Queensland Government

Department of Natural Resources and Mines

Our Ref: PJ50100
Contact: David Rohlf
Telephone: 07 4936 0169
Email: Coalhub@dnrm.qld.gov.au

17 March 2015

19 MAR 2015

EMERALD

Peabody (Wilkie Creek) Pty Ltd
C/- Tenement Manager, Peabody Energy
GPO Box 164
Brisbane QLD 4003

C/c: Environment & Heritage Protection
PO Box 3028
Emerald QLD 4720

Dear Sir/ Madam,

Financial Assurance – PJ50100 – ML 5908, 50208, 50214, 50215, 50276, 55004
EA No. EPML00563313

I refer to the above and confirm on the 09 March 2015 this office received a request to exchange a bank guarantee in the amount of $40,249,360.93 issued by the NAB Bank, for an NAB bank guarantee for the new amount of $29,186,400.00.

The $40,249,360.93 NAB Bank Guarantee was released to an NAB Rockhampton agent on 17 March 2015.

If you have any queries with this matter, you may wish to contact the office on the above mentioned number.

Yours Sincerely,

49-Sch4 - Personal Information

David Rohlf
Project Officer
(on behalf of Mining Register)
Coal Assessment Hub

NAB Rockhampton (received Bank Guarantee)

49-Sch4 - Personal Information

Signature: _____

Date: 17/3/15

Department of Natural Resources and Mines
PO Box 3679
RED HILL QLD 4701
Telephone + 61 7 49360169

Our Ref PJ50100
Contact: Kelly Preston
Telephone: 07 4936 0169
Email: CoalHub@dnrm.qld.gov.au

Queensland Government

Department of Natural Resources and Mines

26 February 2015

Peabody (Wilkie Creek) Pty Limited
C/- Tenement Manager, Peabody Energy
GPO Box 164
BRISBANE QLD 4001

C/c: Environment & Heritage Protection
PO Box 3028
EMERALD QLD 4720

- 2 MAR 2015

EMERALD

Dear Sir/Madam,

Financial Assurance for PJ50100 – ML's 5908, 50208, 50214, 50215, 50276 & 55004
Environmental Authority No. EPML00563313

The Department of Environment and Heritage Protection refers to the application made by Peabody (Wilkie Creek) Pty Limited for the amount and form of financial assurance required under environmental authority EPML00563313. The financial assurance has been assessed at $29,186,400.00.

This Department currently holds financial assurance in the amount of $40,249,360.93 for the above mining leases. As we currently hold more security than required you may leave the current Financial Assurance in place, or you may lodge a new Financial Assurance for these leases, in the amount of $29,186,400.00.

The securities currently held will be returned upon acceptance of the new security in full.

You are required to lodge the requested financial assurance within 20 business days. The new financial assurance must refer to the Project Number, Mining Lease numbers and current Environmental Authority number.

If you have any queries regarding this matter, please do not hesitate to contact this office on (07) 4936 0169.

Regards,

49-Sch4 - Personal Information

Kelly Preston
Project Officer Assessment
(On behalf of the Mining Registrar)
Coal Assessment Hub

Department of Natural Resources & Mines
PO Box 3679
RED HILL QLD 4701
Telephone + 61 7 49360169
Facsimile + 61 7 49360375
Website mines.industry.qld.gov.au
ABN 98 628 485 885

Notice

`Environmental Protection Act 1994

Decision on amount and form of financial assurance

This notice is issued by the administering authority[1], pursuant to section 296 of the Environmental Protection Act 1994 *to advise the holder of an environmental authority of the decision on the amount and form of financial assurance imposed on the environmental authority.*

To: Peabody (Wilkie Creek) Pty Limited
C/- Kayleen O'Dowd – Tenement Manager
GPO Box 164
BRISBANE QLD 4001

cc: Mining Registrar
Department of Natural Resources and Mines
PO Box 3679
RED HILL ROCKHAMPTON QLD 4701

Email: kodowd@peabodyenergy.com
pkahler@peabodyenergy.com

Attention: Kayleen O'Dowd (Tenement Manager)
Paul Kahler (Senior Environmental Officer)

Your reference: EPML00563313
Our reference: 174842

Re: Decision on the amount and form of financial assurance.

1. **Application details** Application made by Peabody (Wilkie Creek) Pty Limited for the amount and form of financial assurance required under environmental authority EPML00563313, was received by the administering authority on 30 January 2015.

2. **Environmental authority details**

   Environmental authority number EPML00563313 dated 3 December 2014 issued to Peabody (Wilkie Creek) Pty Limited.

   Property/location description(s): ML5908, ML50208, ML50214, ML50215, ML50276 & ML55004

3. **Decision**

   The administering authority has decided:

   - That the total cost of rehabilitation is **$36,483,000.00**.
   - To apply a **20% discount**. This is because the application demonstrated compliance with the mandatory pre-requisites and the criteria applicable to the (1) Financial Standing and (2) Waste Management (Landfill) discounts.

[1] The Department of Environment and Heritage Protection is the administering authority under the *Environmental Protection Act 1994*.

ABN 46 640 294 485

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RTI- 15-161 File C 3 of 63

- The discount applies for the period of the Plan of Operations (1 March 2015 to 28 February 2017), after which time the discount will expire and the amount of financial assurance required will revert to its undiscounted value. You will need to resubmit an application to amend the amount of financial assurance if you wish to receive a discount for the next Plan of Operations.
- The amount of financial assurance to be paid is **$29,186,400.00** in the form of a bank guarantee.

The pro-forma for a bank guarantee for financial assurance is available for download from the department's website at: www.ehp.qld.gov.au .

4. **Grounds for the decision**

The replacement Plan of Operations for the Wilkie Creek Coal Mine meets the requirements for plans of operations in accordance with section 288 of the *Environmental Protection Act 1994* (EP Act).

The Plan of Operations is accompanied by a compliance statement made by the environmental authority holder stating that the plan complies with the environmental authority conditions, and that the amount of financial assurance for the environmental authority has been calculated in accordance with the Department of Environment and Heritage Protection's Guideline "Financial Assurance under the *Environmental Protection Act 1994* (EM1010, version 1)", in accordance with section 288(3) of the EP Act.

5. **Review and appeal rights**

You may apply to the administering authority for a review of this decision within 10 business days after receiving this notice. You may also appeal against this decision to the Land Court. Information about your review and appeal rights is attached to this notice. This information is guidance only and you may have other legal rights and obligations.

6. **Lodgement of financial assurance**

The required financial assurance must be lodged with the Department of Natural Resources and Mines (DNRM). Please contact the Mining Registrar DNRM for assistance with lodgement of the financial assurance.

IMPORTANT NOTE: The required financial assurance must be lodged before activities are carried out, or allowed to be carried out, under the environmental authority. Failure to comply with this requirement may attract a fine or result in the cancellation or suspension of your environmental authority.

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49-Sch4 - Personal Information

Signature

19 February 2015

Date

Justin Cagney
Department of Environment and Heritage Protection
Delegate of the administering authority
Environmental Protection Act 1994

Enquiries:
Business Centre (Coal)
Department of Environment and Heritage Protection
99 Hospital Road
EMERALD QLD 4720
Phone: 07 4987 9320
Email: CRMining@ehp.qld.gov.au

Attachments

Information sheet: Internal review and appeal to Land Court (EM1157)

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Information sheet

Environmental Protection Act 1994

Internal review and appeal to Land Court

This information sheet forms part of an information notice under the Environmental Protection Act 1994 *(EP Act). It gives a summary of the process for review and appeal under the EP Act and subordinate legislation. Refer to ss. 519 to 530 and Part 1 of Schedule 2 of the EP Act for complete information about the process for internal review and appeal to the Land Court.*

Introduction

The EP Act provides for a right of internal review of certain decisions made under the EP Act. Decisions that can be reviewed are listed in Schedule 2 of the EP Act. The EP Act also provides that a dissatisfied person for a review decision listed in Part 1 of Schedule 2 of the EP Act may appeal against the original decision or the review decision to the Land Court.

Summary of the process for internal review and appeal to the Land Court

Chapter 11, Part 3 of the EP Act

Division 1—Interpretation

Section 519 Original decisions

1) A decision mentioned in Schedule 2 is an 'original decision'.
2) A decision under an environmental protection policy or regulation that the policy or regulation declares to be a decision to which this part applies is also an original decision.

Section 520 Dissatisfied person

This section nominates the dissatisfied person for an original or review decision.

Division 2—Internal review of decisions

Section 521 Procedure for review

1) A dissatisfied person may apply for a review of an original decision.
2) The application must—
   a) be made in the approved form to the administering authority within—
      i) 10 business days[1] after the day on which the person receives notice of the original decision or the administering authority is taken to have made the decision (the 'review date'); or
      ii) the longer period the authority in special circumstances allows; and
   b) be supported by enough information to enable the authority to decide the application.

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3) On or before making the application, the applicant must send the following documents to the other persons who were given notice of the original decision—

   a) notice of the application (the 'review notice');

   b) a copy of the application and supporting documents.

4) The review notice must inform the recipient that submissions on the application may be made to the administering authority within 5 business days (the 'submission period') after the application is made to the authority.

5) If the administering authority is satisfied the applicant has complied with subsections (2) and (3), the authority must, within the decision period—

   a) review the original decision;

   b) consider any submissions properly made by a recipient of the review notice; and

   c) make a decision (the 'review decision') to—

      i) confirm or revoke the original decision; or

      ii) vary the original decision in a way the administering authority considers appropriate.

6) The application does not stay (i.e. suspend or stop) the original decision.

7) The application must not be dealt with by—

   a) the person who made the original decision; or

   b) a person in a less senior office than the person who made the original decision.

8) Within 10 business days after making the review decision, the administering authority must give written notice of the decision to the applicant and persons who were given notice of the original decision.

9) The notice must—

   a) include the reasons for the review decision; and

   b) inform the person of their right of appeal against the decision.

10) If the administering authority does not comply with subsection (5) or (8), the authority is taken to have made a decision confirming the original decision.

11) Subsection (7) applies despite the *Acts Interpretation Act 1954*, s. 27A.

12) This section does not apply to an original decision made by—

   a) for a matter, the administration and enforcement of which has been devolved to a local government—the local government itself or the chief executive officer of the local government personally; or

   b) for another matter—the chief executive personally.

13) Also, this section does not apply to an original decision to issue a clean-up notice.

14) In this section—

   'decision period' means—

   a) if a submission is received within the submission period—15 business days after the administering authority receives the application; or

   b) if no submissions are received within the submission period—10 business days after the administering authority receives the application.

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Section 522 Stay of operation of particular original decisions

1) If an application is made for review of an original decision mentioned in Schedule 2, Part 1 or 2, the applicant may immediately apply for a stay of the decision to—

   a) for an original decision mentioned in Schedule 2, Part 1—the Land Court; or

   b) for an original decision mentioned in Schedule 2, Part 2—the Court.

2) The Land Court or the Court may stay the decision to secure the effectiveness of the review and any later appeal to the Land Court or the Court.

3) A stay may be given on conditions the Land Court or the Court considers appropriate and has effect for the period stated by the Land Court or the Court.

4) The period of a stay must not extend past the time when the administering authority reviews the decision and any later period the Land Court or the Court allows the applicant to enable the applicant to appeal against the review decision.

Division 3—Appeals

Subdivision 1—Appeals to Land Court

Section 523 Review decisions subject to Land Court appeal

This subdivision applies to original decisions mentioned in Schedule 2, Part 1 of the EP Act.

Section 524 Right of appeal

A dissatisfied person who is dissatisfied with the decision may appeal against the decision to the Land Court.

Section 525 Appeal period

1) The appeal must be started within 22 business days after the appellant receives notice of the decision.

2) However, the Land Court may at any time extend the time for starting the appeal.

Section 526 Land Court mediation

1) Any party to the appeal may, at any time before the appeal is decided, ask the Land Court to conduct or provide mediation for the appeal.

2) The mediation must be conducted by the Land Court or a mediator chosen by the Land Court[2].

Section 527 Nature of appeal

The appeal is by way of rehearing, unaffected by the review decision.

Section 528 Land Court's powers for appeal

In deciding the appeal, the Land Court has the same powers as the administering authority.

Section 530 Decision for appeals

1) In deciding the appeal, the Land Court may—

   a) confirm the decision;

   b) set aside the decision and substitute another decision; or

   c) set aside the decision and return the matter to the administering authority who made the decision, with directions the Land Court considers appropriate.

2) In setting aside or substituting the decision, the Land Court has the same powers as the authority unless otherwise expressly stated.

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3) However, this part does not apply to a power exercised under subsection (2).

4) If the Land Court substitutes another decision, the substituted decision is taken for this Act, other than this subdivision, to be the authority's decision.

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[1] Under the *Environmental Protection Act 1994* business days—'does not include a business day that occurs during the period starting on 20 December in a year and ending on 5 January in the following year'.

[2] For information on how to start the appeal, see the *Land and Court Rules 2000*. For information on the conduct of the mediation, see the *Land Court Act 2000*. Information is also available on the Land Court website at **www.landcourt.qld.gov.au**.

