PEABODY ENERGY
AUSTRALIA PTY LTD

ABN: 93 096 909 410

100 Melbourne Street
South Brisbane Qld 4101

GPO Box 164
Brisbane Qld 4001
Australia
Tel + 61 (0) 7 3225 5500
Fax + 61 (0) 7 3225 5555

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Committee Secretary
Economics and Governance Committee
Parliament House
George Street
Brisbane, Queensland, 4000

VIA EMAIL: egc@parliament.qld.gov.au

Submission from Peabody Australia to the Queensland Government
Economics and Governance Committee
Re: Mineral and Energy Resources (Financial Provisioning) Bill 2018

Thank you for the opportunity to provide comment on the Mineral and Energy Resources (Financial Provisioning) Bill 2018.

Peabody Energy Australia Pty Ltd (**Peabody Australia**) is a subsidiary of Peabody Energy Corporation (**Peabody**), which is a US corporation listed on the New York Stock Exchange. Peabody is the world's largest private-sector coal company. Peabody is the leading global pure-play coal company, serving power and steel customers in more than 25 countries on six continents. Peabody has been active since 1883 and has, through its subsidiaries, majority interests in 26 coal operations located throughout major U.S. coal-producing regions and in Australia.

Peabody's Australian operations are located across Queensland and New South Wales and include a diverse product range of coal, much of which is exported through various coal ports. In 2017, Peabody's Australian operations achieved total sales of 30.9 million tons primarily to steel producers in Japan, Europe, Taiwan, Korea, India and South America, as well as to electricity generators in Australia and Asia.

In Queensland, our activities are centred in the Bowen Basin, including North Goonyella, Millennium, Coppabella and Moorvale mines. We are also a 50 per cent owner of the Middlemount mine (the other owner being Yancoal). Our Wilkie Creek mine in the Surat Basin ceased operation in late 2013 and rehabilitation has continued. In 2016 our Burton mine in the Bowen Basin was placed on a care, maintenance and rehabilitation program, part of which was sold to the New Hope Group in late 2017.

Based on a review of the Mineral and Energy Resources (Financial Provisioning) Bill 2018 (**the Bill**), we believe the proposed legislation provides many positive elements to support the Queensland financial assurance framework and rehabilitation reforms. This submission is designed to capture what we see as the key issues in the Bill with a view to highlighting possible approaches or identifying areas for further development or refinement within the legislation.

We have also had input to the submission from the Queensland Resources Council.

1. Financial Assurance Reform

- **Rates and Risk Ratings**

  Peabody Australia is supportive of reform to the financial assurance regime, however critical details remain unknown, including the contribution rates that will apply to companies and the weighting of the rehabilitation risk rating inputs. Without these critical details, Peabody Australia is unable to make a complete assessment on the impact of the proposed changes to its operations.

Recommendation
1. The proposed contribution rates to the Fund are released, and the subject of further consultation.
2. Parties are afforded the opportunity to opt-out of the Fund, for example if it is likely to be significantly disadvantaged by the costs of the fund, and be able to provide the required security through the provision of a bank guarantee or surety bond.

- **Definition of 'Relevant Holder' / 'Relevant Entity'**
  The link between the Bill, which refers to 'relevant holder', 'holder of the authority', 'relevant holder' and 'interested entity', and the KPMG and Australia Ratings report use of the term 'relevant entity' for the risk categorisation process is unclear. While Explanatory Notes seem to imply that the 'relevant holder' is approximately equal to what was previously the 'relevant entity', it would be helpful to clarify these terms.

Recommendation
1. Provide clear and consistent definitions for all terms to ensure a consistent approach to the use of terms between the Bill, Explanatory notes and supporting specialist reports.

- **Main Purpose of Funds – Clause 3(c)**

  Clause 3(c) includes references that would enable the State to access funds for 'preventing or minimising environmental harm', 'securing compliance with an authority' and 'rehabilitating or restoring the environment'.

  These purposes are broad and raises a concern previously communicated by Peabody that funds contributed for rehabilitation purposes may be used for unrelated purposes.

  We would like to see this more clearly and narrowly defined to limit any potential use of funds to rehabilitation only.

Recommendation
2. Clause 3(c) to be reworded to clearly limit the use of funds for mine rehabilitation purposes only, and only if all other avenues to fund that rehabilitation have been exhausted.

