

Supplementary submission No. 090
25 February 2014
11.1.14



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Mr David Gibson MP, Member for Gympie
Chair, State Development, Infrastructure and Industry Committee
Parliament House
George Street
BRISBANE QLD 4000

Dear Mr Gibson, *David,*

RE: *Regional Planning Interests Bill 2013 – Submission to Committee*

If the *Regional Interests Planning Bill 2013* is enacted in its current state, with no effective transitional provisions and also extremely narrow exemptions, it will indefinitely delay the Baralaba North Continued Operations Project (BNCOP) and in doing so jeopardise the future of Cockatoo Coal

Cockatoo Coal Limited (CCL) welcomes the opportunity to comment on the Regional Planning Interests Bill 2013 (the Bill).

CCL is listed on the Australian Stock Exchange and is a metallurgical coal producer with projects in the Bowen Basin, Galilee Basin and Surat Basin in Queensland (QLD). CCL is the owner of the Baralaba Coal Mine and the approved Baralaba North Expansion which is currently under construction.

The Bill in its current form will impact on both the BNCOP and also CCL's current operations at Baralaba Coal Mine and the Baralaba North Expansion. CCL have utilised the BNCOP as a case study to illustrate CCL's concerns the Bill.

The timely delivery of the BNCOP is critical to the future of Cockatoo Coal.

Baralaba North Continued Operations Project Overview

The BNCOP is located approximately 115 km south-west of Rockhampton, in the lower (south-east) Bowen Basin region of central QLD. The BNCOP is located approximately 45 km north of Moura, and 70 km north-west of Biloela.

The BNCOP is seeking to increase coal production from the current approved rate of 1Mtpa to a peak production rate of 3.5Mtpa. The project will be a continuation of the open cut coal mine activities at Baralaba North Expansion. The BNCOP will have a mine life of approximately 15 years. It is estimated that at peak production the mine will provide employment opportunities for 380 and during peak construction up to 430 jobs.



The timing of the increase in product coal will coincide with the commissioning of the Wiggins Island Coal Export Terminal (WICET) at the Port of Gladstone, with 3Mtpa to be exported through WICET and 500,000tpa through an existing arrangement at the RG Tanna Terminal.

The BNCOP incorporates the approved Baralaba Coal Mine Extension Project (including existing/approved operations within mining tenements at Baralaba Central (ML5590, ML5581, ML5580, ML5605 and ML80157) and Baralaba North Expansion (ML80169 and ML80170) up to 1 Mtpa product coal). A new Mining Lease will also be sought for an area to East and North East of the above tenements and tenures relevant to the BNCOP are shown in the attached figure.

The BNCOP is also one of several elements of the broader *Baralaba Expansion Project* which was declared a 'prescribed project' by the Minister for State Development, Infrastructure and Planning on 31 July 2013 pursuant to section 76E of the *State Development and Public Works Organisation Act, 1971* (QLD).

Current BNCOP Assessment Processes

The key component of the approvals process for the BNCOP is an Environmental Impact Assessment (EIS) under the *Environmental Protection Act 1994 (Qld)* (EP Act). On 5 November 2013 the Department of Environment and Heritage Protection (DEHP) approved CCL's application to prepare a voluntary EIS under the EP Act. Following this CCL submitted a draft ToR to the DEHP for review and public comment on 13 December 2013. The draft ToR was placed on public exhibition from 13 January 2013 until 24 February 2014 and it is anticipated that the ToR will be finalised in mid-April 2014. Following the finalisation of the ToR the current BCNOP schedule has the draft BCNOP EIS being submitted in late April 2014 and the EIS Assessment Report being finalised by EHP in early November 2014.

A Mining Lease (ML) Application under the *Mineral Resources Act 1989* (MR Act) will be lodged in March 2014 and the associated Environmental Authority (EA) Application under the EP Act will be lodged in late October/early November 2014.

The proposed BNCOP layout which has formed the basis of the EIS and all of the associated technical assessments can be found in the attached figure.

Impact of *Regional Planning Interests (RPI) Bill 2013* on BNCOP

The Bill, as it is currently drafted, creates a number of key risks for both the BNCOP and also CCL's current operations at Baralaba Central Mine and the Baralaba North Expansion. However CCL's submission will focus solely on the impact of the Bill on the BNCOP.