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ASSESSMENT CHECKLISTS FOR PLANS OF OPERATIONS AND FINANCIAL ASSURANCE FOR SITE SPECIFIC MINING LEASE ENVIRONMENTAL AUTHORITIES

EHP COAL ASSESSMENT CENTRE

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1.0 Plan of Operations (Mining Activities) Assessment Checklist

1.1 Checklist – Mining activities

Table 1: Steps to be undertaken in Plan of Operations Assessment

Step Number	Action Required	Completed
Step 1	Receive Plan of Operations. *NOTE: A decision on the amount and form of financial assurance (FA) must be decided within **15 business days** of receiving the Plan. Refer to Steps 8 and 9 below.* **Decision date for amount and form of FA: 20 February 2015**	☒
Step 2	Save submitted Plan of Operations and associated documentation to: • eDocs , using the following naming conventions: o PoO_20130124_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd o PoO_20130124_Notice of Amendment or Replacement_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd o PoO_20130124_Cover Page_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd o PoO_20130124_Compliance Statement Checklist_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd • G Drive (i.e. the relevant Emerald, Rockhampton or Mackay mining drive). • Hard copy file.	☒
Step 3	Send written correspondence (via email or letter) to the EA Holder confirming receipt of Plan of Operations. Correspondence is to state the following: *EHP acknowledges that <INSERT COMPANY> has provided the above mentioned plan of operations for the period ending <INSERT END DATE> as required by Section 287 of the Environmental Protection Act 1994 (EP Act). It is the responsibility of the environmental authority (EA) holder to ensure that the plan meets the content requirements of Section 288 of the EP Act.* *Please note that under Section 290 of the EP Act, penalties apply for failure to comply with the plan of operations when carrying out activities. Additionally, if there is any inconsistency between the EA EPMLXXX and the plan of operations, the EA prevails to the extent of the inconsistency. Penalties apply if <INSERT COMPANY> does not amend the plan of operations within 15 business days of becoming aware of any inconsistency with the EA.* *A decision on the amount and form of financial assurance required for EA EPMLXXX will be made by <INSERT DATE> and issued to you.*	☒
Step 4	Complete **Table 2: Plan of Operations Overview** (below).	☒
Step 5	Complete **Table 3: Plan of Operations Assessment** (below)	☒
Step 6	Complete **EHP Plan of Operations Compliance Statement Checklist (EM96)**	☒
Step 7	Complete **EHP Plan of Operations Content Requirement Checklist**	☒

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Step Number	Action Required	Completed
	(EM96)	
Step 8	If the Plan of Operations Checklist identifies potential non-compliances with the EP Act or EA, or content requirements are not met: • Generate a letter to the EA Holder addressing the potential non-compliances, highlighting the provisions of section 291 of the EP Act, which will be issued with the Notice in Step10; and / or • In the event of potential EA non-compliances, refer the matter to the Compliance Centre by completing a *Compliance and Assessment Centre Communication Form* (located on SharePoint).	☒
Step 9	Complete **EHP Assessment Report for *Decisions relating to the amount and form of financial assurance* (EM1209)**. *Note: refer to the FA Guideline (EM1010) and the EHP Mining FA Calculator (EM1270).*	☒
Step 10	Complete **Notice of *Decision on amount and form of financial assurance* (EM913)**. Ensure that the Notice is addressed to both the EA Holder and the Department of Natural Resources and Mines.	☒
Step 11	Issue the Notice of Decision, and if applicable, written correspondence about the Plan of Operations (refer to Step 8) to the EA holder within 15 business days of receiving Plan of Operations – refer to Step 1 for due date.	☒
Step 12	Save all relevant correspondence and records (including signed FA Decision Notice and signed Assessment Report) to: • eDocs, using the following naming conventions: o FA_20130124_Application to amend or discharge_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd o FA_20130124_Application for amount and form_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd o FA_20130124_Compliance Statement Required_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd o FA_20130124_NoD_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd o FA_20130124_Assessment Report_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd o FA_20130124_Amount_Ensham Coal Mine_PR360912_EPML 100100100_Bligh Coal Pty Ltd • G Drive (i.e. Emerald, Rockhampton or Mackay mining drive). • Hard copy file.	☒
Step 13	Update the "Financial Assurance" tab in the project file in EcoTrack (refer to **Attachment 1** for instructions).	☒

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Table 2: Plan of Operations Overview

EA Number	EPML00563313
EA Holder/s	Peabody (Wilkie Creek) Pty Limited
Tenure	ML5908, ML50208, ML50214, ML50215, ML50276, ML55004
Date of most recent approved EM Plan or EMOS (if applicable)	Unknown
Term of Previous Plan of Operations (if replacement)	1 March 2014 – 28 February 2015 (replacement)
Term of Current Plan of Operations (if amendment)	N/A
Term of new Plan of Operations **NOTE: If this is a Plan of Operations amendment, then the period of the Plan cannot be extended (see s.289 of EP Act). Only replacement Plans can change the period.**	1 March 2015 – 28 February 2017
Date Plan of Operations Received by EHP	30 January 2015
Date acknowledgement sent to EA Holder	2 February 2015

Table 3: Plan of Operations Assessment

Question	Answer	Justification / Supporting Information
1. Did the EA Holder submit the Plan of Operations to EHP at least 20 business days prior to a. the date that the operations are proposed to commence? b. the end of the term of the current plan? *Note: Refer to section 287 of EP Act.*	☒Yes ☐No	The EA Holder submitted the replacement PoO via email to the department on 30 January 2015. This is 20 business days before the end of the current plan and the proposed commencement of activities. The applicant has complied with section 287 of the *Environmental Protection Act 1994* (EP Act).

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Question	Answer	Justification / Supporting Information
2. Does the Plan of Operations list any Environmentally Relevant Activities that are not listed in the EA or approval documentation? *Action: Also check the ERAs are listed in EcoTrack.*	☒Yes ☐No ☐N/A – Plan of Operations or EA does not list any ERA's	The EA EPML00563313 lists ERA 13 (Mining black coal) which is subsequently included in the submitted PoO. Additionally the submitted PoO includes a number of prescribed environmentally relevant activities (ERAs) which are relevant to the Macalister Rail Loadout facility (EPPR00556113). These include: • ERA 8(1)(c) Chemical Storage – Dangerous Goods Class 3 or Class 1; and • ERA 50(1)(b) Bulk Material Handling. It should be noted that the following ERA's are listed as associated with the Wilkie Creek Project in the submitted PoO however are not listed on EA EPML00563313 (take issue date 3 December 2014) or in ECOTRACK: • ERA 31(2)(b) Mineral Processing; and • ERA 63(2)(a) Sewage Treatment. **NOTE:** Hiedi Case, Senior Environmental Officer (Toowoomba) who was the previous Project Manager has confirmed that in 2009 the EA EPML00563313 operated under pre-Greentape legislation (Schedule 4). Pre-Greentape legislation required that *Schedule 4 Mining Black Coal* (Aggregate Environmental Score 128) included activities such as mineral processing and sewage treatment. Hiedi further confirmed that ERA 31(2)(b) and ERA 63(2)(a) should **not** be include post-Greentape as the mine is in care and maintenance mode and does not operate using these ERA's. **RECOMMENDATION:** The assessing officer recommends that a letter is sent to the applicant detailing this error in the PoO which includes a request that the next submitted PoO is appropriately amended.
3. Does the mining footprint displayed in the Plan of Operations correlate with that in the EA or approval documentation? This task can be completed by comparing the approval footprint to that within the PoO. *For example: the Plan of Operations should not propose a new Co-disposal area, tailings cells, longwall panels, etc.*	☒Yes ☐No	The proposed mine plan is consistent with that of the mine plan in the previous PoO. The submitted PoO does not include/propose new areas of disturbance.

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Question	Answer	Justification / Supporting Information
unless these have already been approved by the administering authority.		
4. Does the proposed / stated authorised coal production rate (run-of-mine) within the Plan of Operations correlate with that in the EA or approval documentation?	☒Yes ☐No	Action: Notify TL if the ROM rate is not stated as a condition of the EA. The current EA EPML00563313 does not include a prescribed amount of ROM; additionally the PoO does not include ROM. It should be noted that coal will not be mined within the stated term of the PoO (1 March 2015 – 28 February 2017) as Wilkie Creek is currently operating in 'care & maintenance'.
5. Does the Plan of Operations propose for mining operations to disturb Endangered Regional Ecosystems, or other Environmentally Sensitive Areas (including buffers), that are not authorised to be disturbed in the EA or approval documentation?	☐Yes ☒No	It should be noted that coal will not be mined within the stated term of the PoO (1 March 2015 – 28 February 2017) as Wilkie Creek is currently operating in 'care & maintenance'. The PoO does not propose to disturb ERE or ESAs.
6. Does the Plan of Operations refer to any current or proposed amendment applications as being already approved?	☐Yes ☒No	The PoO does not refer to any proposed amendment applications currently being assessed.
7. Does the Plan of Operations include all content requirements as per section 288 of the EP Act? *Action: Complete EHP Checklist EM96.*	☒Yes ☐No	The PoO meets the content requirements as per section 288 of *the Environmental Protection Act 1994*.
Replacement Plan of Operations		
8. Does the Plan of Operations refer to any other approvals that are questionable (in terms of approval status), of which EHP is not the administering authority? *For example: Referring to the construction of a stream diversion (during the term of the Plan of Operations) under the Water Act 2000 that have not been approved by the relevant administering authority.*	☐Yes ☒No ☐Unsure – follow-up required	The PoO does not refer to any other approvals.

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Question	Answer	Justification / Supporting Information
9. Was all forecasted rehabilitation in the previous Plan of Operations undertaken? *For example: the previous Plan of Operations forecasts for 50ha to be seeded, but the new Plan of Operations indicates that only 20ha was seeded during the previous term.*	☒Yes Difference (ha) in forecasted vs actual rehabilitation: ☐No ☐ N/A (only check this if this is not provided in the PoO or FA calculations)	Peabody proposed to undertake 104.07ha of rehabilitation during the previous PoO period. There was 105ha of rehabilitation undertaken in total during the previous PoO period.
10. Was the forecasted significant disturbance in the previous Plan of Operations exceeded? *This is important because if the mine has created more disturbance than forecasted in its previous PoO, there is a high risk that the administering authority holds an insufficient amount of FA* *For example: the previous Plan of Operations forecasts for 1500ha to be significantly disturbed, but the new Plan of Operations indicates that 1700ha was significantly disturbed during the previous term.*	☐Yes Difference (ha) in forecasted vs actual significant disturbance: ☒No ☐ N/A (only check this if this is not provided in the PoO or FA calculations)	Rehabilitation was undertaken during the term of the previous PoO and as such, the levels of disturbance have decreased on site.
11. Where an EA contains reporting requirements for Plans of Operations, have these reporting requirements been adequately met? *For example, a condition may state: "A topsoil inventory which identifies the topsoil requirements for the Coal Mine and availability of suitable topsoil on site must be detailed in the Plan of Operations."*	☒Yes ☐No ☐N/A	All requirements have been met.

Recommendations / Comments

It is recommended that correspondence is sent to the applicant regarding the incorrect inclusion of ERA's in the Plan of Operations. The assessing officer recommends that a letter is sent to the applicant detailing this error in the PoO which includes a request that the next submitted PoO is appropriately amended.

Assessing Officer Name: Bianca Voges-Haug	**Reviewer Name: Wayne Boyd**
Signature: 49-Sch4 - Personal Information	**Signature:** 49-Sch4 - Personal Information
Position: A/Senior Environmental Officer	**Position: Team Leader**
Date: 19 February 2015	**Date: 19 February 2015**

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2.0 EM95 – Checklist (Resource activity): Plan of operations compliance statement

Checklist

Resource activity

Plan of operations compliance statement

This checklist is to be used to determine whether the compliance statement in the plan of operations satisfies the content requirements under the Environmental Protection Act 1994 *(EP Act).*

EA number:	EPML00563313

Indicate whether the compliance statement in the plan of operations addresses the issues listed below.

Criterion	Yes	No
1. Is the compliance statement made by or for the environmental authority (EA) holder?	☒	☐
2. Does the compliance statement state the extent to which the plan complies with the conditions of the EA?	☒	☐
3. Does the compliance statement state whether or not the amount of the financial assurance for the EA has been calculated in the way required by the administering authority?	☒	☐

Recommendation	
After completing the list above, mark which of the following applies:	
a) If all the 'Yes' boxes are marked, the compliance statement is acceptable	☒
b) If any of the 'No' boxes are marked, the compliance statement is not acceptable	☐
Statement of reasons:	
The compliance statement meets the requirements as per section 288 (3) of the *Environmental Protection Act 1994*.	

Assessing officer name: Brianna Ryan	**Date:** 9 February 2015

EM95 • Version 2

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3.0 EM 96 – Checklist (Resource activity): Content of Plan of Operations

Checklist

Environmental authorities for mining activities

Content of Plan of Operations

Environmental Protection Act 1994

EA NO:	EPML00563313

For each question below, indicate whether the Plan of Operations includes or addresses the items listed below.