- **Estimated Rehabilitation Cost – clause 3(d)**

  At clause 3, the main purposes of the Bill include:

(d) to provide a source of funds to the State for-

(i) rehabilitation activities at land on which an abandoned mine exists;

(ii) remediation activities in relation to an abandoned operating plant; and

(iii) research that may contribute to the rehabilitation of land on which resource activities have been carried out.

However, the definition of 'estimated resource cost' (**ERC**) at clause 8 of the Bill is broad, and includes the amount of the estimated costs of '*preventing or minimising environmental harm, or rehabilitating or restoring the environment, in relation to the resource activity*'.

Nowhere in the purpose of the Bill is there any justification for including as part of the estimated rehabilitation cost the costs of *preventing or minimising environmental harm*. This is not the role of the ERC, or of the fund contribution payments resulting from it.

The cost of the ERC should be limited to rehabilitation costs only. The cost of preventing or minimising environmental harm is governed elsewhere – primarily under the *Environmental Protection Act 1994*.

Further, the ERC definition is too broad and provides no certainty or guidance to those who are to draft the ERC calculation requirements.

Recommendation
1. The cost of preventing or minimising environmental harm should be removed from the ERC calculations.
2. Further detailed considerations should be provided for to guide the future development of ERC calculation methodologies.
3. Peabody Australia recommends that the research conducted using funds sourced from the Fund be made available to the industry to assist in the rehabilitation process.

- **Resource quality - exploration and expansion potential**

Clauses 27, 32 and 38 of the Bill allow the Scheme Manager to consider 'the characteristics of a resource project' in making its allocation decision. Peabody Australia understands the details of these considerations will be dealt with in the Scheme Manager's guideline. Peabody Australia has invested in an impressive 40 plus year pipeline of development projects. Some of these will use Peabody Australia's existing infrastructure. Peabody Australia's investment in this infrastructure has been made with regard to future development and co-location opportunities. Peabody Australia's surrounding and satellite development assets should be considered in any evaluation of the characteristics of an operating mine.

Recommendation
1. That any consideration of the 'characteristics' of an operating mine must include consideration of the nearby exploration acreage held in the same group of companies.

- **Initial Risk Category Allocation – Clause 27, Sections (3) to (5)**

  The risk categorisation clauses do not compel the Scheme Manager to consider the financial soundness of the parent corporation or the characteristics of the resource project. This process does not provide an adequate assessment for the Initial Risk Category Allocation.

  Additionally, the weighting that parent company financials will be given is not clear. It is well known that Peabody Australia's parent successfully exited Chapter 11 bankruptcy protection processes in April 2017. Peabody Australia's Australian assets were quarantined from this process. However, based on the Bill it is likely that the Scheme Manager will consider the parent company position in forming its opinion on what risk category to assign to Peabody Australia's Australia's operations. Its parent company having successfully completed the Chapter 11 process, Peabody Australia submits it should not be penalised by being assigned to a higher risk category.

  The broad discretion of the Scheme Manager to consider almost any market machinations that might affect a company or its activities in making an allocation decision – coupled with such regular review mechanisms – creates a level of uncertainty on whether and for how long a resource project will be allocated to the fund. For example, on 29 September 2015, the share price of a listed mining company with mines in Queensland dropped some 30% in a 24-hour period. The share price has since recovered and any perceived risk has abated. It is not clear what (if any) steps would be taken by the Scheme Manager should another company be affected by market machinations in this way.

  The Change holder review allocation and Annual review allocation clauses have the same points as above.

Recommendation
1. While the Scheme Manager must consider the financial soundness of the holder, it would be helpful to also include 'must' requirements that consider the financial soundness of any parent corporation of the holder as well as the characteristics of a resource project. These are key to developing an overall assessment of risk and should be considered by the Scheme Manager in making an overall assessment.
2. We would also like to see the Scheme Manager obliged to request the holder(s) to provide all information the holder(s) consider relevant to the assessment and to take that information into account in determining the Initial Risk Category Allocation.

- **Risk categorisation – JV considerations and administrative burden**

  Peabody Australia and its subsidiaries are the primary holders of 42 environmental authorities that authorise coal mining or coal exploration, 35 of which are also held by joint venture (**JV**) participants. Peabody Australia's operating assets in Queensland are:

  (a) the Coppabella Mine – owned by the Coppabella Moorvale Joint Venture (**CMJV**);

  (b) the Middlemount Mine – 50% owned;

  (c) the Millennium Mine – wholly owned;

  (d) the Moorvale Mine – owned by the CMJV; and

(e) the North Goonyella Mine – wholly owned.

This ownership structure is complex and dynamic.

