
| Name of authorised reporting officer | Daniel Jones |
| Title of authorised reporting officer | Environment Superintendent |
| Date | 13 December 2018 |
| Organisation Name | Middlemount Coal Pty Ltd |
| Organisation ACN | 122 348 412 |

| Revision Summary | | |
|--|---------|------------------|
| Author | Version | Date |
| Environment – Middlemount Coal Pty Ltd | 1.0 | 13 December 2018 |

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1. INTRODUCTION

The Middlemount Coal Mine is located in the central Bowen Basin approximately 270 kilometres (km) north-west of Rockhampton and approximately 6 km south-west of Middlemount in central Queensland (Qld) (Figure 1).

On 31 May 2016, Middlemount Coal Pty Ltd (MCPL) an incorporated joint venture between Peabody Energy Australia Pty Ltd, and Yancoal Australia Ltd, lodged a referral with the Commonwealth Department of the Environment and Energy (DotEE) for the extension of the currently approved East Dump beyond part of the eastern extent of Mining Lease 70417 (the Action [North-eastern Extension]) using the same overburden emplacement methodology currently employed at the Middlemount Coal Mine (Figure 2 and Figure 3).

On 7 July 2016, a delegate for the Commonwealth Minister declared the Action to be a controlled action for the purposes of the Commonwealth *Environment Protection and Biodiversity Act, 1999* (EPBC Act) due to likely impacts on listed threatened species and communities (sections 18 and 18A).

Middlemount Coal Pty Ltd was subsequently granted approval for the Middlemount Coal North East Extension Project under the *Commonwealth Environment Protection and Biodiversity Act, 1990* (EPBC Act) on 29 March 2017 (Commonwealth Approval [EPBC Act (EPBC 2016/7717)]). Middlemount Coal notified DotEE on the 16 August 2017, that the referred action (Middlemount Coal Mine [North-eastern Extension]) was to commence on the 16 August 2017.

The approval is subject to eight (8) conditions and has effect until 1 November 2042. This compliance report is required by Condition 4 of the approval and has been prepared for the Commonwealth Department of the Environment and Energy (DotEE), formally the Department of the Environment (DotE). The *Annual Compliance Report Guidelines* (DotE 2014) were referenced during the compilation of this report.

The approved action is as follows:

Approved action:

To extend the existing East Dump (overburden placement) site at Middlemount Coal Mine, 2.4 km west of Middlemount, Queensland

The EPBC Act approval decision encompasses the following controlling provisions:

| Controlling Provision | Decision |
|---|----------|
| Listed threatened species and communities (sections 18 and 18A) | Approve |

This report details activities and compliance with EPBC 2016/7717 for the period 18 September 2017 to 17 September 2018.

2. DESCRIPTION OF ACTIVITIES

Middlemount Coal Pty Ltd operates the Middlemount Coal Mine (MCM), located 6km west of Middlemount township. The MCM is an open cut coal mine producing Pulverized Coal Injection (PCI) and Coking Coal for the export market. MCM is an incorporated joint venture between Peabody Energy Australia Pty Ltd (50%) and Yancoal (50%).

The MCM is permitted to extract up to 5.7 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal to produce approximately 4.2 Mtpa of combined PCI and Coking coal. MCM has contracted rail and port capacity through Dalrymple Bay Coal Terminal (DBCT) and Abbot Point Port (APCT).

Three primary seams of the Rangal coal measures are targeted for mining. The Middlemount and Pisces seams both have an average thickness of between 4.5m and 5m with the Tralee seam slated for extraction when it exceeds 0.3m in thickness.

Mining operations consist primarily of excavator and truck strip mining augmented by cast and doze. Beneficiation is performed in a 700tph single stage two product coal handling and preparation plant operated under contract by Sedgman.

Marketing of the coal is conducted by Peabody and Yancoal on Middlemount's behalf.

The operations at MCM occur 24 hours per day, 7 days per week.