Issues in plan of operations	Yes	No
1. A description of each relevant mining lease for the environmental authority (EA)	☒	☐
2. A description of the land to which each relevant mining lease applies	☒	☐
3. A description of the land to which the plan applies	☒	☐
4. The period to which the plan applies	☒	☐
5. A site plan or maps of all activities to be carried out on the land	☒	☐
6. An action program for achieving or implementing the environmental protection commitments and control strategies under the submitted EMOS	☒	☐
7. An action program for complying with the conditions of the EA	☒	☐
8. A rehabilitation program for land proposed to be disturbed under each relevant mining tenement	☒	☐
9. Any other matter prescribed under an environmental protection policy or a regulation	☒	☐
10. A proposed amount of financial assurance for the rehabilitation program	☒	☐

Note:

- A Plan of Operations may relate to two or more relevant mining leases.
- The period to which a Plan of Operations applies must not be more than five years.

Recommendation

Tick which of the following applies:

- The content requirements for the Plan of Operations are met ..... ☒
- The content requirements for the Plan of Operations are not met ..... ☐

Statement of reasons:

The PoO meets the content requirements as per section 288 of the *Environmental Protection Act 1994*.

Assessing Officer Name: Brianna Ryan **Date:** 9 February 2015

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EM96 • Version 1

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4.0 EM 1209 – Assessment Report: Decisions relating to the amount and form of financial assurance

Assessment Report

Environmental Protection Act 1994

Decisions relating to the amount and form of financial assurance

This assessment report is used to document decisions and decide the amount and form of financial assurance and made in relation to financial assurance (Sections 294 and 295 of the Environmental Protection Act 1994*(EP Act)); amending the amount or form of, or discharging, financial assurance (Section 302); or where the administering authority is requiring a change to financial assurance (section 306).* ***Note:*** *This report does not need to be completed to decide the amount of financial assurance for small scale mining activities or other activities for which standard conditions prescribe the required amount of financial assurance. Officers must refer to Guideline – Financial Assurance under the Environmental Protection Act 1994- EM1010 when making decisions relating to financial assurance.*

Project name: Wilkie Creek Coal Mine	
Principal applicant: Peabody (Wilkie Creek) Pty Limited	
Joint applicants: N/A	
Agent/service address: 100 Melbourne Street, South Brisbane QLD 4101	
Resource activity or prescribed ERA description: *Schedule 2A activities*: ERA 13 Mining black coal	
Location description: Wilkie Creek Coal Mine – approximately 30km north west of Dalby	
Tenure description: ML5908, ML50208, ML50214, ML50215, ML502476, ML55004.	
ECOTRACK project no: 174842	**Environmental authority no:** EPML00563313
File no: 101/0006904	
Application received date: 30 January 2015	
Application validation date: 9 February 2015	
Decision due date: 20 February 2015	

Application type:

☒ Deciding the amount and form of financial assurance (ss. 294–296 EP Act) - Complete sections 2, 3, 4, 5, 7 and 8.

☐ Amending the amount of financial assurance (s. 302 EP Act) - Complete sections 2, 3, 4, 5, 7 and 8.

☐ Amending the form of financial assurance (s. 302 EP Act) - Complete sections 2, 3, 4, 7 and 8.

☐ Discharging financial assurance (s. 302 EP Act) - Complete sections 2, 3, 4, 6, 7 and 8.

☐ Changing the financial assurance amount (initiated by administering authority) (s. 306 EP Act) - Complete sections 2, 3, 4, 5 (as applicable), 7 and 8.

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Reason(s) for application:

- ☐ New plan of operations
- ☒ Amended or replacement plan of operations
- ☐ New environmental authority with condition requiring financial assurance
- ☐ Change to activity or area of disturbance (where no plan of operations is required)
- ☐ Financial assurance period expired (where no plan of operations is required)
- ☐ Surrender of environmental authority or cessation of small scale mining activity
- ☐ Partial surrender of an environmental authority
- ☐ Transfer of environmental authority or relevant mining tenement to new holder
- ☐ Associated application for certification of progressive rehabilitation
- ☐ Change the form of financial assurance
- ☐ Initiated by Administering Authority
- ☐ Other (please specify):

Background:

Peabody (Wilkie Creek) Pty Ltd on behalf of Wilkie Creek Coal Mine submitted a plan of operations (PoO) for the period 1 March 2015 – 28 February 2017 on 30 January 2015. Peabody (Wilkie Creek) Pty Ltd holds Environmental Authority (EA) EPML00563313 which authorises mining activities on mining leases (ML) ML5908, ML50208, ML50214, ML50215, ML502476 and ML55004.

Peabody (Wilkie Creek) Pty Ltd plan to rehabilitate disturbed areas including E Pit haul road, B Pit dump, eastern terrace, A Pit levee, D Pit South and B Pit / Central Haul Road. Infrastructure will remain on site whilst the mine remains for sale.

Peabody (Wilkie Creek) Pty Ltd has followed the department's Guideline, *Financial assurance under the Environmental Protection Act 1994* (EM1010), in calculating the Financial Assurance (FA), including 5% Monitoring and Maintenance, 10% Project Management and 10% GST and has proposed a total rehabilitation liability amount of $36,483,000.00. The applicant has also applied for FA discounts under the FA Guideline (EM1010) which includes (1) Financial Standing FA Discount (10%) and (2) and waste management (landfill) and certification which, if approved, will decrease the FA requirement to $29,186,400.00.

As part of the department's assessment of this PoO and FA application, the applicant has been requested to provide the background workings of the EHP FA Calculator and also an amendment to the original request for FA discount, which included a request for Progressive Rehabilitation (10%). The applicant was not able to provide the necessary evidence to meet requirements for the Progressive Rehabilitation FA discount, therefore amended their PoO and Compliance Statement to include a request for the Waste Management (Landfill) FA discount on 19 February 2015. These documents have been updated in e-docs.

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Details of financial assurance (FA)

Amount of FA: Amount of financial assurance currently held for the project	$40,249,360.93
Total rehabilitation costs calculated by the applicant	$36,483,000.00
Total rehabilitation costs calculated by department (if different to client calculation)	N/A
Applicable discount (%)	20%
Total amount of FA required to be held, after any discount is applied	**$29,186,400.00**
Adjustment required to existing FA (if applicable)	$11,062,960.93

Period of FA: NOTE – The time period should match any corresponding rehabilitation plan and should generally not be more than five years. **1 March 2015 – 28 February 2017**

Form of FA: NOTE - The form of FA should be a financial institution's undertaking in the form of an unconditional, irrevocable and on demand guarantee. Cash will only be accepted in limited circumstances.

Current form of FA	Bank guarantee
Proposed form of FA	Bank guarantee
Justification for a change to the form of FA (if applicable)	NA

Assessment of the amount of FA

Topic	Details	Assessment
Required information		
For financial assurance calculations submitted as part of a plan of operations: Does the rehabilitation plan provide all of the information required by the applicable departmental guideline for preparing a plan of operations?	The PoO submitted meets the content requirements as per section 288 of the *Environmental Protection Act 1994* as well as the requirements as per the prescribed guideline '*Financial assurance under the Environmental Protection Act 1994*' (EM1010). Additionally on 13 February 2015 the applicant provided the background workings to the EHP FA calculator.	Requirement Met
For all other financial assurance calculations: Has the application form been fully completed and submitted with all of the required information?	N/A	NA
Has a compliance statement been submitted? *NOTE: A compliance statement is required to be submitted with a plan of operations, and may be*	A compliance statemen has been submitted as part of the PoO and complies with section 288(3) of the *Environmental Protection Act 1994*.	Requirement Met

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Topic	Details	Assessment
Required information		
required for applications to amend financial assurance.		
Does the compliance statement and/or declaration on the application form indicate that FA has been calculated in accordance with the Guideline – Financial assurance under the *EP Act*? *NOTE – s. 288 of the EP Act only requires the EA holder to provide a compliance statement, stating whether or not they have calculated FA in accordance with the guideline (i.e. it doesn't actually compel a FA calculation to comply with the information requirements).Not calculating in accordance with the guideline should trigger a thorough assessment of the FA calculation. The Queensland Government has strict requirements around financial policy.*	FA has been calculated in accordance with the guideline, 'Financial Assurance under the *Environmental Protection Act 1994' (EM1010)* as stated in the Compliance Statement which states: *"The amount of the financial assurance for the Project has been calculated in accordance with the DEHP Guideline – "Financial Assurance under the Environmental Protection Act 1994"* (EM1010 Version 2) and section 295(3)(b) of the *Environmental Protection Act 1994."* (Page 106 of the PoO).	Requirement Met
If this assessment relates to a requirement by the administering authority to change FA, has written notice about this requirement been provided to the holder of the environmental authority or small scale mining tenure, and has the stated period for submissions ended?	N/A	N/A
Review of rehabilitation liability		
Has FA been calculated on a project basis? (Briefly describe)	The proponent has calculated FA which covers all activites that are proposed to occur across all of the mining leases The proponent has calculated the FA to be $36,483,000.00 which does not include a performance discount. Wilkie Creek Coal Mine has applied for a 20% discount which includes a 10% discount for sound financial health and a 10% discount for waste management (landfill). Including discounts, the proponent has calculated the FA to be $29,186,400.00.	Requirement Met
Does the application include supporting information to show how FA has been calculated, including, if applicable, exerts	On 13 February 2015 the applicant provided the background workings to the EHP FA calculator. The FA calculations	Requirement Met

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Topic	Details	Assessment
Required information		
from the Department of Environment and Heritage Protection (EHP) FA calculators or the Schedule of Disturbance (available on the department's website)?	submitted include the '*Summary report of financial assurance estimator*' exerpt from the EHP FA calculator. Wilkie Creek Coal Mine have also provided a Schedule of Disturbance and Schedule of Rehabilitation which outlines the approximate areas of rehabilitation and disturbance on site.	
Has the applicant provided details of any change in the areas or types of disturbance?	The applicant has proposed details to decrease the amount of disturbance by rehabilitating disturbed areas. There will be a number of areas on site that will not be rehabilitated during the term of this PoO. This is due to the potential for the coal mine to be purchased by another mining company.	Requirement Met
Do the total rehabilitation costs account for all land that has been, or is proposed to be, significantly disturbed?	The FA proposed by the applicant accounts for all existing disturbance and includes costs of rehabilitation.	Requirement Met
Has the applicant described what rehabilitation work (including specific activities and tasks) is to be carried out, including any infrastructure or services that are to be terminated, decommissioned or removed?	The proponent has detailed the rehabilitation work that is proposed to be undertaken which includes: • Rehabilitation of roads; • Surface water infrastructure; and • Spoil to be graded, recontoured, topsoiled and seeded. Wilkie Creek Coal Mine is proposing to undertake 82.0ha of rehabilitation during 2015 and 31.1ha of rehabilitation during 2016.	Requirement Met
Is the proposed rehabilitation work consistent with any relevant standards or rehabilitation requirements, such as requirements of the environmental authority (e.g. rehabilitation objectives, performance indicators or acceptance criteria specified)? *NOTE: If unconventional, cheaper rehabilitation methods are proposed, the department may require that financial assurance be calculated based on more conservative rehabilitation techniques until the success of alternative rehabilitation techniques is demonstrated (e.g. by site specific trials).*	An Action Program has been submitted with the PoO that details how the rehabilitation works will be undertaken in accordance with the EA conditions.	Requirement Met

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<table>
<tr><th>Topic</th><th>Details</th><th>Assessment</th></tr>
<tr><td colspan="3">Required information</td></tr>
<tr><td>Have unit rehabilitation costs been applied to each type of disturbance reasonable?

NOTE - The assessing officer may refer to the EHP FA calculator or equivalent (e.g. NSW financial assurance calculator) to assist determining whether unit rehabilitation costs are reasonable. If there is a significant discrepancy in costings, the operator should be asked to provide further verification or explanation of estimates (e.g. by providing third party quotes).</td><td>On 13 February 2015 the applicant provided the department with the background workings to the EHP FA calculator following a request on 9 February 2015.

The applicant has primarily utilised the units/rates prescribed within the EHP FA calculator however the assessing officer has identified the following discrepancies from these prices:

<table>
<tr><th>Type</th><th>EHP FA Calculator</th><th>Applicant Proposal</th></tr>
<tr><td>West 3 Void
Purchase and erect warning signs</td><td>$250.00</td><td>$21.87</td></tr>
<tr><td>B Pit
Purchase and erect warning signs</td><td>$250.00</td><td>$21.87</td></tr>
<tr><td>E Pit
Purchase and erect warning signs</td><td>$250.00</td><td>$21.87</td></tr>
</table>
These discrepancies include the purchase and erection of warning signs in West 3 Void, B Pit and E Pit. The applicant has stated that they have recent (January 2015) quotes from MacNellies Workplace Safety in Dalby). The applicant has stated that the invoice for this costing is available on request.