The attached figure illustrates the BNCOP layout in the context of the areas being proposed as Priority Agricultural Areas and Priority Agricultural Land Use Area under the Bill.

These key risks which the Bill creates for the BNCOP are listed below:



Key Risks

Lack of transitional provisions

- CCL has made a significant investment in developing the BNCOP. All feasibility studies and associated mine planning which has been fed into the BNCOP EIS has been based on the ability to utilise a short-haul spoil dump to the east of ML80170 (see attached figure). The proposed short-haul spoil dump is located within a Management Area under the *Strategic Cropping Land Act 2011 (Qld)* (SCL Act). As such CCL were progressing on the basis that a Protection Decision could be sought over this area and then subsequently utilised for a short haul spoil dump.
- The Bill in its current form now prohibits CCL from utilising this area as a spoil dump through the introduction of the Priority Agricultural Areas (PAA) and more specifically Priority Agricultural Land Use (PALU) due the proposed short-haul dump having a 'material impact' on the PALU. To further complicate matters the BNCOP is also constrained to west due to PALU. The resulting impact is that the current BNCOP Mine Plan and associated Project Description will be required to be amended to remove this impact on the PALU and the BNCOP EIS being delayed by a minimum of 6 months.
- The key risk is that the Bill currently lacks any transitional provisions whatsoever that allow for projects like the BNCOP that are currently in the process of gaining of approval through an EIS. The lack of transitional provisions effectively places those companies who are completing an EIS at a disadvantage as they will be required to amend their proposed Mine Plan and associated Project Descriptions to retrospectively address the Bill.

Current exemptions too narrow

- In addition to the above as part of the BNCOP, CCL's two separate Environmental Authorities over ML80169 and ML80170 will be amalgamated. As part of the EA amalgamation process a new Plan of Operations (PoO) covering both ML80169 and ML80170 will be required to be produced. This process has the potential for operations at Baralaba North to cease until a Regional Interests Authority (RIA) has been granted over the area covered by the new PoO.

CCL provides the following key recommendations to address the key risks as set above.

Key Recommendations

- CCL recommends the implementation of transitional provisions which provide an exemption for EIS's which are currently progressing through the formal EIS approval process. It is suggested that these transitional provisions be the same as those which were implemented under the *Strategic Cropping Act 2011* (SCL Act). The SCL Act transitional provisions provided certainty for project's which had their Terms of Reference finalised by 31 May 2011. If similar transitional provisions were



implemented this would allow the BNCOP to continue through its current EIS approval process and not cause any delays to the project.

- In addition to the above CCL also recommends that exemptions for activities authorised under an existing mining tenement or EA be implemented, rather than the exemption only applying to the short-term resource work plan (more specifically the PoO). This would ensure certainty for CCL's existing operations on ML80169 and ML80170 following the amalgamation of the EA's.
- If the Bill can be amended to incorporate the two above key recommendations CCL is confident that the BNCOP can avoid any delays caused by the implementation of the Bill.