Clause 27 of the Bill requires that the Scheme Manager assign a risk category and clause 27(5) provides that the Scheme Manager:

(a) may consider the financial soundness of any or all of the holders, and their respective parent corporation; and

(b) must assign the authority to only one of the holders.

Clause 28(1)(c) and clause 31 requires that Scheme Manager state whether it has taken account of other holders of the EA. Clause 42 requires a notification of a change in holder, clause 32 provides for a change in holder review and clause 38 requires an annual review of the risk allocation.

The complexity and potential administrative burden is perhaps best illustrated through the CMJV arrangements. The Coppabella EA (EPML00579213) and Moorvale EA (EPML00802813) and associated tenements are held by the CMJV, an unincorporated JV between:

(a) Peabody Coppabella Pty Ltd (73.3%) (Peabody);

(b) CITIC Australia Coppabella Pty Ltd (14%);

(c) Mapella Pty Ltd (7%) (Marubeni);

(d) KC Resources Pty Ltd (3.7%) (JFE Shoji Trade Corporation); and

(e) NS Coal Pty Ltd (2%) (Nippon Steel).

The Scheme Manager has broad powers to consider the financial position of each individual EA holder and its respective parent company, although ultimately only one of those holders will be assigned a risk category.

The complex arrangements around the allocation of JV companies within the fund should be simplified, and so there is certainty as to the selection of the holder for which the financial position will be assessed and then attributed to the whole resource project. It should not necessarily be the holder with the highest percentage interest in the resource project.

Under current legislation, the holders of an EA are jointly and severally liable for the obligations imposed on them by the EA including any financial obligations, and the DES may pursue any one or more of the holders in order to satisfy those financial obligations. Consistent with that arrangement, the risk category allocated to a resource project should be based on the holder with the most sound financial position.

The administrative burden associated with this task is significant (note confidentiality risks are discussed below).

Recommendation

1. The holder with the lowest risk rating, or most sound financial position, be used as the basis for determining the initial risk category allocation for the resource project. Alternatively or in

Recommendation
addition, the holders can nominate which of them are to be assessed for financial soundness for the relevant period.
2. Clause 27(5)(c) should read 'must assign the *initial risk category allocation* to only one of the holders'.
3. Confidentiality arrangements are improved.

- **Notification of Cessation of Production – Clause 43**
  While we do not oppose notification requirements, we would like to see the requirement of 10 days for notification if ceasing production for more than six months (or has not been carried out for six months) extended to 30 days. Likewise, the six months cessation of production is very short and would be more appropriate to extend this to 12 months to align more with the annual 12-month review.

Recommendation
1. Reword the notification requirements to **30 days** notification if ceasing production for more than six months (or has not been carried out for six months) and amend the cessation of production to **12 months**.

- **Transition from the Fund to Surety – Clause 46(b)**
  Peabody Australia generally supports the transition process for a holder that may need to move from the Fund to Surety due to a change in the risk assessment. However, the requirement for companies to have had a better rating for the previous four years immediately preceding a change to high (to qualify to remain in the fund for a 12-month transitional period), is problematic in that it could not possibly apply for the first 3 years of the fund. As a result, we would like an allowance made for that fact and allow all companies that qualify for the fund to remain in the fund for the transitional period during the first four years of implementation.

Recommendation
2. All qualifying companies to remain in the fund for the transitional period during the first four years of the fund.

- **Forms of surety – Clause 56**
  Peabody Australia supports the 'Form of surety' clause given its new formal allowance for surety instruments. In the event the full suite of changes proposed in the Bill require more time to be implemented than currently intended, we recommend that the option for a holder to provide a surety bond instead of cash or a bank guarantee be implemented as soon as possible.

  Although the Fund is intended to commence in July 2018, it may be up to three years before a resource project enters the Fund, during which time it would be helpful to be able to provide a surety bond to satisfy the financial assurance requirements.

Recommendation

3. Formal acceptance of surety instruments to satisfy financial assurance requirements should occur as soon as possible, which can occur without the need for legislative amendment.

- **Return of financial assurance**

The nature of the bank guarantee behind an FA is that it must be payable on demand, on presentation of the bank guarantee by the State to the banking institution. As drafted, the Bill is silent on when an existing bank guarantee will be released. This generates uncertainty for Peabody and its banks.

Clause 90(1) of the Bill, which is a transitional provision for existing EAs, provides that the existing FA is taken to be surety for the purpose of the new scheme and clause 91(4) allows the transition to occur over 3 years. The provisions do not provide for the release of surety (as is made clear under clause 90(7)).