It should be noted that this discrepancy has been approved in other Peabody site PoO's and therefore is approved in this instance due to the availability of invoices.</td><td>Requirement Met</td></tr>
</table>

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Topic	Details	Assessment
Required information		
Is the FA based on the rehabilitation costs for the year in which the maximum liability is incurred within the nominated disturbance period?	The FA is based on the year of maximum liability with the submitted PoO period (1 March 2015 to 28 February 2017), which is stated in the Compliance Statement, as below: "*Based on the current activities and planned areas of disturbance during the term of this Plan the schedule of significant disturbance and associated cost estimates for the calculation of the financial assurance are a realistic estimate for the project and have been calculated using the DEHP Rehabilitation Liability Calculator and maximum disturbance during the Plan period*." (Page 107 PoO)	Requirement Met
Have site-specific, independently certified, third party quotes been provided for the rehabilitation work? *NOTE: The FA guideline requests that rehabilitation costs be based on third party costs and that, if requested, third party quotes be provided with the FA application. Users of the EHP FA calculators must provide third party quotes if they have changed a default rate within the calculator.*	No, the assessing officer has determined that the applicant is not required to submit third party quotes for the rehabilitation work in the EHP FA calculator which differs from the prescribed amounts. The only difference in costings within the background workings of the EHP FA calculator supplied by the applicant is the cost of erecting warning signs. The applicant has stated that the recent (January 2015) quotes from McNellies Workplace Safety are available on request. However it has been noted that these quotes have been previously review and approved in other Peabody sites.	Requirement Met
Is the application dependent on approval of a progressive certification application? Provide details.	N/A - The application is not dependent on approval of progressive rehabilitation.	N/A
Are there any enforcement actions or notices about rehabilitation or past environmental performance which may affect the amount of FA required?	There are no enforcement actions or notices relating to rehabilitation that will affect the required FA. The assessing officer has performed checks on ECOTRACK.	Requirement Met
Do the FA calculations include a project management cost (10% recommended)? *NOTE: The applicant may nominate an alternative amount for this component. If a*	The proponent has included a 10% project management cost in the amount of FA proposed.	Requirement Met

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Topic	Details	Assessment
Required information		
non-recommended value is used, quotes must be attached with the application/information supplied to the department.		
Has the cost of rehabilitation maintenance and monitoring been factored into calculations? *NOTE – An amount equivalent to 5% of the total rehabilitation cost is recommended.*	The proponent has included a 5% maintenance and monitoring cost in the amount of FA proposed.	Requirement Met
If the project produces hazardous contaminants or includes notifiable activities (in relation to contaminated land), the cost of completing a site investigation report to verify that the conditions of the environmental authority have been met must be included in the FA calculations.	The mine includes Notifiable Activities as defined by Schedule 3 of the *Environmental Protection Act 1994*. These include: • 1. Abrasive blasting; • 14. Engine reconditioning work • 24. Mine wastes • 29. Petroleum product or oil storage Page 97 of the PoO states that the costs of an '*Environmental site investigation*' are included in the rehabilitation cost estimate which is reflected in the environmental contingencies section ($4,326,094.28) of the '*Summary Report of Financial Assurance Estimator*'.	Requirement Met
Has 10% goods and services tax (GST) been included in the calculations for all taxable supplies?	The proponent has included a 10% GST cost in the amount of FA proposed.	Requirement Met
Assessment of request for a financial assurance discount (if applicable): Complete Appendix A before answering the following questions		
Has the applicant demonstrated that all mandatory prerequisites for a discount have been met (as required by Appendix B of the Guideline – Financial Assurance under the EP Act)?	1. *FA must be calculated in accordance with Appendix A of the FA Guideline.* Yes, the applicant's calculations were in accordance with the FA guideline (EM1010). 2. *The EA condition must be worded in a way that triggers a recalculation of FA, where there is an increase to the FA as a result of an event or change in circumstance.*	Requirement Met

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Topic	Details	Assessment
Required information		
	Yes, Condition A1 in the applicant's EA (EPML00563313) requires that the FA is calculated as per the departmental FA guideline which includes a recalculation of FA (trigger). 3. *The EA annual fees must be up to date.* Yes, the department has checked that all annual fees for the applicant are up to date on ECOTRACK. 4. *The EA holder must be solvent and not in external administration. Supporting information to provide evidence that the EA holder.* Yes, the applicant has provided a ASIC company search report which identifies that the EA holder is registered and not in external administration or insolvent. 5. *In the previous FA period, the EA holder must have complied with or achieved any historical discount obligations.* The applicant has not previously applied for FA discounts. 6. *In the past 2 years, an EA holder must not have had a relevant compliance action in relation to the following EA conditions:* - *Set limits on disturbance;* - *Limit the release of contaminants to water or land; and* - *Rehabilitation requirements.* There have been no relevant compliance actions in the last two (2) years relating to the above actions.	

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Topic	Details	Assessment
Required information		
Has the applicant demonstrated that all applicable criteria for the discount/s being applied for have been met (as required by Appendix B of the Guideline – Financial Assurance under the EP Act)?	The applicant has demonstrated all applicable criteria for the financial discounts requested ((1) Financial Standing, and (2) Waste Management (Landfill). Further information is provided in Appendix A below.	Requirement Met

Recommendation

It is recommended that the amount and/or form of financial assurance be:

- ☐ **Approved as proposed by the applicant – provide a statement of reasons below**
- ☒ **Approved as proposed by the administering authority – provide a statement of reasons below**
- ☐ **Amended as proposed by the applicant – provide a statement of reasons below**
- ☐ **Amended as proposed by the administering authority – provide a statement of reasons below**
- ☐ **Discharged – provide a statement of reasons below**

OR

It is recommended that the application be:

- ☐ **Refused – provide statement of reasons below**

Statement of reasons

The applicant, Peabody (Wilkie Creek) Pty Ltd (Wilkie Creek Coal Mine), has submitted a replacement Plan of Operations for the period 1 March 2015 – 28 February 2017 on the 30 January 2015.

The applicant has calculated the required amount of FA for the rehabilitation liability using the department's guideline, *Financial Assurance under the Environmental Protection Act 1994* (EM1010) and the EHP FA Calculator. Additionally upon request from the department, the applicant has submitted the background workings to the EHP FA Calculator which have been reviewed by the assessing officer.

The applicant has determined that the total rehabilitation liability equates to $36,483,000.00 before any applicable FA discounts. The applicant has also requested a 20% FA discount which includes (1) Financial Standing and (2) Waste Management (Landfill). The application of these FA discounts would reduce the final rehabilitation liability to $29,186,400.00 (a decrease of $7,296,600.00).

It is recommended that the PoO and associated FA calculations be approved by the department.

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Review and endorsement

Assessing officer		Reviewing officer	
Sign:	49-Sch4 - Personal Information	Sign:	49-Sch4 - Personal Information
Date:	19/02/2015	Date:	19/02/15
Name:	**Bianca Voges-Haug**	Name:	**Wayne Boyd**
Position:	**A/Senior Environmental Officer**	Position:	**Team Leader**

Delegate

Recommendation/s: APPROVED / NOT APPROVED

Sign: 49-Sch4 - Personal Information Date: 19/02/15

Name: **Justin Cagney**

Position: **Manager**

IMPORTANT NOTE: Where applicable, the relevant mining registrar must be copied in the notice of decision on financial assurance.

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Appendix A – Assessment of request for a financial assurance discount

This Appendix should be used when the financial assurance calculation being assessed includes a discount listed in Appendix B of the Guideline – Financial assurance under the Environmental Protection Act 1994 *(EM1010).*

The following assessment report has been designed so that the questions must be answered with the affirmative (yes), or not applicable (N/A) (e.g. where the EA holder has not applied for a specific discount). An answer in the negative (no) will mean that the EA holder does not meet the requirements for a discount.

Mandatory pre-requisites

The following questions relate to Table 1 of Appendix B of the guideline *Financial assurance under the Environmental Protection Act 1994* (EM1010).

Mandatory pre-requisite	**Yes / No**	**Justification**
Has the FA been calculated in accordance with Appendix A of the FA Guideline?	Yes	Yes, the PoO states that FA has been calculated in accordance with the guideline, *Financial Assurance under the Environmental Protection Act 1994.* Additionally the Compliance Statement states: *"In accordance with the DEHP Guideline – 'Financial Assurance under the Environmental Protection Act 1994'(EM1010 Version 2), Peabody (Wilkie Creek) Pty Ltd the holder of EA EPML00563313 meets the mandatory pre-requisites to access the financial assurance discount system."* (Page 107 of the PoO)
Does the EA contain a condition which is worded in a way that triggers a recalculation of FA, where an event or change in circumstance would result in an increase to the amount of FA that is required (e.g. once the discount for the nominated FA period runs out or where the EA no longer meets one or more mandatory pre-requisites or applicable discount criteria)?	Yes	Yes, Condition A3 of EA EPML00563313 states: **'Condition A3 – Financial Assurance** *Prior to the commencement of mining activities under this environmental authority, provide a financial assurance of an amount determined by the administering authority in accordance with the Department of Environment and Resource Management's Guideline – Financial assurance for mining activities, and in a form acceptable to the administering authority.'* '*Prior to the commencement of mining activities*' is interpreted as a trigger regarding the recalculation of FA where new activities occur or before their commencement. Additionally the departmental guideline (*DERM – Financial assurance for mining activities*) includes the requirement for a recalculation of FA where there are changes in circumstances/activities.

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Mandatory pre-requisite	Yes / No	Justification
Are the EA annual fees up to date?	Yes	Annual fees have been paid with the next payment due on 8 April 2015.
Has the EA holder provided supporting information to demonstrate that they are solvent and not in external administration? (e.g. a company search from the ASIC register or equivalent).	Yes	An ASIC report has been provided that states that the company is registered.
In the previous FA period, has the EA holder complied with and achieved any historical discount obligations?	NA	Wilkie Creek Coal Mine did not apply for an FA discount in the previous PoO.
Are you satisfied that the EA holder has not had a *relevant compliance action** in the past 2 years, in relation to any of the below EA conditions? • Conditions that set limits on disturbance; • Conditions that limit the release of contaminants to water or land; or • Conditions around rehabilitation requirements.	Yes	A search of the Wilkie Creek Coal Mine Ecotrack file **did not** result in any of the following compliance actions being discovered: • penalty infringement notices; • environmental protection orders; • transitional environmental programs; • cost recovery notices; • direction notices; or • a proceeding or conviction for an environmental offence or a notice offence.

**relevant compliance action* means, for the relevant environmental authority, the issue or occurrence of:

- 3 or more Penalty Infringement Notices (under the *State Penalties Enforcement Act 1999/ Environmental Protection Act 1994*)
- an environmental protection order
- a Transitional Environmental Program (TEP). Note: voluntary TEPs relating to approved water releases from 2011 floods, where operators are transitioning from Special Agreement Acts or where EA holders are phasing out evaporation dams are an exception to this rule)
- a cost recovery notice (which has not been fully paid and is still is in effect (e.g. not withdrawn)
- a direction notice
- a proceeding or conviction for an environmental offence or a notice offence

Note – the above infringements must be in relation to the nominated conditions in the box above, If not, they do not need to be considered for the purposes of giving a discount.

Financial discount

The following questions relate to Table 2 of Appendix B of the guideline *Financial assurance under the Environmental Protection Act 1994* (EM1010).

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Discount criteria	Yes / No	Justification
Has the EA holder provided the previous year's annual financial statements, which have been audited by a suitably qualified financial auditor? *Note – Suitably qualified financial auditor means someone who is a member of the Institute of Chartered Accountants or Certified Practicing Accountants.*	Yes	Peabody has provided financial statements for the year ending 31 December 2013 for both Peabody Energy Australia Pty Ltd (ABN 93 096 909 410) and Peabody (Wilkie Creek) Pty Limited (ABN 93 007 683 454). Ernst & Young (Andrew Carrick) were contracted by Peabody to undertake an audit of the financial reports. Ernst & Young (ABN 75 288 172 749) is a member of the Institute of Chartered Accounts (Australia).

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Discount criteria	Yes / No	Justification
Do the submitted financial statements: 1. Reflect the last available financial year? 2. Include a Director's Declaration (or Statement) which declares that the entity 'will be able to pay its debts as and when they become due and payable' or equivalent wording?(i) 3. Include an Auditors Statement with a 'declaration of independence'? 4. Include an Auditors Statement with an opinion section that confirms the statements are a 'true and fair view' of the financial position of the company? 5. Include a 'Balance Sheet' (or Statement of Financial Position) with a positive net asset figure (i.e. total assets exceed total liabilities) a positive cash balance figure?(ii) 6. Note whether the statements include either (or both) a Contingency or Provision for environmental rehabilitation?(iii) 7. Note whether anything in the 'Post Balance Date Events' (or 'Subsequent Events') section may create future grounds for review and compliance?(iv) *Note – the financial statements do not necessarily need to be in the name of the EA holder (statements are sometimes prepared at a global level such as the parent company). If the names differ, this strengthens the need for the Statutory Declaration to be signed by the Director, POA or Trustee. See below.*	Yes Yes Yes Yes Yes Yes Yes	Yes, the following has been included in the submitted financial statements ('*Special Purpose Financial Reports*'): 1. The financial statements provided are for the period ending 31 December 2013 for both Peabody (Wilkie Creek) Pty Limited as the subsidiary and for Peabody Energy Australia Pty Ltd as the holding company; 2. The Director's Declaration for Peabody Energy Australia Pty Ltd (at page 147 of the PoO) states that '*there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable*' (A. Schwetz, 28 April 2014); a) The Director's Declaration for Peabody (Wilkie Creek) Pty Limited (at page 172 of the PoO) states that '*subject to Note 1(a) Going concern basis, there are reasonable grounds to believe that the Company will be able to pay its debts as and why they become due and payable*' (G Harvey, 23 April 2014). As the subsidiary company to Peabody Energy Australia, it is recognised that the holding company will ensure all liabilities are paid. 3. Declarations of Independence to the Directors of Peabody Energy Australia Pty Ltd and Peabody (Wilkie Creek) Pty Limited have been provided to the department which has been certified by the auditor (Ernst & Young); 4. The Opinion section of the Auditor's Statement states that a true and fair view of the company's financial position as at 31 December 2013(both holding and subsidiary companies) and of its performance for the year ended on that date; 5. Peabody Energy Australia Pty Ltd has a positive net asset figure of $1,652,285,000.00. 6. The Financial Statements notes include a Provision for Rehabilitation and Restoration Costs; and 7. The auditor has included information stating that there is significant uncertainty regarding Peabody (Wilkie Creek) Pty Limited's continuation as a going concern due to closing options at the site.