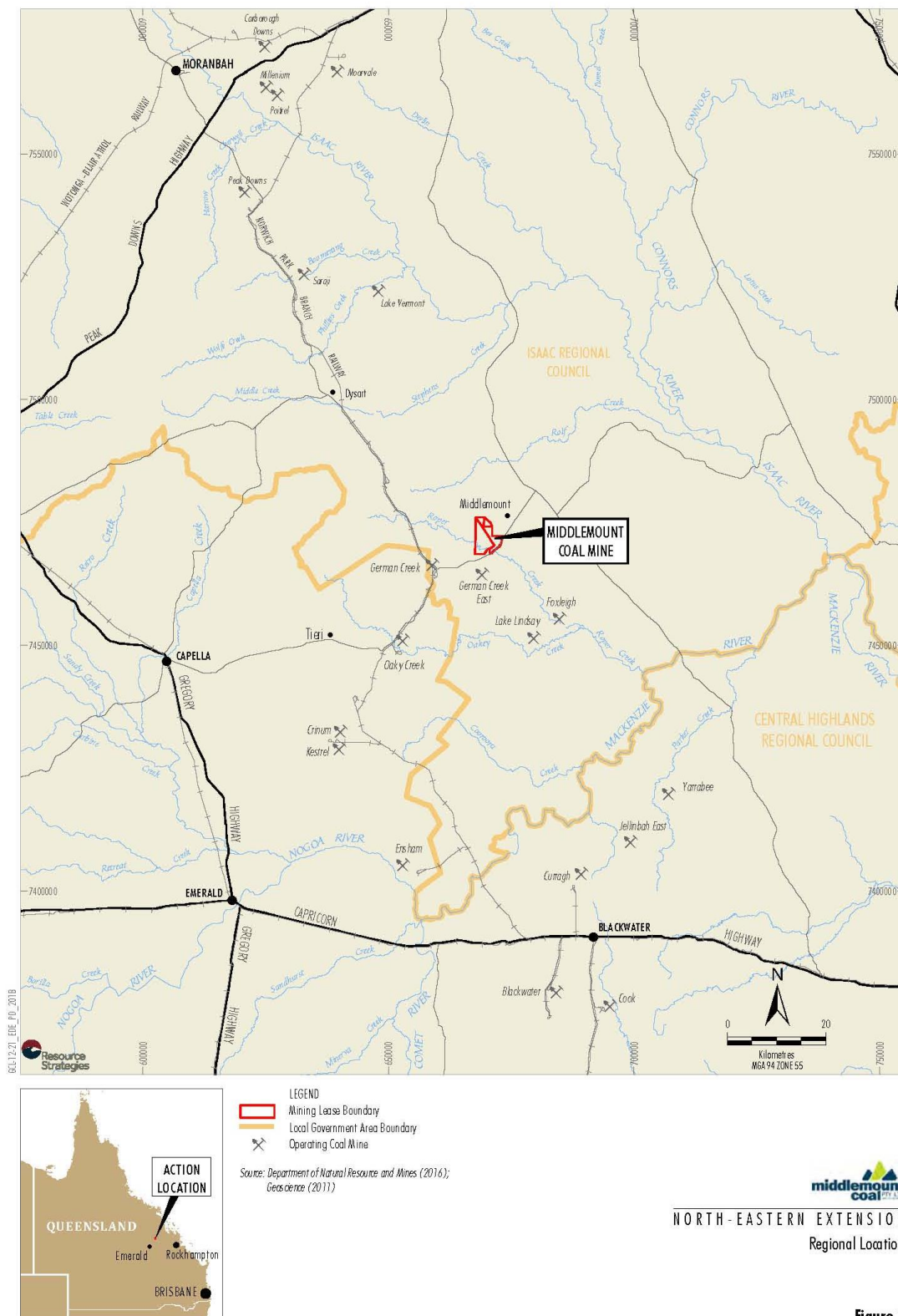


Figure 1

Figure 1: Regional Location of Middlemount Coal mine

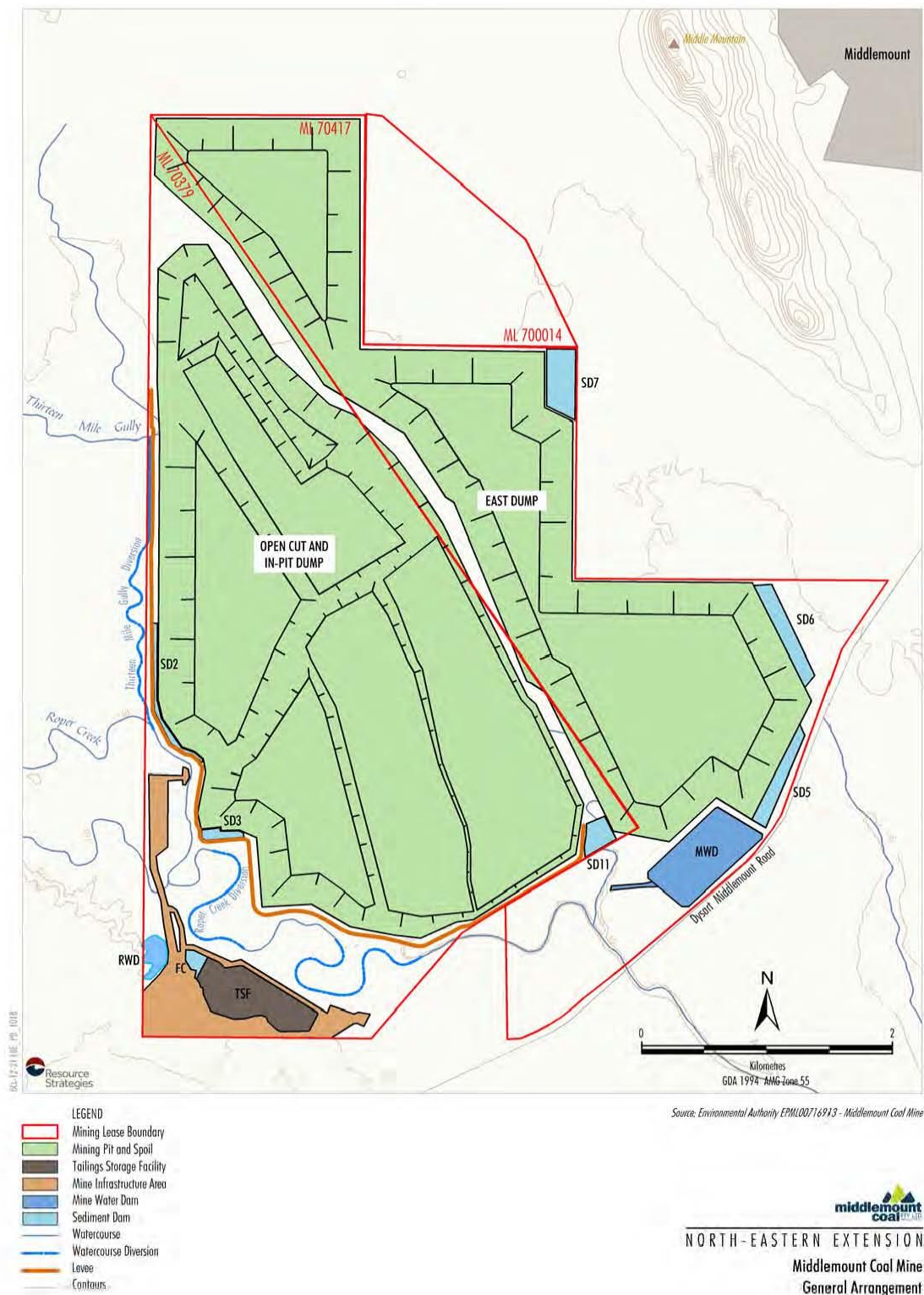


Figure 2: General arrangement of Middlemount Coal mine

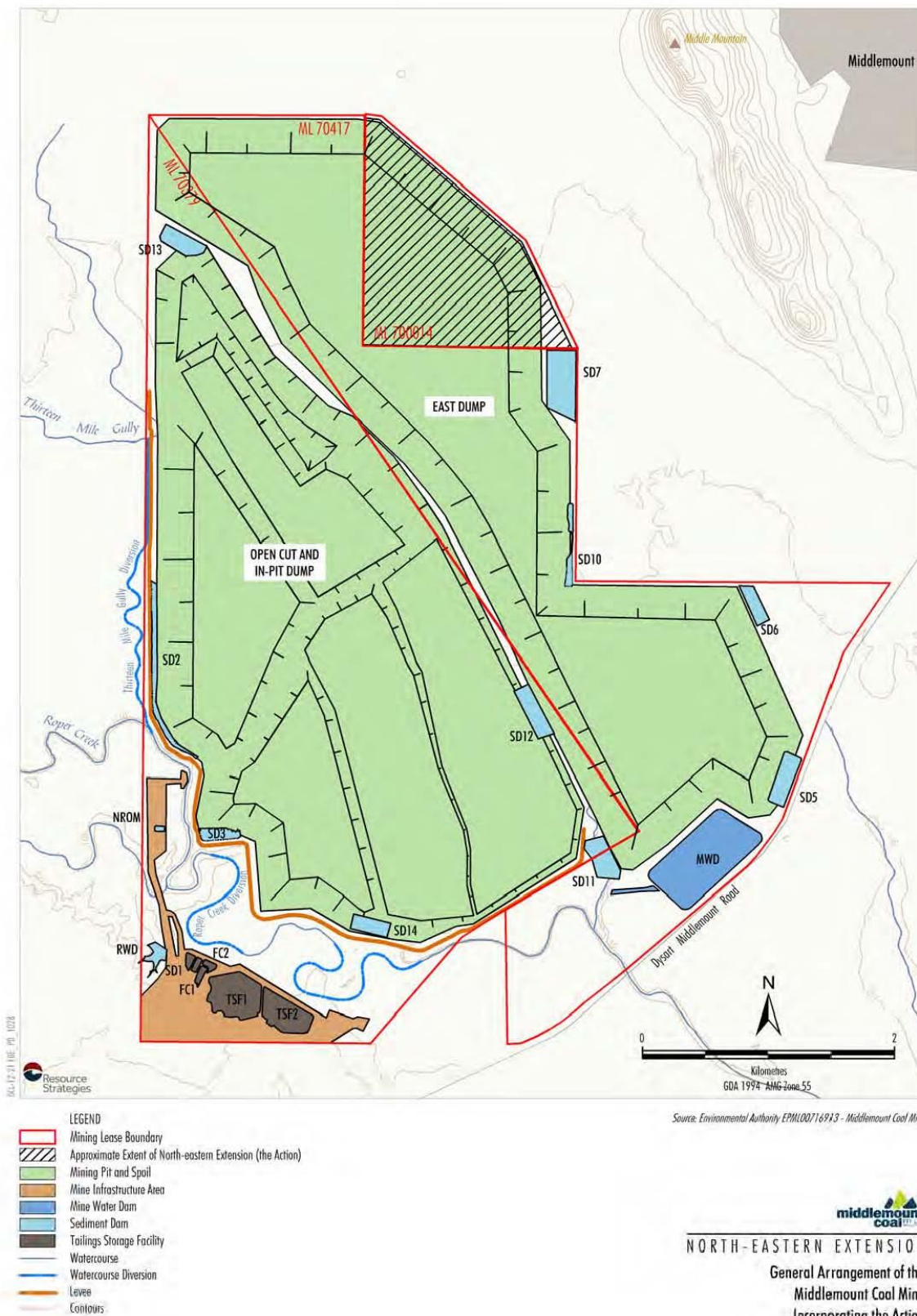


Figure 3: General arrangement of the Middlemount Coal mine incorporating the action

3. COMPLIANCE TABLE

| Condition Number | Condition | Compliant/Non Compliant/Not applicable ¹ | Evidence/Comments |
|------------------|---|---|---|
| 1 | The approval holder must not, as a result of the action, disturb more than 181 ha of native vegetation within and adjacent to the project site, as shown in Figure 1. | Compliant | The extent of clearing to 17 September 2018 was approximately 21.9 ha. |