Clause 58(2) of the Bill provides that in limited circumstances, a surety must be released 'as soon as practicable' after replacement surety is given, or the contribution to the scheme fund is made. The limitations on the circumstances to which clause 58 applies are found in clause 53. The requirement to release the FA under clause 58 only applies:

(a) where the authority is high risk;

(b) where authority is not high risk, but is more than $450 million;

(c) where the scheme manager requires surety to maintain the viability of the fund;

(d) where the surety is below $100k; or

(e) for small scale mining.

Clause 58 does not otherwise apply to a surety that exists on entry to the fund. The application of clause 58 cannot be expanded simply because clause 90 provides that an FA is deemed to constitute a surety.

Rather, the Bill provides for:

(a) an application process for a tenement holder to seek to have its surety released; and

(b) transitional regulations which would no doubt deal with this issue if the gap is not fixed before the Bill is passed.

The new proposed clause 758 of the *Environmental Protection Act 1994* (Qld) is another transitional provision that sets out when the existing conditions of an EA requiring financial assurance come to an end. However, clause 758 does not have any bearing on an existing FA/ surety. It does protect EA holders from breaching their EA on having their surety released.

Recommendation

1. One way of dealing with the issue would be to include a new subdivision after clause 41 as follows:

Recommendation

Release of surety

41A *Where surety is held in respect of an authority the subject of an allocation decision that allocates the authority to 1 of the following risk categories—*
(A) very low;
(B) low;
(C) moderate,
the surety must be released to the giver of the surety as soon as practicable after the contribution to the scheme fund is paid.

The effect of this is to make it clear that existing FA surety will be returned soon after entry to the Fund. That period of time should in any event not be longer than one month.

- **Scheme Annual Report – Clause 72(2)(b)**
  It would be useful to have some more detail on the required inclusions for the scheme annual report in the Bill, including that the report specifically includes detail on what funds may have been expended.

Recommendation

1. The Scheme Annual Report must provide adequate detail on Fund management including all receivable and expenses (outgoings) to ensure appropriate transparency and governance.

- **No merits review or appeal of allocation decision**

  As previously noted, the Scheme Manager has broad discretion in making its allocation decision. That risk allocation determines eligibility of entry into the fund and the cost of contributing. While a holder can make submissions under clause 28, there are no merits review rights.

  The explanatory notes for the Bill state a reason for this as:

  > *The scheme manager's allocation decision is about managing the State's risk, is expected to be primarily financial in nature and applies only to the holder (or incoming holder) and not to any third party. Also, the decision is reviewed each year, and each year, the risk category allocation may change.*

  The Scheme Manager's decision is much more than just financial in nature, including factors such as the characteristics of a resource project and 'any other matter the scheme manager considers relevant'. Such broad discretion, coupled with a lack of appeal rights, creates significant risk to the holder.

Recommendation

1. That the allocation decision is made subject to a merits review *by the relevant company*.

- **Confidentiality of information**

Peabody Australia acknowledges a number of amendments that purport to protect confidential information provided to the Scheme Manager. The provision of information outside of an organisation, particularly the kind of information likely to be required by the Scheme Manager, is a significant risk. Similarly, the provision of information related to the members of a JV and the information about the JV participant parent companies is problematic. For example, there are many circumstances under which one party may wish to keep information confidential from its JV participants.

Recommendation
1. That the confidentiality arrangements between JVs are properly enabled in the Bill.
2. That any statements of reasons provided in justification of Scheme Manager decisions do not reveal commercial in confidence information about any relevant holders.

2. Rehabilitation Reform

- **Transitional protection for mines with existing Environmental Authorities.**

Peabody Australia is supportive of the progressive rehabilitation of mining operations as areas become available to commence the rehabilitation process, and we have made great strides in recent times to perform rehabilitation work on available areas at our mining operations.

However, Peabody Australia seeks confirmation that its existing rights will in no way be abrogated by the proposed changes. Existing final landforms and rehabilitation criteria, especially those described in an existing EA must not be changed in any way. To do so would generate significant sovereign risk.

Existing EAs include all licensing for mining operations and we note that licence conditions can in some cases be contained in supplementary documents referenced in the EA. Transitional protection must be afforded in all such cases.