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Discount criteria	Yes / No	Justification
Has the EA holder submitted a signed (by a Director, Trustee or Power of Attorney (POA)) and unaltered copy of the EHP Declaration template (EM1266)? • If signed by a POA, is a copy of the POA certification attached?[v]	Yes	The applicant has provided a '*Declaration for Application for Financial Discount on Financial Assurance*' for Peabody (Wilkie Creek) Pty Ltd (ABN 93 007 683 454). This Statutory Declaration was made my Geoff Harvey, Director, on 28 January 2015 and signed by a Justice of the Peace. This Statutory Declaration is a written statement of facts that is declared under the *Oaths Act 1867*.

i. *International Statements are less likely to include the 'due and payable' wording but should include equivalent statements about the ongoing viability of the operation. If the full annual report is submitted, these equivalent statements may occur outside of the financial statement itself.*

ii. *This observation will become more relevant as a basis for comparison when doing compliance in Year 2.*

iii. *The statement may refer to one or both of these. Don't worry about the quantum. Look at the Current Liabilities part of the "balance sheet' as well as the Notes section at the back of the document. This observation will become more relevant as a basis for comparison when doing compliance/comparing against statements in future years.*

iv. *This is a compulsory disclosure of any events which may affect the next financial year. The purpose of noting this is as a 'flag' for future compliance – the response shouldn't affect eligibility for a discount.*

v. *The financial statements do not need to be in the name of the EA holder (statements are sometimes prepared at a global level such as the parent company). If not, this strengthens the need for the Statutory Declaration to be signed by the Director, POA or Trustee.*

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Waste management discount

The following questions relate to Table 4 of Appendix B of the guideline *Financial assurance under the Environmental Protection Act 1994* (EM1010).

Note: Reducing waste already disposed in storage can be counted (e.g. harvesting from/mining an existing landfill/waste rock dump to extract reusable/recyclable products). Disposal offsite (i.e. not for reuse/recycling) at a waste disposal facility will not qualify as a measure. All measures will need to have been approved on the EA or on a BUA and already be in operation to receive the discount.

Discount criteria (low risk)	**Yes / No**	**Justification**
Does the EA holder have a non-mining EA: • that has been approved via a standard or variation application (or a conversion application); and • for which the eligibility criteria and standard conditions in regard to *high risk storage activities** have not been amended? *Note – this category is applicable to those activities that have published eligibility criteria and standard conditions (e.g. petroleum exploration, petroleum pipelines).*	No	The applicant does not have a non-mining EA and has not therefore requested this discount.
Discount criteria (high risk)	**Yes / No**	**Justification**
Has the EA holder demonstrated that they have undertaken measures which have reduced (for each year in the previous FA period) annual waste disposal* by the minimum amount specified below (as relevant to the type of waste being disposed)? *Note – must be for waste which would otherwise have been stored onsite in a high risk storage activity.*	Yes	Yes, the applicant has demonstrated that they have undertaken measures to reduce (for each year in the previous PoO period) annual waste (landfill) by more than the minimum amount (30% as per the FA Guideline). The applicant has provided a detailed spreadsheet which demonstrates what type of waste, the quantity in tonnes, whether it was recycled or normal waste and who the service provided was. The spreadsheet has demonstrated that the applicant has recycled 32.95% of total waste (717.4 tonnes) which meets the requirements of the FA discount (Appendix B, Table 4).

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10% of waste rock (e.g. the waste rock was used to backfill an open cut or underground void)?	N/A	N/A
10% of brine waste water (e.g. the brine waste water was injected into a deep geological storage formation)?	N/A	N/A
20% of tailings waste (e.g. the tailings were thickened and used to backfill an open cut or underground void)?	N/A	N/A
30% of landfill waste (e.g. the landfill waste was sorted with 30% found as recyclable material)?	Yes	The applicant has submitted data which demonstrates that more than 30% of the total landfill waste is recyclable material (32.95% of 717.4 tonnes). Furthermore the spreadsheet details what type of waste, the quantity in tonnes, whether it was recycled or normal waste and who the service provider was i.e. JJ Richards a/c # 02010908. Additionally the submitted Compliance Statement, signed by Craig Lockhart on 19 February 2015, states: *'In the previous financial assurance period, Peabody Wilkie Creek achieved the performance outcome of 30% reduction in landfill waste. A total of 717.4t of waste was removed offsite from the mine, with 236.4t recycled by a licenced waste contractor. This equates to 32.95% of the total mine produced waste being recycled by a waste provider.'* The applicant has therefore met all requirements as per the FA Guideline (Appendix B, Table 4).
50% of waste water (e.g. the waste water was re-injected into an aquifer)?	N/A	N/A

**high risk storage activities* are waste rock dumps, tailings storage facilities, regulated dams and landfill sites.

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Summary of discount

After assessment of the information provided and of your knowledge of the environmental authority in question, outline the discounts you authorise for the financial assurance (10% per discount for a maximum of 30%).

Discount type	Discount percentage
Financial standing	10%
Waste Management (Landfill)	10%
Total discount	**20%** / 30%

Summary of reasons

It is recommended that the application for a 20% discount on FA for the financial standing discount and the waste management (landfill) discount be approved as the application does meets the requirements of the guideline, *Financial Assurance under the Environmental Protection Act 1994*. This is based on the following reasons:

1. The applicant has demonstrated that all mandatory pre-requisites have been met including:
    - FA has been calculated in accordance with the FA guideline;
    - The EA condition refers to the FA guideline which triggers a recalculation of FA;
    - All annual fees are up to date;
    - The EA holder provided an ASIC search that demonstrated the company is registered; and
    - The proponent has had no compliance actions in the past two years.
2. The applicant has demonstrated that all applicable criteria for the Financial Standing discount have been met. The applicant has provided:
    - The previous year's annual financial statements, which have been audited by a suitably qualified financial auditor; and
    - ASIC company search results; and
    - Statutory Declaration.
3. The applicant has demonstrated that all applicable criteria for the Waste Management (Landfill) discount have been met. The applicant has provided:
    - Evidence of more than a 30% recyclable material resulting from removing landfill waste offsite to registered recycling centres.

Based on the above information, it is recommended that the FA discount of 20% for (1) Financial Standing and (2) Waste Management (Landfill) be approved by the department. The total rehabilitation liability for Wilkie Creek has been calculated at $36,483,000.00. The application of the requested FA discounts (20%) brings the final total rehabilitation liability to **$29,186,400.00**.

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Notice

Environmental Protection Act 1994

Decision on amount and form of financial assurance

This notice is issued by the administering authority[1], pursuant to section 296 of the Environmental Protection Act 1994 to advise the holder of an environmental authority of the decision on the amount and form of financial assurance imposed on the environmental authority.

Chief Executive Officer
Peabody (Wilkie Creek) Pty Ltd
Level 13, 259 Queen Street
BRISBANE QLD 4000

CC:Mining Registrar
Department of Natural Resources and Mines
PO Box 3679
Red Hill QLD 4701

Paul Kahler
Senior Environmental Advisor
Peabody Wilkie Creek Pty Ltd
PO Box 646
DALBY, QLD 4405

Attention: Mr Paul Kahler

Decision on the amount and form of financial assurance.

1. **Application details**

   Replacement plan of operations for ML50215, ML50215, ML50214, ML50214, ML50208, ML5908, ML50276 and ML55004 for the Wilkie Creek coal mine submitted to the Department of Environment and Heritage Protection (the department) on 20 January 2014.

2. **Environmental authority details**

   Environmental authority number EPML00563313 dated 15 December 2011 issued to Peabody (Wilkie Creek) Pty Ltd.

   Property/location description(s): ML50215, ML50215, ML50214, ML50214, ML50208, ML5908, ML50276 and ML55004.

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[1] The Department of Environment and Heritage Protection is the administering authority under the *Environmental Protection Act 1994*.

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3. **Decision**

The administering authority has decided that the amount of financial assurance to be paid is $40,249,360.93 in the form of Bank Guarantee.

The pro-forma for a bank guarantee for financial assurance is available for download from the department's website at: www.ehp.qld.gov.au.

Further requirements regarding the calculation of financial assurance

In addition, the department notes the findings in the compliance statement prepared by PW Baker and Associates Pty Ltd with regards to financial assurance calculations. Specifically, the compliance statement raised concerns with the amount of financial assurance calculated for capping and rehabilitating tailings dams, stabilising final voids and spoil dumps. With regards to capping and rehabilitating decommissioned tailings dams, it is the departments understanding that Peabody (Wilkie Creek) Pty Ltd (PWC) will provide further guidance by the end of 1st quarter 2014 as to the capping methodology for tailings dams. Based on the final capping methodology the expectation is that PWC will review financial assurance calculations to ensure the amount financial assurance held reflects the true cost of capping and rehabilitating tailings dams. Further, it is requested that PWC address the uncertainty around void rehabilitation and stabilisation costs (including where necessary undertaking geotechnical assessments), spoil rehabilitation costs and costs associated with retreatment of partially rehabilitated areas i.e. terraced areas. To this end, please provide a timeframe for updating the rehabilitation cost calculations for residual voids, spoil dumps and where necessary retreating partially rehabilitated areas.

As recommended in the compliance statement, the department also supports the development of a mine closure plan to ensure the timely rehabilitation of disturbed areas.

4. **Grounds for the decision**

- On 20 January 2014 Peabody (Wilkie Creek) Pty Ltd lodged with the administering authority a replacement plan of operations. The term of the plan is 1 year from 28 February 2014 to 1 March 2015 and replaces the current plan which expires 1 March 2014.
- Pursuant to section 295(1) of the *Environmental Protection Act 1994* the administering authority must decide the amount and form of financial assurance required under a condition of an environmental authority.
- The administering authority decided to accept the amount of financial assurance after having regard to the regulatory requirements and the criteria stated in the administering authority's guideline 'Financial assurance under the *Environmental Protection Act 1994*'.
- The guideline 'Financial assurance under the *Environmental Protection Act 1994*' states "Department policy requires FA (financial assurance) to be a financial institution's undertaking in the form of an unconditional, irrevocable and on demand guarantee".

5. **Review and appeal rights**

You may apply to the administering authority for a review of this decision within 10 business days after receiving this notice. You may also appeal against this decision to the Land Court. Information about your review and appeal rights is attached to this notice. This information is guidance only and you may have other legal rights and obligations.

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6. **Lodgement of financial assurance**

The required financial assurance must be lodged with the Department of Natural Resources and Mines (DNRM). Please contact the Mining Registrar DNRM for assistance with lodgement of the financial assurance.

IMPORTANT NOTE: The required financial assurance must be lodged before activities are carried out, or allowed to be carried out, under the environmental authority. Failure to comply with this requirement may attract a fine or result in the cancellation or suspension of your environmental authority.

49-Sch4 - Personal Information

Signature

7.02.2014.

Date

Sarah Horton
Department of Environment and Heritage Protection
Delegate of the administering authority
Environmental Protection Act 1994

Enquiries:
Heidi Case
Department of Environment and Heritage Protection
PO Box 731 TOOWOOMBA QLD 4350
Phone: (07) 4699 4306
Fax: (07) 4699 4399
Email: heidi.case@ehp.qld.gov.au

Attachments

Information sheet: Internal review and appeal to Land Court (EM1157)

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Assessment report

Environmental Protection Act 1994

Decisions relating to the amount and form of financial assurance

This assessment report is for documenting decisions made in relation to financial assurance. It should be used for deciding the amount and form of financial assurance (Sections 294 and 295 of the Environmental Protection Act 1994); amending the amount or form of, or discharging, financial assurance (Section 302); or where the administering authority is requiring a change to financial assurance (section 306). ***Note:*** *This report does not need to be completed to decide the amount of financial assurance for small scale mining activities or other activities for which standard conditions prescribe the required amount of financial assurance. Officers must refer to Guideline – Financial Assurance under the Environmental Protection Act 1994- EM1010 when making decisions relating to financial assurance.*

Project Name: Peabody Wilkie Creek Coal Mine	
Principal Applicant: Peabody (Wilkie Creek) Pty Ltd	
Joint Applicants: NA	
Agent/ Service Address: PO BOX 646 DALBY QLD 4405	
Resource activity or prescribed ERA description: Mining Black Coal	
Location Description: NA	
Tenure description: ML50215, ML50214, ML50208, ML50908, ML50275 and ML55004	
ECOTRACK project no: <insert>	**Environmental authority no:** EPML00563313
File no: SWR/090576	
Application received date: 20 January 2014	
Application validation date: 20 January 2014	
Decision due date: 11 February 2014	

1 Application type:

☐ Deciding the amount and form of financial assurance (ss. 294–296 EP Act) - Complete sections 2, 3, 4, 5, 7 and 8.