| 2 | <p>To compensate for the loss of 181 ha of habitat for the squatter pigeon and south-eastern long-eared bat, the approval holder must:</p> <p>a) Legally secure and implement the offset of at least 532 ha within the offset site, as shown in Figure 2. The offset mechanism used to legally secure the offset site must be in place within two years from the date of approval and must remain in place for the life of the approval. The condition targets listed in condition 2d, must be listed in the outcomes of the offset mechanism.</p> <p>b) Ensure the Offset Management Plan used to legally secure the offset site includes the Vertebrate Pest Management Strategy that aims to reduce and minimise the presence of vertebrate pest species, including, but not limited to rabbits, cats, and red foxes within the offset site. The Offset Management Plan must be published on the approval holders website within 1 month of the offset mechanism being granted by the Queensland Governments</p> <p>c) Conduct a baseline Survey of the offset site and provide an</p> | Compliant | <p>a) The offset mechanism used to legally secure the offset site will be in place by 29 March 2019.</p> <p>b) The OMP includes a Pest Animal Management Strategy, Section 3.5. The Queensland Governments are yet to grant approval of the offset mechanism (VDec), and the OMP will be published on the website within 1 month of the offset mechanism being granted.</p> <p>c) The Offset Baseline Monitoring Report was submitted to DotE on 12 December 2017 – Compliant (See <i>Appendix 1</i>)</p> <p>d) Noted</p> <p>e) Noted</p> <p>f) Noted</p> <p>g) Noted</p> |