The Explanatory Notes state:

> *The new rehabilitation provisions do not impose retrospective requirements to rehabilitate as requirements to rehabilitate are included in existing conditions on environmental authorities...*
>
> *... For example, if the authority approves a non-use management area the proponent will be required to re-format that approval into the PRCP schedule and include milestones to ensure that area is designed and managed to allow for closure and residual risk calculation.*

Despite this statement, the Bill suggests a disconnect. For example, clause 126C(1)(g) requires:

> *for each proposed non-use management area, state the reasons the applicant considers the area cannot be rehabilitated to a stable condition because of a matter mentioned in section 126D(2); and (h) for each matter mentioned in paragraph (g), include copies of reports or other evidence relied on by the applicant for each proposed non-use management area;*

Clause 755(3) states that DES 'may' exempt the holder from providing this information in its PRC Plan in relation to 'non-use management areas' where DES considers the EA, a plan of operations (**POps**) or a written agreement between DES and the holder deals with it.

This exemption is discretionary, relying on the DES assessment officer's discretion.

In addition, the exemption applies only to the provision of the information required under clause 126C(1)(g).

Clause 755(6) provides that, in deciding whether to approve a PRC Plan, DES must have regard to:

(a) the current EA; and

(b) *'to the extent possible, the matters the administering authority would have had regard to if the proposed PRC Plan had accompanied an application for the holder's environmental authority'*.[1]

The imposition of the PRC Plan and associated PRC Schedule on existing operations and a requirement that DES consider it as though it had accompanied an application for an EA undermines the pre-existing rights of those operations.

Recommendation
1. That the Bill contains express provisions that preserve the existing planned final land uses, including where they are not expressly provided for in the EA.
2. Transitional protection must be afforded to all existing EAs that include all licensing for mining operations.

- **Progressive Rehabilitation and Closure Plans (PRCP) requirement Schedule (3) S126D**

  This section effectively outlaws residual voids from being located on a flood plain and do not give consideration to the following matters:

  a) Mines that have existing EAs that do not have this condition contained in them need to be afforded transitional protection that allows for residual voids to be located on flood plains. Not to do so would place unfair economic impacts on mines legally operating under existing State approvals.

  b) There is no definition of a flood plain. The extent to which flood waters extend can be impacted by downstream influences. A flood plain needs to be defined and locked in at a point in time to provide surety against the risk of down steam activities impacting on back water flood extents. Additionally, we suggest that a flood plain be defined as the flood extent for a 1:1000 AEP per the States Manual for assessing consequence categories and hydraulic performance of structures (ESR/2016/1933).

Recommendation
1. Transitional Provisions must protect rights in existing Environmental Authorities to ensure unintended anti-competitive or economic impacts do not occur.

[1] FA Bill clause 755(6)(b).

Recommendation
2. Define "flood plain" as the flood extent for a 1:1000 AEP per the States Manual for assessing consequence categories and hydraulic performance of structures (ESR/2016/1933) at the time of the original approval.

- **Section 13 – Plan of Operations; S291 Plan of Operations (PoO) required before acting under petroleum lease.**

This section does not consider the situation where the PL and ML are conditioned under the same EA. Current advice indicates that where an EA applies to both an ML and PL, a Plan of Operations will not be required for the PL in addition to the PRCP for the ML.

Recommendation
1. Clarify the Plan of Operations will not be required for the PL in addition to the PRCP for the ML.

- **Use of Guidelines**

Clause 202 inserts new section 550 to the EP Act. It creates a number of new guidelines that DES must have regard to in making certain decisions. These include:

(a) PRC Plans – other information that DES considers necessary to approve the PRC Plan;[2]

(b) PRCP audits – other information that DES considers necessary to amend the PRCP Schedule following an audit;[3]

(c) ERC decisions – other information that DES considers necessary to make its ERC decision;[4] and

(d) ERC decisions – the methodology for calculating rehabilitation costs and preventing or minimising environmental harm.[5]

Citigold[6] is the only Land Court decision that relates to DES' original decision on the amount of FA and so is immediately relevant to this submission.

Comments made in Citigold, and in particular DES' own submissions to the Land Court on having regard to statutory guidelines:

> *The Respondent* [DES] *contends that the emphasis is on the word "regard" as opposed to the phrase "must have regard". In this respect, the Counsel for the Respondent* [DES] *submitted:*

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[2] FA Bill clause 126C(1)(j).
[3] 286(d).
[4] 298(2)(d).
[5] 298(2)(c).
[6] *Citigold Corporation Limited v Chief Executive, Department of Environment and Heritage Protection* (No. 5) [2016] QLC 62.