☒ Amending the amount of financial assurance (s. 302 EP Act) - Complete sections 2, 3, 4, 5, 7 and 8.

☐ Amending the form of financial assurance (s. 302 EP Act) - Complete sections 2, 3, 4, 7 and 8.

☐ Discharging financial assurance (s. 302 EP Act) - Complete sections 2, 3, 4, 6, 7 and 8.

☐ Changing the financial assurance amount (initiated by administering authority) (s. 306 EP Act) - Complete sections 2, 3, 4, 5 (as applicable), 7 and 8.

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Queensland Government

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2 Reason(s) for application:

☐ New Plan of Operations

☒ Amended or replacement Plan of Operations

☐ New environmental authority with condition requiring financial assurance

☐ Change to activity or area of disturbance (where no Plan of Operations is required)

☐ Surrender of environmental authority or cessation of small scale mining activity

☐ Partial surrender of an environmental authority

☐ Transfer of environmental authority or relevant mining tenement to new holder

☐ Associated application for certification of progressive rehabilitation

☐ Client wishes to change the form of financial assurance

☐ Initiated by Administering Authority

☐ Other (please specify):

<INSERT DETAILS>

3 Background:

The Project operates as a conventional open-cut operation with the removal of overburden and coal by excavators, loaders, trucks and dozers. Blasting is infrequently required during mining, and apart from the initial box-cut, overburden spoil is generally returned to within the mined out open-cut areas.
In December 2013, PWC advised that the mine was entering care and maintenance.

4 Details of financial assurance (FA)

Amount of FA: Amount of financial assurance currently held for the project	$33,295,508.96
Required amount of FA calculated by client, excluding discount	$40249360.93
Required amount of FA calculated by department (if different to client calculation), excluding discount	$40249360.93
Applicable discount (%)	NA
Total amount of FA required to be held, after any discount is applied	$40249360.93
Adjustment required to existing FA (if applicable)	$0

Period of FA: *NOTE – The time period should match any corresponding rehabilitation plan and should generally not be more than 5 years.* <insert proposed/actual FA period>

Form of FA: *NOTE - The form of FA should be a financial institution's undertaking in the form of an unconditional, irrevocable and on demand guarantee. Cash will only be accepted in limited circumstances.*

Current form of FA	Bank Guarantee
Proposed form of FA	Bank Guarantee
Justification for a change to the form of FA (if applicable)	NA

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5 Assessment of the amount of FA

Topic	Details
Required information	
For financial assurance calculations submitted as part of a Plan of Operations: Does the rehabilitation plan provide all of the information required by the applicable departmental guideline for preparing a Plan of Operations?	Yes.
For all other financial assurance calculations: Has the application form been fully completed and submitted with all of the required information?	Yes.
Has a compliance statement been submitted? *NOTE: A compliance statement is required to be submitted with a Plan of Operations, and may be required for applications to amend financial assurance.*	PW Baker and Associates Pty Ltd completed the compliance statement for the plan of operations.
Does the compliance statement and/or declaration on the application form indicate that FA has been calculated in accordance with the Guideline – *Financial assurance under the Environmental Protection Act 1994*? *NOTE – s. 288 of the EP Act only requires the EA holder to provide a compliance statement, stating whether or not they have calculated FA in accordance with the guideline (i.e. it doesn't actually compel a FA calculation to comply with the information requirements).*	Yes.
If this assessment relates to a requirement by the administering authority to change FA, has written notice about this requirement been provided to the holder of the environmental authority or small scale mining tenure, and has the stated period for submissions ended?	Na.
Review of rehabilitation liability	
Has FA been calculated on a project basis? (Briefly describe)	The Plan of Operations (PoO) is for ML50215, ML50214, ML50208, ML5908, ML50276 and ML55004 pertaining to Environmental Authority (EA) EPML00563313.
Does the application include supporting information to show how FA has been calculated, including, if applicable, the Schedule of Disturbance (available on the department's	Yes. The applicant has provided detailed maps showing existing disturbance and the calculations

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website)?	are based on third party costs.
Has the applicant provided details of any change in the areas or types of disturbance?	Yes.
Do the total rehabilitation costs account for all land that has been, or is proposed to be, significantly disturbed?	Yes.
Has the applicant described what rehabilitation work (including specific activities and tasks) is to be carried out, including any infrastructure or services that are to be terminated, decommissioned or removed?	The rehabilitation detail is contained in the site FLURP.
Is the proposed rehabilitation work consistent with any relevant standards or rehabilitation requirements, such as requirements of the environmental authority (e.g. rehabilitation objectives, performance indicators or acceptance criteria specified)?	The department has previously reviewed PWC's FLURP for consistency with departmental guidelines. A revised FLURP will be provided to the department in 2014.
Are the unit rehabilitation costs that have been applied to each type of disturbance reasonable? *NOTE - The assessing officer may refer to the department's financial assurance calculator or equivalent (e.g. NSW financial assurance calculator) to assist determine whether unit rehabilitation costs are reasonable. If there is a significant discrepancy in costings, the operator should be asked to provide further verification or explanation of estimates.*	The rehabilitation costs per ha have been developed by a third party and reviewed by PW Baker and Associates. Further clarification is required regarding rehabilitation costs for final voids and tailings dams. The department has requested for detail regarding how these costs were calculated.
Is the FA based on the rehabilitation costs for the year in which the maximum liability is incurred within the nominated disturbance period?	The maximum disturbance liability has been calculated for the 2014 period, after the 2014 period the area of disturbance will decrease as rehabilitation rates increase and no new disturbance is created.
Have site-specific, independently certified, third party quotes been provided for the rehabilitation work? *NOTE: The Department's Financial Assurance Guideline requests that third party quotes be provided for rehabilitation work.*	The rehabilitation rate has been determined using a rate review undertaken by PW Baker during April 2010. The rates were first applied to the 2011 Plan of Operations. Since this time, the rates have been increased annually by the CPI rate. In addition, a further CPI rate is applied to the FA to account for any increases during the Plan period.
Is the application dependent on approval of a progressive certification application? Provide details.	No.
Are there any enforcement actions or notices about rehabilitation or past environmental performance which may affect the amount of FA required?	No.
Do the FA calculations include a project management cost (10% recommended)?	Yes.

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NOTE: The EA holder may nominate an alternative amount for this component. If a non-recommended value is used, quotes must be attached with the application/information supplied to the department.	
Has the cost of rehabilitation maintenance and monitoring been factored into calculations? *NOTE - An amount equivalent to 5% of the total rehabilitation cost is recommended.*	Yes.
If the project produces hazardous contaminants or includes notifiable activities (in relation to contaminated land), the cost of completing a site investigation report to verify that the conditions of the environmental authority have been met must be included in the FA calculations.	The monitoring and reporting costs include provisions for any site investigations required.
Do the FA calculations include a 3% adjustment for inflation compounded to the year of maximum disturbance (if FA applies for more than 1 year)?	Yes.
Has 10% goods and services tax (GST) been included in the calculations for all taxable supplies?	Yes
Assessment of discount category (if applicable):	
Has a discount in accordance with Appendix C of the guideline (EM1010) been applied for? If yes, briefly describe.	No.
Has the applicant demonstrated that all prerequisites for a discount as required by Appendix C of the Guideline – Financial Assurance under the *Environmental Protection Act 1994,* can be met?	Na.

6 Recommendation

It is recommended that the amount and/or form of financial assurance be:

☒ **Approved as proposed by the applicant – provide a statement of reasons below**

☐ **Approved as proposed by the administering authority – provide a statement of reasons below**

☐ **Amended as proposed by the applicant – provide a statement of reasons below**

☐ **Amended as proposed by the administering authority – provide a statement of reasons below**

☐ **Discharged – provide a statement of reasons below**

OR

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It is recommended that the application be:

☐ **Refused – provide statement of reasons below**

Statement of reasons

The amount of financial assurance proposed is consistent with the requirements of *the Environmental Protection Act 1994* and *Environmental Protection Regulations 2008.*

7 Review and endorsement

Assessing officer		**Reviewing officer**	
Sign:	49-Sch4 - Personal Information	Sign:	49-Sch4 - Personal Information
Date:	7/2/14	Date:	7.02.2014
Name:	Heidi Cook	Name:	Sarah Horton
Position:	Snr Env officer	Position:	Managers

Delegate

Recommendation/s: APPROVED / NOT APPROVED

Sign: 49-Sch4 - Personal Information Date: 7.02.2014

Name: Sarah Horton

Position: Managers.

IMPORTANT NOTE: Where applicable, the relevant mining registrar must be copied in the notice of decision on financial assurance.

Assessment Report on Plan of Operations and under Part 12, Division 1 of the *Environmental Protection Act 1994*

Applicant Name	:	Peabody (Wilkie Creek) Pty Ltd
Project Name	:	Wilkie Creek Coal Mine
Tenure Number	:	ML50215, ML50214, ML50208, ML50908, ML50275 and ML55004.
EA Number	:	EPML00563313
PoO Date	:	1 March 2014 to 28 February 2015
File Number	:	SWR/090576 (pt 6)

S.288 Requirements for plan of operations

(1) A plan of operations must—

(a) describe the following—

(i) each relevant lease for the environmental authority;
(ii) the land to which each relevant lease applies;
(iii) the land to which the plan applies; and

The plan of operations provided a detailed description of mining leases and underlying property details. The plan of operations cover ML50215, ML50214, ML50208, ML50908, ML50275 and ML55004.

*(b) state the period to which the plan applies (the **plan period**); and*

The period of the plan of operations is 1 year.

(c) include the following—

(i) a plan showing where all activities are to be carried out on the land;
(ii) an action program for complying with the conditions of the environmental authority;
(iii) a rehabilitation program for land disturbed or proposed to be disturbed under each relevant lease;
(iv) another matter prescribed under an environmental protection policy or a regulation; and

The plan of operations includes a plan detailing activities carried out on the mining lease (including disturbance), an action plan to comply with the conditions of environmental authority EPML00563313 and includes a rehabilitation program for the disturbed land.

(d) be accompanied by a compliance statement for the plan; and

PW Baker and Associates Pty Ltd completed the compliance statement for the plan of operations.

(e) be accompanied by the fee prescribed under a regulation.

No fee.

(2) A rehabilitation program under subsection (1)(c)(iii) must state a proposed amount of financial assurance for the environmental authority for the plan period.

PWC have proposed a total of $40249360.93 to be held as financial assurance against the mining project.

(3) A compliance statement under subsection (1)(d) must—

(a) be made by or for the environmental authority holder; and
(b) state the extent to which the plan complies with the conditions of the environmental authority; and
(c) state whether or not the amount of the financial assurance for the environmental authority has been calculated in accordance with the guideline under section 295(3)(b).

PW Baker and Associates have provided a compliance statement that meets the requirements of s.288(3).

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(4) The plan period can not be more than 5 years.
The period of the plan of operations is 1 year.

(5) A plan of operations may relate to 1 or more relevant leases.
The Plan of Operations (PoO) is for ML50215, ML50214, ML50208, ML5908, ML50276 and ML55004 pertaining to Environmental Authority (EA) EPML00563313.

B. Calculation of the Gross Financial Assurance Liability

Assessment of the FA calculation with respect to EHP Guideline – Calculating financial assurance for mining projects (Version 2 – 2012)

The proposed amount of FA for a mining lease project must:	Notes
• Be calculated on a project basis	FA has been calculated for the whole Wilkie Creek Project.
• Be based on estimates for the works to be completed by 3rd party contractors	The rehabilitation rate has been determined using a rate review undertaken by PW Baker during April 2010. The rates were first applied to the 2011 Plan of Operations. Since this time, the rates have been increased annually by the CPI rate. In addition, a further CPI rate is applied to the FA to account for any increases during the Plan period.
• Be estimated using a schedule of disturbance and rehabilitation in accordance with the format presented in appendix A	Table 9: Summary of Disturbance and Costs for 2014-2015 Plan of Operations period, is in accordance with Appendix A.
• The total rehab cost must be calculated using a unit rehabilitation cost times the area of disturbance	PWC have calculated rehab costs based on unit rehabilitation costs times the area of disturbance.
• If project includes hazardous contaminants the cost of completing site investigation report to verify that the EA conditions have been met must be included in the FA calculations	PWC have hazardous contaminants but have not included the cost of completing a site investigation report to verify that the EA conditions have been met.
• Consumer price index if PoO period is more than 1 Year – (inflation calculated at the rate of 3%)	CPI has been calculated at $1131398.32
• GST	$3337570.67
• Maintenance and monitoring 10% of the total rehabilitation costs (L2 and L1 exploration and MDL's) • Maintenance and monitoring 2% of the total rehabilitation costs (L1)	$1589319.37
• FA calculated by Client	$40249360.93
• Third party quotes provided and verified	The rates used were the same as calculated for the original plan.
• Resultant total/gross rehabilitation liability (proposed total undiscounted FA) – provide justification for proposed FA – notes below	$40249360.93

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Rehabilitation Liability (Financial Assurance) Assessment

PWC have not applied for a discount category and the auditor has indicated that PWC are not eligible for a discount.