| Condition Number | Condition | Compliant/Non Compliant/Not applicable ¹ | Evidence/Comments |
|------------------|--|---|-------------------|
| | <p>Offset Baseline Report detailing the results of the Baseline Survey to the Department within 12 months of the commencement. The Offset Baseline Report must be prepared by a suitably trained ecologist/s, provide a geo-referenced map showing the location of the survey site, provide written descriptions about the baseline health and quality of each Regional Ecosystem Mapping index area within the offset site, and provide the statistics recorded during the Baseline Survey. The Baseline Survey, including the selection of survey site and Offset Baseline Report must be undertaken and prepared in accordance with the Queensland Governments Guide to determining terrestrial habitat quality.</p> <p>d) Ensure that by the 15 year anniversary of commencement of the action, the offset site meets the following condition targets:</p> <ul style="list-style-type: none"> i. Each area designated by Regional Ecosystem Mapping in Figure 2 must have a weed cover of 20% or less; ii. Areas identified as regional ecosystems 11.5.2a, 11.7.2 and 11.7.4 in Figure 2 must each have at least 30% shrub canopy cover; and iii. Areas designated by Regional Ecosystem Mapping in Figure 2 as non-remnant must be of a condition that is eligible to be mapped as a remnant woody regional ecosystem (as defined under the <i>Queensland Vegetation Management Act 1999</i>) where Eucalypts, Corymbia, Acacia or Callitris spp. are the dominant canopy species. <p>e) Ensure weed cover in any Regional Ecosystem Mapping index area of the offset site does not exceed the baseline condition</p> | | |

| Condition Number | Condition | Compliant/Non Compliant/Not applicable ¹ | Evidence/Comments |
|------------------|---|---|--|
| | <p>for each Regional Ecosystem Mapping index area described in the Offset Baseline Report required under condition 2c of this approval for the life of the approval.</p> <p>f) Ensure that the condition targets do not decline for the remainder of the approval once the condition targets have been met.</p> <p>g) Make application to the Queensland Government to have areas shown in Figure 2 identified as non-remnant to be listed as remnant vegetation under the <i>Vegetation Management Act 1999</i> prior to the 15th anniversary of commencement of the action.</p> | | |
| 3 | <p>By 17 December 2017, the approval holder must submit to the Department an Annual Compliance Report covering the period from the date of this approval to 17 September 2017. By December 2017 of every following year, the approval holder must submit to the Department an Annual Compliance Report covering the period of 18 September of the previous year to 17 September of that year.</p> <p>The Annual Compliance Report must:</p> <p>a) Address compliance with each of the conditions of this approval, including implementation of any management plans as specified in the conditions.</p> <p>Provide evidence of the progress achieved by the approval holder in reaching the condition targets of the offset site. The report must include benchmarks, prepared by a suitably trained ecologist/s,</p> | Compliant | This report covers the period from the date of approval 18 September 2017 to 17 September 2018 . |

| Condition Number | Condition | Compliant/Non Compliant/Not applicable ¹ | Evidence/Comments |
|------------------|--|---|--|
| | that provide clear and measureable goals that will indicate whether the offsets are on-track to be delivered by the 15-year anniversary of commencement of the action. The report must state whether each benchmark has been met. If the benchmarks have not been met, the report must state what measures are being taken to ensure that the condition targets will be met by the 15-year anniversary of commencement of the action. | | |
| 4 | Unless otherwise agreed to in writing by the Minister, the approval holder must publish the Annual Compliance Report referred to in these conditions of approval on its website. The Annual Compliance Report must be published on the approval holder's website within 1 month of being provided to the Department. Documentary evidence providing proof of the date of publication and non-compliance with any of the conditions of this approval must be provided to the Department in the following Annual Compliance Report. The Minister may provide written consent to cease the Annual Compliance Report if satisfied that the action is complete and there are no further outstanding requirements. | Compliant | This is the second compliance report. Evidence demonstrating this compliance report was published on Middlemount Coal website will be provided in the following compliance report. This document is the report. See website http://www.middlemountcoal.com.au |
| 5 | Within 30 days after the commencement of that action, the approval holder must advise the Department in writing of the actual date of commencement of the action. | Compliant | In a letter dated to DoEE 16 August 2017 , the commencement date of the action was 16 August 2017 – Compliant (see <i>Appendix 2</i>). |
| 6 | If, at any time after 5 years from the date of this approval, the approval holder has not substantially commenced the action, then the approval holder must not substantially commence the action without the written agreement of the Minister. | Not applicable | Action commenced on 16 August 2017 . |