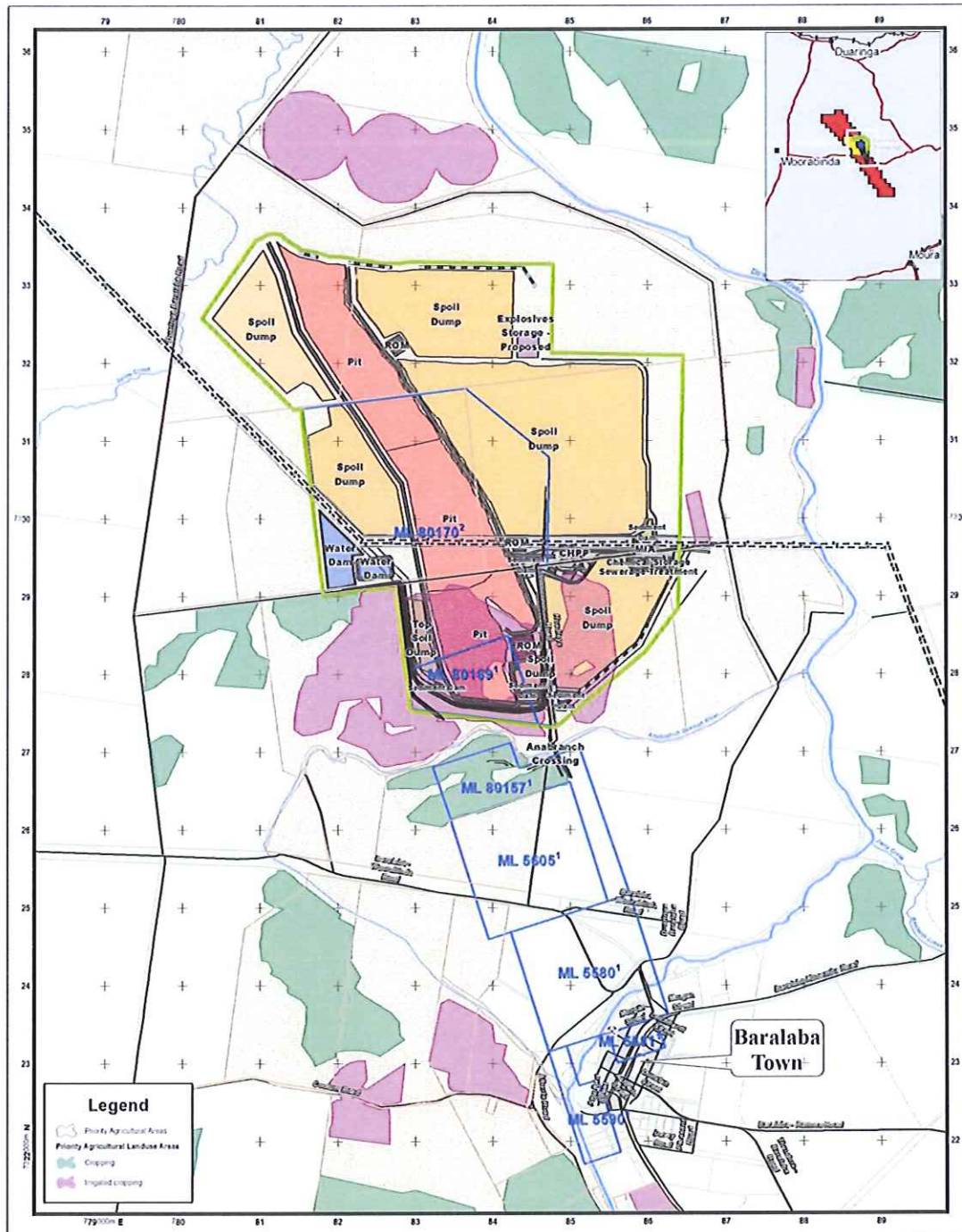
As demonstrated by the above BNCOP case study, if the *Regional Interests Planning Bill 2013* is enacted in its current state, with no effective transitional provisions and also extremely narrow exemptions, it will indefinitely delay the BNCOP and in doing so jeopardise the future of Cockatoo Coal.

Yours sincerely,

A handwritten signature in black ink, appearing to read "T. Harrington", written in a cursive style.

Todd Harrington

Chief Development Officer



PROJECT BARALABA NORTH CONTINUED OPERATIONS PROJECT		<small>DISCLAIMER:</small> Cockatoo Coal Ltd has prepared all data on the production of this map. Cockatoo Coal Ltd makes no warranty or representation as to the accuracy or completeness of the data or the plan or the map, particularly with regard to any information or material shown on the map. The user of the map, by the use of the map, shall be deemed to have accepted the data as shown on the map and shall be responsible for the accuracy or completeness of the data.		<small>SCALE</small> 1:45,000 <small>DATE</small> 11/02/14		<small>LEGEND</small> Road Pipeline Boundary Contour Proposed Road Proposed Pipeline Proposed Road Area		<small>STATUS</small> FINAL	
<small>TITLE</small> BNCOP Project Layout & Priority Agricultural Areas		<small>SCALE</small> 1:45,000 <small>DATE</small> 11/02/14		<small>LEGEND</small> Road Pipeline Boundary Contour Proposed Road Proposed Pipeline Proposed Road Area		<small>STATUS</small> FINAL		<small>PROJECT NO</small> Baralaba North <small>DRAWING NO</small> BBN 426-140219-17-01	