RECOMMENDATION:
It is recommended that:

a) the Plan of Operations be accepted as meeting the content requirements under s234 of the *Environmental Protection Act 1994*.

the gross financial liability be set at $40249360.93

b) the discount category be allocated at Category 1 2 3 **4**

Endorsement:

Assessing Officer: Heidi Case	**Manager** Sarah Horton
Signed: 49-Sch4 - Personal Information	Signed: 49-Sch4 - Personal Information
Date: 7.2.14	Date: 7.02.2014

Plan of Operations and Financial Assurance Checklist

EA NUMBER: MIN100580907
MINING LEASE NUMBER(S): ML50215, ML50214, ML50208, ML50908, ML50275 and ML55004.
EA APPLICANT/HOLDER: Peabody (Wilkie Creek) Pty Limited (PWC)

A. Assessment of the content of the plan of operations

Part 7 - Plan of operations for environmental authority (mining lease)

232 Application of pt 7

This part applies to an environmental authority (mining lease).

233 Plan of operations required before acting under relevant mining lease

(1) The environmental authority holder must not carry out, or allow the carrying out, of an activity under a relevant mining lease unless—

(a) a plan of operations for all relevant mining activities has been submitted to the administering authority; and

Notes: PWC's PoO was received by the department on 29 February 2012.

(b) at least 28 days, or a shorter period agreed in writing by the administering authority, have passed since the plan was submitted; and

Notes: PWC requested a shorter period under the EP Act, DERM has agreed to the shorter period to assess the replacement plan.

(c) the plan complies with section 234; and

Notes: See below

(d) the carrying out of the activity is—

(i) consistent with the plan; and

(ii) done in a period to which the plan applies.

Maximum penalty—100 penalty units.

Notes:

1) *FA has been calculated in the amount and form required by the administering authority and in accordance with the 'Guideline - Calculating financial assurance for mining projects' approved on 23 April 2010.*
2) *The plan appears consistent with mining activities on site.*

(2) In this section—

plan of operations, for a mining lease, includes any plan of operations submitted to the administering authority for a proposed mining lease substantially the same as the mining lease.

234 Content requirements

(1) A plan of operations must—

(a) be in the approved form; and

Notes: The PoO is in the approved form and accompanied by the correct replacement of PoO form.

(b) describe the following—

(i) each relevant mining lease for the environmental authority;

Notes: Refer to Table 1 of the PoO.

(ii) the land to which each relevant mining lease applies;

Notes: Refer to Table 2 of the PoO.

(iii) the land to which the plan applies; and

Notes: Refer to Figures 1, 2 & 3 of the PoO. The Wilkie Creek Coal Mine is located within the Western Downs Regional Council area, approximately 40 kilometres (km) west of Dalby in South-East Queensland (Figure 1). The Project is an existing operation with an accepted Environmental Management Plan (EM Plan).

The area is sparsely populated and is typified by large land holdings to the east where the land use is predominantly agricultural. Cotton, wheat, sorghum, barley and soy-beans are grown, and some intensive animal farming is also carried out in the area. Large portions of the Project site and the land to the west of the Project are dominated by cypress forests. Commercial forestry and logging operations have occurred in these areas in the recent past.

A considerable body of work has been produced for the Project site over the years that have formed the basis of the Environmental Management Strategy (EMOS), the subsequent upgrade to the Environmental Management Plan (EM Plan) and various Plan of Operations.

(c) state the period to which the plan applies (the ***plan period***); and

Notes: This Plan covers a one year term from 1 March 2012 to 28 February 2013.

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(d) include the following—

(i) a plan showing where all activities are to be carried out on the land;

Notes: Refer to Figure 4, 5 and 5A which are maps of the project area and the categories of disturbance. Section 2.7.1 outlines the activities that will occur on site.

(ii) an action program for—

(A) if there is a submitted EM plan for the environmental authority—achieving or implementing the environmental protection commitments and control strategies under the plan; and

Notes: Refer to Table 7.

(B) complying with the conditions of the environmental authority;

Notes: Refer to Table 7.

(iii) a rehabilitation program for land disturbed or proposed to be disturbed under each relevant mining lease;

Notes: Section 4.1 outlines a rehabilitation program for disturbed land.

(iv) another matter prescribed under an environmental protection policy or a regulation; and

Notes: -

(e) be accompanied by—

(i) an audit statement for the plan; and

Notes: The PoO is accompanied by an audit statement.

(ii) the fee prescribed under a regulation.

Notes: There is no prescribed fee under a regulation for a PoO.

(2) The rehabilitation program must state a proposed amount of financial assurance for the plan period.

Notes: The rehabilitation program proposes $31,200,090 of FA for the plan period.

(3) The audit statement must—

(a) be made by or for the environmental authority holder; and

Notes: PW Baker and Associates has supplied an audit statement for the EA holder.

(b) state the extent to which the plan complies with the conditions of the environmental authority; and

Notes: The auditor states "I confirm that the documentation and evidence demonstrates that the Plan of Operations upon implementation will allow for compliance with relevant requirements including in the EM Plan. Environmental compliance targets have been set and are presented in the Plan of Operations."

(c) state whether or not the amount of the financial assurance for the environmental authority has been calculated in the way decided by the administering authority under section 364(3).

Notes: The auditor states "I have checked the calculation of the FA and confirm that the Net FA is $31,200,090."

(4) The plan period must not be more than 5 years.

Notes: The Plan covers a one year term from 1 March 2012 to 28 February 2013, as the plan is a replacement of the previous PoO. The plan will allow for the continuation of the current operations within the Project area, including the expansion of the mine pit to E pit to continue coal extraction.

(5) A plan of operations may relate to 1 or more relevant mining leases.

Notes: Current Wilkie Creek Project MLs

ML Number	Tenement Name	Expiry Date	Area (ha)
ML 5908	Wilkie Creek 1	30th April 2015	599.1
ML 50208	Wilkie Creek North	31st January 2014	234.9
ML 50214	Wilkie North Extension	31st August 2022	12.94
ML 50215	Wilkie Creek South Extension	31st August 2022	281.02
ML50276	Back Creek	29 February 2024	365.7
ML55004	Back Creek	29 February 2024	3.8

235 Amending or replacing plan

(1) This section applies if the environmental authority holder has submitted a plan of operations (the ***original plan***) and the plan period for the plan under section 234 has not ended.

Notes: Mine Lease Application (MLA50276 and ML55004) was lodged on 12 May 2011 which was assessed and granted by DEEDI on 16 February 2012 and becomes current on 1 March 2012. This PoO is a replacement plan.

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B. Calculation of the Gross Financial Assurance Liability

Assessment of the FA calculation with respect to DERM Guideline *"Calculating financial assurance for mining projects" (April 2010)*

The proposed amount of FA for a mining lease project must:	Notes
• Be calculated on a project basis	FA has been calculated for the whole Wilkie Creek Project.
• Be based on estimates for the works to be completed by 3rd party contractors	PW Baker & Associates Pty Ltd (Environmental Consulting – Mining, Energy and Land Development) were commissioned by PWC to prepare a set of updated third party rehabilitation rates using typical contractor rates (April 2010). The rates have been subject to CPI for 3%.
• Be estimated using a schedule of disturbance and rehabilitation in accordance with the format presented in appendix A	Table 1: Amended Summary of Disturbance and Costs for 2012-2013 Plan of Operations Period, is in accordance with Appendix A.
• The total rehab cost must be calculated using a unit rehabilitation cost times the area of disturbance	PWC have calculated rehab costs based on unit rehabilitation costs times the area of disturbance
• If project includes hazardous contaminants the cost of completing site investigation report to verify that the EA conditions have been met must be included in the FA calculations	PWC have hazardous contaminants but have not included the cost of completing a site investigation report to verify that the EA conditions have been met.
• Consumer price index if PoO period is more than 1 Year – (inflation calculated at the rate of 3%)	PoO is for only one year; however, consumer price index has been calculated as $908,740.00
• GST	$2,704,585.00
• Maintenance and monitoring 10% of the total rehabilitation costs (L2 and L1 exploration and MDL's) • Maintenance and monitoring 2% of the total rehabilitation costs (L1)	$540,917
• FA calculated based on DERM calculators (L2 mines and NSW DPI calculator – specify and attach). Detail notes below.	N/A
• FA calculated by Client	$31,200,090
• Third party quotes provided and verified	The rates used were the same as calculated for the original plan.
• Resultant total/gross rehabilitation liability (proposed total undiscounted FA) – provide justification for proposed FA – notes below	$31,200,090 (No discount applicable)
• Update Mining Spreadsheet with details. Note: Document located at H:\EnvServices\Assessment\Client_Mining\Mining Compliance\South West Region Minining Spreadsheet.xls • Update Ecotrack FA tab	

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R

Rehabilitation Liability (Financial Assurance) Assessment

C. Discount Category Decision-Making Framework

1. PWC have not applied for a discount category and a the auditor has indicated that PWC are not eligible for a discount.

RECOMMENDATION:

It is recommended that:

a) the Plan of Operations be accepted as meeting the content requirements under s234 of the *Environmental Protection Act 1994*.

the gross financial liability be set at $31,200,090

b) the discount category be allocated at Category 1 2 3 (4)

Endorsement:

Assessing Officer: Sthree Hilton	**Supervisor / Reviewer:**	**Delegate:**
Accepted / Refused	Accepted / Refused	Accepted / Refused
Signed: 49-Sch4 - Personal Information	Signed:	Signed:
Date: 29/2/12	Date:	Date:

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Plan of Operations and Financial Assurance Checklist

EA NUMBER: MIN100580907
MINING LEASE NUMBER(S): ML50215, ML50214, ML50208 and ML50908
EA APPLICANT/HOLDER: Peabody (Wilkie Creek) Pty Limited (PWC)

A. Assessment of the content of the plan of operations

Part 7 - Plan of operations for environmental authority (mining lease)

232 Application of pt 7

This part applies to an environmental authority (mining lease).

233 Plan of operations required before acting under relevant mining lease

(1) The environmental authority holder must not carry out, or allow the carrying out, of an activity under a relevant mining lease unless—

(a) a plan of operations for all relevant mining activities has been submitted to the administering authority; and

Notes: PWC's PoO was received by the department on 28 July 2011.

(b) at least 28 days, or a shorter period agreed in writing by the administering authority, have passed since the plan was submitted; and

Notes: PWC requested a shorter period to allow the PoO to be reviewed by management.

(c) the plan complies with section 234; and

Notes:

(d) the carrying out of the activity is—

(i) consistent with the plan; and

(ii) done in a period to which the plan applies.

Maximum penalty—100 penalty units.

Notes:

1) *FA has been calculated in the amount and form required by the administering authority and in accordance with the 'Guideline - Calculating financial assurance for mining projects' approved on 23 April 2010.*
2) *The plan appears consistent with mining activities on site.*

(2) In this section—

plan of operations, for a mining lease, includes any plan of operations submitted to the administering authority for a proposed mining lease substantially the same as the mining lease.

234 Content requirements

(1) A plan of operations must—

(a) be in the approved form; and

Notes: The PoO is in the approved form.

(b) describe the following—

(i) each relevant mining lease for the environmental authority;

Notes: Refer to Table 1 of the PoO.

(ii) the land to which each relevant mining lease applies;

Notes: Refer to Table 2 of the PoO.

(iii) the land to which the plan applies; and

Notes: Refer to Figures 1, 2 & 3 of the PoO. The Wilkie Creek Coal Mine is located within the Western Downs Regional Council area, approximately 40 kilometres (km) west of Dalby in South-East Queensland (Figure 1). The Project is an existing operation with an accepted Environmental Management Plan (EM Plan).

The area is sparsely populated and is typified by large land holdings to the east where the land use is predominantly agricultural. Cotton, wheat, sorghum, barley and soy-beans are grown, and some intensive animal farming is also carried out in the area. Large portions of the Project site and the land to the west of the Project are dominated by cypress forests. Commercial forestry and logging operations have occurred in these areas in the recent past.

A considerable body of work has been produced for the Project site over the years that have formed the basis of the Environmental Management Strategy (EMOS), the subsequent upgrade to the Environmental Management Plan (EM Plan) and various Plan of Operations.

(c) state the period to which the plan applies (the ***plan period***); and

Notes: This Plan covers a one year term from 1st September 2011 to 31st August 2012.

(d) include the following—

R

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(i) a plan showing where all activities are to be carried out on the land;

Notes: Refer to Figure 4, 10 and 12.

(ii) an action program for—

(A) if there is a submitted EM plan for the environmental authority—achieving or implementing the environmental protection commitments and control strategies under the plan; and

Notes: Refer to Table 7.

(B) complying with the conditions of the environmental authority;

Notes: Refer to Table 7.

(iii) a rehabilitation program for land disturbed or proposed to be disturbed under each relevant mining lease;

Notes: Section 4.1 outlines a rehabilitation program for disturbed land.

(iv) another matter prescribed under an environmental protection policy or a regulation; and

Notes: -

(e) be accompanied by—

(i) an audit statement for the plan; and

Notes: The PoO is accompanied by an audit statement.

(ii) the fee prescribed under a regulation.

Notes: There is no prescribed fee under a regulation for a PoO.

(2) The rehabilitation program must state a proposed amount of financial assurance for the plan period.