| Condition Number | Condition | Compliant/Non Compliant/Not applicable ¹ | Evidence/Comments |
|------------------|--|---|-------------------|
| 7 | The approval holder must maintain accurate records substantiating all activities associated with or relevant to the conditions of approval, including measures taken to implement the offsets, monitoring results and the Annual Compliance Report required by this approval, and make them available upon request to the Department. Such records may be subject to audit by the Department or an independent auditor in accordance with section 458 of the EPBC Act, or used to verify compliance with the conditions of approval. Summaries of audits will be posted on the Department's website. The results of audits may also be publicised through the general media. | Compliant | Noted |
| 8 | Upon the direction of the Minister, the approval holder must ensure that an independent audit of compliance with the conditions of approval is conducted and a report submitted to the Minister. The independent auditor and the audit criteria must be approved by the Minister prior to the beginning of the audit. The audit report must address the criteria to the satisfaction of the Minister. | Not applicable | Noted |

¹ Definitions

| | |
|-----------------------|--|
| <u>Compliant</u> | 'Compliance' is achieved when all the requirements of a condition have been met, including the implementation of management plans or other measures required by those conditions. |
| <u>Non-compliant</u> | Requirements of a condition or elements of a condition, including the implementation of management plans and other measures have not been met. |
| <u>Not applicable</u> | requirements of a condition or elements of a condition fall outside of the scope of the current reporting period. For example a condition which applies to an activity that has not yet commenced. |

Appendix 1: Letter to DotEE Baseline Survey completion

Leeanne Pattinson

From: EPBC Monitoring <EPBCMonitoring@environment.gov.au>
Sent: Thursday, 14 December 2017 10:46 AM
To: Shane Flint; EPBC Monitoring
Subject: RE: Middlemount Coal Mine - EPBC 2016/7717 condition 2c - Offset Baseline Report [SEC=UNCLASSIFIED]

Hi Shane

Thank you for your email containing the Offset Baseline Report as per condition 2c and note the report has been received within 12 months of commencement of the action.

Just a friendly reminder your first Annual Compliance Report is due by 17 December 2017.

If you have any questions, please feel free to contact me.

Regards

Keith Horwood
Compliance Monitoring Team
Office of Compliance
Department of the Environment and Energy
GPO Box 787 CANBERRA, ACT 2601
T 02 6274 1933

From: Shane Flint [<mailto:sflint@middlemountcoal.com.au>]
Sent: Tuesday, 12 December 2017 4:46 PM
To: EPBC Monitoring <EPBCMonitoring@environment.gov.au>
Cc: Post Approval <PostApproval@environment.gov.au>
Subject: Middlemount Coal Mine - EPBC 2016/7717 condition 2c - Offset Baseline Report

Dear Sir/Madam

Please find attached an Offset Baseline Report to meet condition 2c of the EPBC 2016/7717 approval.

Regards

Shane Flint
Environmental Manager



P: 0749 850 059
M: 0427 204 083
E: sflint@middlemountcoal.com.au
PO Box 24
Middlemount QLD 4746

Appendix 2: Letter to DotEE regarding commencement date of action

Level 1, 100 Melbourne Street
South Brisbane QLD 4101
GPO Box 241
Brisbane QLD 4001
P : (617) 3179 2000
F : (617) 3179 2098
E : info@middlemountcoal.com.au
W : www.middlemountcoal.com.au



16 August 2017

Department of Environment and Energy
GPO Box 787
CANBERRA ACT 2601

Via email: PostApproval@environment.gov.au

To whom it may concern,

RE: Middlemount Coal North-eastern Extension (EPBC 2016/7717) Commencement Notification

The EPBC Act approval for the North-eastern Extension (2016/7717) requires notification to the Department following commencement of the action. Condition 5 states:

5) Within 30 days after the commencement of the action, the approval holder must advise the Department in writing of the actual date of commencement of the action.

Accordingly, please note that the North-eastern Extension action commenced on 16 August 2017.

Should you have any questions please do not hesitate to contact the undersigned on 0749 850 059 or sflint@middlemountcoal.com.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Shane Flint", written over a light blue horizontal line.

Shane Flint
Environmental Manager