

Notice

Environmental Protection Act 1994

Estimated rehabilitation cost decision

This notice is issued by the administering authority¹, pursuant to section 301 of the Environmental Protection Act 1994, to advise the holder of an environmental authority of the estimated rehabilitation cost (ERC) decision.

Anglo Coal (Dawson) Limited; Mitsui Moura
Investment Pty Ltd
Level 11, 201 Charlotte Street,
Brisbane Qld 4000

Cc: Financial provisioning scheme manager
fps@treasury.qld.gov.au

By email transmission only.

Attention: Elizabeth Muirhead – Dawson Mine
Sustainable Development Superintendent
Via Email: Liz.Muirhead@Angloamerican.com

Our reference: EPML00565813;
C-EAERC-100296493

ERC decision

1 Application details

An application for an ERC decision under section 298 of the *Environmental Protection Act 1994* was received by the administering authority on 25 March 2022.

The application relates to environmental authority number EPML00565813 effective 06 February 2020 issued to Anglo Coal (Dawson) Limited and Mitsui Moura Investment Pty Ltd (the EA).

Land description: ML5591; ML5592; ML5593; ML5596; ML5597; ML5598; ML5599; ML5600; ML5601; ML5603; ML5604; ML5606; ML5607; ML5611; ML5630; ML5643; ML5644; ML5646; ML5650; ML5656; ML80032; ML80034; ML80070; ML80142; ML80146. EPC578; EPC894; EPC895; EPC988; EPC989; EPC1068; EPC1086;

2 Decision

On 11 August 2022, the administering authority decided that:

- the ERC for the environmental authority is \$754,846,661.98 (excl. GST); and

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

- the ERC period for which the ERC is in force is between 11 August 2022 and 11 August 2023.

3 Grounds for the decision

Pursuant to section 300 of the *Environmental Protection Act 1994*, the administering authority must decide the ERC for the resource activity. In making this decision, the administering authority must have regard (a) whether the estimate of the total cost mentioned in section 298(2)(c) has been worked out, for the ERC period, as mentioned in that paragraph; and (b) the prescribed guideline made under section 550 of the *Environmental Protection Act 1994*, titled “Estimated rehabilitation cost under the *Environmental Protection Act 1994*” (ESR/2018/4425) (the ERC Guideline).

In making its decision, the administering authority has specifically considered:

- The information provided in the application, submitted on 25 March 2022.
- The information provided in the applicant’s response to the information request (IR) on 30 June 2022.
- The valid shapefiles, submitted on 19 July 2022.
- Supplementary information provided during the assessment period and up to the decision date on 11 August 2022.
- The environmental authority EPML00565813 effective 06 February 2020.

Imposed Costs

The administering authority decided the stated ERC in the IR response was insufficient to rehabilitate the land on which the resource activity is carried out during the proposed ERC period, and therefore added an additional \$166,008,888.65. This additional amount is to address:

1. treatment requirements for water that will likely be stored on site during the ERC period, and
2. treatment requirements to account for the current topsoil deficit, and address the current topsoil/ growth medium deficiencies.

Water Treatment

1. The stated ERC in the IR response proposed \$10,721,903.00 (without overheads) for water treatment costs. This amount was underpinned by 45% of the inventory requiring ‘treatment’, with no costs assigned to 55% of the inventory. Of the 45% costed for treatment, 10% was subject to reverse osmosis (RO), while 90% was subject to the internal pumping/transfer rate of \$263/ML. This approach was not deemed appropriate to achieve the outcomes stated in the EA, specifically those listed in Table H1.
2. On 5 August 2022, and as a follow up to discussions resulting from the IR regarding potential water treatment costs, the applicant provided information stating that a total of 42,799.6 mega litres(ML) of water is currently stored on site.
3. The above information indicated that 29,225.2ML of the stored water has an electrical conductivity (EC) value above the legal releasable limit under the EA of 5,000µs/cm. 13,574.4ML has an EC of less than 5,000µs/cm, and could either be lawfully released, or potentially support one of the nominated PMLUs in the EA.
4. The 29,225.2ML cannot be lawfully released under the EA, nor is it considered to support any of the defined Rehabilitation Objectives stated in Table H1 of the EA.