"What the respondent must do is make a decision about the amount and form of the financial assurance and that's set out at section 295 and, in particular, section 295 subsection ... (2)(b). ...

The relevant considerations are, in making the decision regard must be had to relevant regulatory requirements and for the guideline and regard only is the submission of the department." [7]

This case demonstrates that DES may view its guidelines as discretionary.

Recommendation

1. The reform package should make it clear what factors to be taken into account or processes to be followed by the regulator are mandatory versus discretionary.

- **Public notification of PRC Plans**

Public notification requirements of EA amendments that lead to subsequent Land Court challenges are commonplace in Queensland. The opportunity costs to industry of these objections are significant. Public notification of the PRC Plan will create an additional objection process.

Proposed section 755(4) EP Act exempts existing operations from the public notification requirements in very limited circumstances. These are where:

(a) the EIS process for an EIS for each relevant activity the subject of the proposed PRC Plan has been completed; or

(b) a proposed post-mining land use for the land the subject of the proposed PRC Plan is stated in the holder's environmental authority, and

since the EIS process was completed or environmental authority was issued, a post-mining land use or non-use management area for the land has not changed.

It is common that a post mining land use is not provided for in the EA itself, but is:

(a) provided to the regulator, usually for its approval, in a separate document prepared pursuant to a condition of the EA; and

(b) the subject of an investigation by the EA holder (or a suitably qualified person), to be submitted a reasonable time before closure commences.

In these circumstances, the PRC Plan should not be publicly notified.

Recommendation

1. That where a final landform is described or provided for in a document required by a condition of an EA, rather than specified in the EA itself, the PRC Plan is not publicly notified.

[7] Citigold paragraph 85.

Recommendation
2. That any rights to develop final landform planning later in the mine life should be preserved for EAs granted before the commencement of the new legislation.

- **Milestones**

Clause 99 states 'rehabilitation milestone' for the rehabilitation of land means each significant event or step necessary to rehabilitate the land to a 'stable condition.'

Clause 111A states land is in a 'stable condition' if:

(a) *the land is safe and structurally stable;*

(b) *there is no environmental harm being caused by anything on or in the land; and*

(c) *the land can sustain a post-mining land use*

Each rehabilitation milestone must be met as soon as practicable after the land becomes available for rehabilitation.[8] Annual reporting requirements apply.[9] This is in addition to regular third party audits being provided to DES.

It will be an offence not to comply with the rehabilitation milestones.[10]

There is no guidance available on what will constitute an acceptable rehabilitation milestone.

The imposition of rehabilitation milestones, together with the uncertainty of what they actually are, is a significant concern.

In addition, the lack of a feedback mechanism to amend the milestones (other than going through a publicly notified amendment process) creates further risk.

Ordinarily, good rehabilitation planning requires trials to be carried out that lead a decision about the rehabilitation methodology and ultimately inform the post mine land use. This process will not be available if rehabilitation milestones are inflexible and decided decades before rehabilitation is carried out.

Recommendation
1. Rehabilitation Milestones may be amended without the need for a major PRCP Schedule amendment where there is a sound justification for the change.
2. Peabody Australia requests further consultations and workshops around the nature and level of specificity required for Rehabilitation Milestones.

[8] Bill clause 126D(4).
[9] Bill clause 316J.
[10] Bill clause 413B.

- **Public register**

  Existing EAs are publicly available.

  The Bill amends the public register such that in addition to existing documents:

  (a) PRC Plans;

  (b) audit reports of PRCP schedules;

  (c) ERC decisions; and

  (d) annual returns,

  will be made publicly available.

  Peabody Australia supports the public having visibility of our environmental performance. For example, Peabody Australia regularly reports on our environmental performance as part of our sustainability commitments.

  DES has also separately indicated that the scope of its annual return reports is likely to become more extensive. The content of the annual return reports is currently limited, and so the requirement to now publish them should be properly consulted on once the reporting content is understood by Peabody Australia and the industry more broadly.

Recommendation
1. Any commercially sensitive information contained in ERC decisions, audit reports, annual returns and other documents should be kept confidential.
2. Further consultation around publication of details in any of these documents is required.

Thank you for the opportunity to have input to this process. Naturally, we are happy to participate in any associated workshops and ongoing discussions with Government to assist with the implementation of these reforms.

If you need to further discuss any part of this submission, [redacted], our Senior Vice President Finance & Administration Australia and [redacted], our Vice President Health, Safety & Environment are available to assist.

Yours sincerely

Janette Hewson
VP Government Relations and General Counsel
Peabody Energy