Notes: The rehabilitation program proposes $23,038,037 of FA for the plan period.

(3) The audit statement must—

(a) be made by or for the environmental authority holder; and

Notes: PW Baker and Associates has supplied an audit statement for the EA holder.

(b) state the extent to which the plan complies with the conditions of the environmental authority; and

Notes: The auditor states "I confirm that the documentation and evidence demonstrates that the Plan of Operations upon implementation will allow for compliance with relevant requirements including in the EM Plan. Environmental compliance targets have been set and are presented in the Plan of Operations."

(c) state whether or not the amount of the financial assurance for the environmental authority has been calculated in the way decided by the administering authority under section 364(3).

Notes: The auditor states "I have checked the calculation of the FA and confirm that the Net FA is $23,038,037."

(4) The plan period must not be more than 5 years.

Notes: The Plan covers a one year term from 1st September 2011 to 31st August 2012, constituting a continuation of the current operations within the Project area, including expansion of the mine faces and continued coal extraction.

(5) A plan of operations may relate to 1 or more relevant mining leases.

Notes: Current Wilkie Creek Project MLs

ML Number	Tenement Name	Expiry Date	Area (ha)
ML 5908	Wilkie Creek 1	30th April 2015	599.1
ML 50208	Wilkie Creek North	31st January 2014	234.9
ML 50214	Wilkie North Extension	31st August 2022	12.94
ML 50215	Wilkie Creek South Extension	31st August 2022	281.02

235 Amending or replacing plan

(1) This section applies if the environmental authority holder has submitted a plan of operations (the ***original plan***) and the plan period for the plan under section 234 has not ended.

Notes: Mine Lease Application (MLA50276 and ML55004) was lodged on 12 May 2011 which is currently being assessed by DERM. If the ML is granted, then proposed EA conditions will be finalised and a replacement Plan of Operations submitted prior to any operations commencing.

R

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B. Calculation of the Gross Financial Assurance Liability

Assessment of the FA calculation with respect to DERM Guideline *"Calculating financial assurance for mining projects" (April 2010)*

The proposed amount of FA for a mining lease project must:	Notes
• Be calculated on a project basis	FA has been calculated for the whole Wilkie Creek Project.
• Be based on estimates for the works to be completed by 3rd party contractors	PW Baker & Associates Pty Ltd (Environmental Consulting – Mining, Energy and Land Development) were commissioned by PWC to prepare a set of updated third party rehabilitation rates using typical contractor rates (April 2010)
• Be estimated using a schedule of disturbance and rehabilitation in accordance with the format presented in appendix A	Table 1: Amended Summary of Disturbance and Costs for 2011-2012 Plan of Operations Period, is in accordance with Appendix A.
• The total rehab cost must be calculated using a unit rehabilitation cost times the area of disturbance	PWC have calculated rehab costs based on unit rehabilitation costs times the area of disturbance
• If project includes hazardous contaminants the cost of completing site investigation report to verify that the EA conditions have been met must be included in the FA calculations	PWC have hazardous contaminants but have not included the cost of completing a site investigation report to verify that the EA conditions have been met.
• Consumer price index if PoO period is more than 1 Year – (inflation calculated at the rate of 3%)	PoO is for only one year; however, consumer price index has been calculated as $722,656.00
• GST	$2,189,868.00
• Maintenance and monitoring 10% of the total rehabilitation costs (L2 and L1 exploration and MDL's) • Maintenance and monitoring 2% of the total rehabilitation costs (L1)	$429,386.00
• FA calculated based on DERM calculators (L2 mines and NSW DPI calculator – specify and attach). Detail notes below.	N/A
• FA calculated by Client	$24,811,210.00
• Third party quotes provided and verified	The rates used were the same as calculated for the original plan.
• Resultant total/gross rehabilitation liability (proposed total undiscounted FA) – provide justification for proposed FA – notes below	$24,811,210.00 (No discount applicable)
• Update Mining Spreadsheet with details. Note: Document located at H:\EnvServices\Assessment\Client_Mining\Mining Compliance\South West Region Minining Spreadsheet.xls • Update Ecotrack FA tab	

Released under the RTI Act 2009 - EHP

R

Rehabilitation Liability (Financial Assurance) Assessment

C. Discount Category Decision-Making Framework

1. PWC have not applied for a discount category and a the auditor has indicated that PWC meet

RECOMMENDATION:

It is recommended that:

a) the Plan of Operations be accepted as meeting the content requirements under s234 of the *Environmental Protection Act 1994*.

the gross financial liability be set at $24,811,210.00

b) the discount category be allocated at Category 1 2 3 (4)

Endorsement:

Assessing Officer: Sthree Hilton	**Supervisor / Reviewer:**	**Delegate:**
Accepted / Refused	Accepted / Refused	Accepted / Refused
Signed: 49-Sch4 - Personal Information	Signed:	Sig 49-Sch4 - Personal Information
Date: 28/1/12	Date:	Date: 29-1-2012

Date : 17/03/14
TWB
SWR/ 090576 (PH6)
Item No : 2450804
Entered By : KC

Queensland Government

Department of Natural Resources and Mines

Our Ref: PJ50100
Contact: Michael Wall
Telephone: 07 49360362
Email: mines.rockhampton@dnrm.qld.gov.au

QTR 17/3/14
① Sarah.
② file.
S.H. 17/3/14

RECEIVED
17 MAR 2014
TOOWOOMBA

13 March 2014

Peabody (Wilkie Creek) Pty Limited
Attention: Carolyn Lowery
c/- The Tenement Manager
Peabody Energy
GPO Box 164
BRISBANE QLD 4001

C/c: Environment & Heritage Protection
PO Box 731
TOOWOOMBA QLD 4350

Dear Sir/ Madam,

Financial Assurance – PJ50100 – ML's 50215, 50214, 50208, 5908, 50276, 55004
EA No. EPML00563313

I refer to the above and confirm on the 13 March 2014 this office received a replacement NAB Bank Guarantee for the new amount of $40,249,360.93.

This amount has been registered and is being held against the above Mining Leases as indicated.

I confirm the Department no longer requires the SMBC Bank Guarantee in the amount of $2,095,418.96. Please find the original Bank Guarantee enclosed.

If you have any queries with this matter, you may wish to contact the office on the above mentioned number.

Yours Sincerely,

49-Sch4 - Personal Information

Michael Wall
Project Officer
(on behalf of Mining Registrar)
Coal Assessment Hub

Department of Natural Resources and Mines
PO Box 3679
RED HILL QLD 4701
Telephone + 61 7 49360362

Date : 17/03/14
TWB
SWR/ 090576(P16)
Item No : 2450315
Entered By : KC

Queensland Government

Department of Natural Resources and Mines

Our Ref: PJ50100
Contact: Michael Wall
Telephone: 07 49360362
Email: mines.rockhampton@dnrm.qld.gov.au

EPM 17/3/14
1) Sarah
2) file.
SH.
17/3/14

RECEIVED
17 MAR 2014
TOOWOOMBA

13 March 2014

Peabody (Wilkie Creek) Pty Limited
c/- The Tenement Manager
Peabody Energy
GPO Box 164
BRISBANE QLD 4001

C/c: Environment & Heritage Protection
PO Box 731
TOOWOOMBA QLD 4350

Dear Sir/ Madam,

Financial Assurance – PJ50100 – ML's 50215, 50214, 50208, 5908, 50276, 55004
EA No. EPML00563313

I refer to the above and confirm on the 5 March 2014 this office received a request to exchange a bank guarantee in the amount of $31,200,090.00 issued by the National Australia Bank, for an NAB Bank Guarantee for the new amount of $40,249,360.93.

The $31,200,090.00 NAB Bank Guarantee was released to a NAB Rockhampton agent on 13 March 2014.

If you have any queries with this matter, you may wish to contact the office on the above mentioned number.

Yours Sincerely,

49-Sch4 - Personal Information

Michael Wall
Project Officer
(on behalf of Mining Register)
Coal Assessment Hub

NAB Rockhampton (received Bank Guarantee)

49-Sch4 - Personal Information
Signature: _____
Date: 18/3/14

Department of Natural Resources and Mines
PO Box 3679
RED HILL QLD 4701
Telephone + 61 7 49360362

Our Ref: PJ50100
Contact: Debra Evans
Telephone: 07 49360362
Email: mines.rockhampton @dnrm.qld.gov.au

Queensland Government

Department of Natural Resources and Mines

13 February 2014

RECEIVED
17 FEB 2014
TOOWOOMBA

PEABODY (WILKIE CREEK) PTY LIMITED
c/- The Tenement Manager
Att: Paul Kahler
Peabody Energy
GPO Box 164
BRISBANE QLD 4001

Date : 17/2/14
TWB 2795/TW33411
SWR/090576(P16)
Item No : 2420885
Entered By : KC

C/c: Environment & Heritage Protection
PO Box 731
Toowoomba QLD 4350

Dear Sir/Madam,

Financial Assurance for – PJ50100 – ML's 50215, 50214, 50208, 5908, 50276, 55004
Environmental Authority No. EPML00563313

The Department of Environment and Heritage Protection refers to the Plan of Operations (PoO) dated from 28 February 2014 to 1 March 2015. The Financial Assurance has been assessed at $40,249,360.93.

The Department currently holds a Financial Assurance of $33,295,508.96. You are requested to lodge a new Financial Assurance for this project, in the amount of $40,249,360.93.

The security currently held will be returned upon acceptance of the new security in full.

You are required to lodge the requested Financial Assurance for the above amount within 20 business days. (The new Financial Assurance must refer to the mining lease number, project number and the new Environmental Authority number - EPML00563313).

If you have any queries with this matter, you may wish to contact the office on the above mentioned number.

Yours Sincerely,

49-Sch4 - Personal Information

Michael Wall
Project Officer
(on behalf of Mining Register)
Coal Assessment Hub

Department of Natural Resources & Mines
PO Box 3679
RED HILL QLD 4701
Telephone + 61 7 49360362

TWB 101/006904 #3447844

Queensland Government

Department of Natural Resources and Mines

Our Ref: PJ50100
Contact: David Rohlf
Telephone: 07 4936 0169
Email: Coalhub@dnrm.qld.gov.au

17 March 2015

19 MAR 2015

EMERALD

Peabody (Wilkie Creek) Pty Ltd
C/- Tenement Manager, Peabody Energy
GPO Box 164
Brisbane QLD 4003

C/c: Environment & Heritage Protection
PO Box 3028
Emerald QLD 4720

Dear Sir/ Madam,

Financial Assurance – PJ50100 – ML 5908, 50208, 50214, 50215, 50276, 55004
EA No. EPML00563313

I refer to the above and confirm on the 09 March 2015 this office received a request to exchange a bank guarantee in the amount of $40,249,360.93 issued by the NAB Bank, for an NAB bank guarantee for the new amount of $29,186,400.00.

The $40,249,360.93 NAB Bank Guarantee was released to an NAB Rockhampton agent on 17 March 2015.

If you have any queries with this matter, you may wish to contact the office on the above mentioned number.

Yours Sincerely,

49-Sch4 - Personal Information

David Rohlf
Project Officer
(on behalf of Mining Register)
Coal Assessment Hub

NAB Rockhampton (received Bank Guarantee)

Signature: 49-Sch4 - Personal Information

Date: 17/3/15

Department of Natural Resources and Mines
PO Box 3679
RED HILL QLD 4701
Telephone + 61 7 49360169

TWB 101/0006904 #3430509

Our Ref PJ50100
Contact: Kelly Preston
Telephone: 07 4936 0169
Email: CoalHub@dnrm.qld.gov.au

RECEIVED
17 MAR 2015
TOWOOM

Queensland Government

Department of
Natural Resources and Mines

26 February 2015

Peabody (Wilkie Creek) Pty Limited
C/- Tenement Manager, Peabody Energy
GPO Box 164
BRISBANE QLD 4001

C/c: Environment & Heritage Protection
PO Box 3028
EMERALD QLD 4720

-2 MAR 2015

EMERALD

Dear Sir/Madam,

Financial Assurance for PJ50100 – ML's 5908, 50208, 50214, 50215, 50276 & 55004
Environmental Authority No. EPML00563313

The Department of Environment and Heritage Protection refers to the application made by Peabody (Wilkie Creek) Pty Limited for the amount and form of financial assurance required under environmental authority EPML00563313. The financial assurance has been assessed at $29,186,400.00.

This Department currently holds financial assurance in the amount of $40,249,360.93 for the above mining leases. As we currently hold more security than required you may leave the current Financial Assurance in place, or you may lodge a new Financial Assurance for these leases, in the amount of $29,186,400.00.

The securities currently held will be returned upon acceptance of the new security in full.

You are required to lodge the requested financial assurance within 20 business days. The new financial assurance must refer to the Project Number, Mining Lease numbers and current Environmental Authority number.

If you have any queries regarding this matter, please do not hesitate to contact this office on (07) 4936 0169.

Regards,

49-Sch4 - Personal Information

Kelly Preston
Project Officer Assessment
(On behalf of the Mining Registrar)
Coal Assessment Hub

Department of Natural Resources & Mines
PO Box 3679
RED HILL QLD 4701
Telephone + 61 7 49360169
Facsimile + 61 7 49360375
Website mines.industry.qld.gov.au
ABN 98 628 485 885