5. A cost of \$3,585/ML to treat (via RO) that water to an acceptable standard to either be lawfully released, or to which it could potentially support the authorised PMLUs, has therefore been assigned.
6. The rate of \$3,585/ML is taken from the applicant's Rehabilitation Treatment Cost (RTC) estimator and the Anglo Rehabilitation Liability Tool (ARLT) – which represents the applicants expected cost for that treatment type.
7. The total amount for this cost is \$104,772,375.94.
8. The remaining 13,574.4ML will be subject to a rate of \$263/ML. Totalling \$3,570,070.92.
9. The \$263/ML rate is also taken from the RTC estimator and ARLT. It's acknowledged that this rate is to account for the costs associated with moving water internally from one pit to another to facilitate rehabilitation of that dewatered pit. The department recognises this approach, and also considers it a reasonable estimate for potentially pumping that water offsite, under the EA conditions.
10. The total for these additional costs is \$108,342,446.86, which is then subject to 25% overheads (as required in the ERC guideline). Making the total \$135,428,058.57 and representing an increase of \$122,025,679.82 overall from the water treatment costs proposed by the applicant in the IR response.

Topsoil

1. During the assessment, it became evident that the applicant had not addressed their current topsoil deficit, or provided sufficient costings regarding growth medium treatments.
2. These aspects were also absent from the previous ERC application in 2020, where the administering authority decided that additional ERC provisions were necessary.
3. On 5 August 2022, the applicant agreed with the department, that additional costs should be added, and were supportive of the department calculating the additional costs in a manner consistent with its previous assessment and detailed in the previous ERC decision notice.
4. Consistent with the above, the administering authority decided an additional amount of \$43,983,208.87 (inclusive of the required overheads).
5. The total amount is underpinned by provided spatial files and topsoil inventory, as well as the relevant table of value (TOV) rates in the department's ERC calculator.

4 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 internal review decision to the relevant court. Information about your review and appeal rights can be found on the Business Queensland website: https://environment.des.qld.gov.au/data/assets/pdf_file/0032/87890/era-is-review-appeal.pdf. This information is guidance only and you may have other legal rights and obligations.

5 Payment

From 1 April 2019, financial assurance requirements for resource activities under the *Environmental Protection Act 1994* were replaced with the Financial Provisioning Scheme (FPS) under the *Mineral and Energy Resource (Financial Provisioning) Act 2018*. The scheme manages the financial risk to the State if environmental authority holders for resource activities do not comply with their environmental management and rehabilitation obligations. The FPS is administered by the Scheme Manager; a statutory officer supported by Queensland Treasury.

As the holder of an environmental authority for a resource activity, you will be required to provide a contribution payment to the Scheme's financial provisioning fund and/or surety to the Scheme Manager. The Scheme Manager will receive a copy of this Notice and use the ERC amount to help determine the amount of surety and/or contribution required.

Queensland Treasury will issue invoices and correspondence to your financial contact. Please ensure your financial contact details are correct and current using the department's Online services or by contacting the department using the details provided below.

On receipt of this decision notice you should contact the FPS representatives to discuss payment matters. Please email fps@treasury.qld.gov.au or phone (07) 3035 3551.

For more information about the Financial Provisioning Scheme, please see the Queensland Treasury webpage at www.treasury.qld.gov.au/resource/financial-provisioning-scheme/.

6 Important note

The holder of an environmental authority for a resource activity must not carry out, or allow the carrying out of, a resource activity under the environmental authority unless:

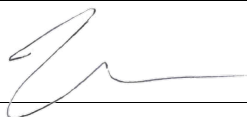
- an ERC decision is in effect for the resource activity when the activity is carried out; and
- the holder has paid a contribution or surety for the environmental authority under the *Mineral and Energy Resources (Financial Provisioning) Act 2018*; and
- the holder has complied with the requirements under the *Mineral and Energy Resources (Financial Provisioning) Act 2018* for paying a contribution or surety for the environmental authority, as required from time to time.

No additional disturbance can be undertaken, beyond the maximum liability associated with the current ERC decision, until the new ERC application is decided and any outstanding additional scheme assurance is given.

7 Human rights

A human rights assessment was carried out in relation to this decision, and it was determined that the decision is compatible with human rights.

Should you have any questions about the notice, please contact the Business Centre Coal using the details provided below.



Signature

12/08/2022

Date

Juliana McCosker
Manager, Environmental Services and Regulation
Department of Environment and Science
Delegate of the administering authority
Environmental Protection Act 1994

Enquiries:
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