

To: Dr Brett Heyward
 Director-General
 Natural Resources and Mines

From: Sue Ryan
 Deputy Director-General
 Policy and Program Support

Endorsed: Bernadette Ditchfield
 Executive Director
 Land and Mines Policy

<p>Approved / Not Approved / Noted Further information required</p> <p>.....</p> <p>Director-General</p> <p>Dated/...../.....</p>
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27 November 2013

**Meeting with Bandanna Energy to discuss their proposed Springsure Creek coal mine project currently being assessed by the department.
 10.00am, Monday 9 December 2013, Director-General’s boardroom**

Attendees for this meeting are:

Bernadette Ditchfield, Executive Director, Land and Mines Policy, DNRM
 Michael Gray, Managing Director, Bandanna Energy
 Stuart Clarke, Chief Development Officer, Bandanna Energy

Recommendation

1. The suggested approach the Director-General should take for this meeting is:
 - **Note** the department is currently assessing Bandanna’s Springsure Creek coal mine project under the *Strategic Cropping Land Act 2011*.

Timing

2. Approval and noting of this brief is required by the Director-General prior to the meeting on Monday 9 December 2013.

Background

3. Bandanna Energy Limited (Bandanna) contacted the Director-General’s office seeking to meet and discuss its proposed Springsure Creek underground coal mine project in relation to the *Strategic Cropping Land Act 2011* (SCL Act).
4. Bandanna lodged an incomplete SCL protection decision application for mining lease application 70486 (MLA70486) on 9 August 2013 and provided the additional information on 18 October 2013. The department is currently assessing the application.
5. MLA70486 is subject to transitional provisions under the SCL Act, allowing permanent impacts to occur on SCL (subject to conditions).
6. A separate SCL protection decision application was lodged 15 October 2013 for the transport corridor (MLA70502). This application is not subject to transitional provisions under the SCL Act. Therefore, any permanent impacts to SCL will not be permitted unless it is decided by the Minister for Natural Resources and Mines to be in exceptional circumstances under Chapter 4 of the SCL Act. This decision is not delegated.
7. Both SCL protection decision applications lack considerable detail of the proposed infrastructure and mining activities, and the methods to be applied to avoid and minimise impacts on SCL. Bandanna has explained this is because the project planning is still conceptual, and that detailed information is expected following initial project approvals.
8. Departmental officers met with a number of affected landholders on 15 and 17 October 2013 to gain an appreciation of potential impacts of subsidence on their cropping systems.
9. A cross-agency workshop was held by the department on 26 November 2013 to discuss options for SCL conditions to be placed on any SCL decisions to ensure compatibility and consistency with conditions applied under other legislation. Other agencies represented included the Department of State Development, Infrastructure and Planning, the Department of Agriculture, Fisheries and Forestry, the Department of Environment and Heritage Protection, and DNRM.

10. The Springsure Creek project has very strong community and industry interest, and the department regularly receives correspondence and Right to Information requests from stakeholders. Affected landholders and Bandanna each had deputations with multiple ministers at the Emerald Community Cabinet on 20-21 October 2013.
11. The Central Queensland Regional Plan was released on 24 October 2013. The Regional Plan identifies Priority Agricultural Areas for protection (of which the Springsure Creek project lies within).
12. New legislation will be needed to implement the regional plan, and the Queensland Government has introduced the *Regional Planning Interests Bill 2013* into Parliament on 20 November 2013. It is likely this new Act will commence late in the first quarter of 2014.
13. Attachment 1 provides additional information to support this brief.

Springsure Creek mine project area MLA70486 – SCL implications

14. Approximately 7064 ha (81%) of SCL on MLA70486 will be impacted by subsidence from the proposed underground longwall mining, and approximately 150ha of SCL to be impacted by surface infrastructure.
15. The SCL protection decision application states the predicted maximum subsidence will be 2.2 metres over the longwall panels, and 1.4 metres over the pillars.
16. The SCL protection decision application proposes to address the impacts of subsidence by using various methods such as re-contouring for example. However, no detail is provided on how this will be carried out. The application instead relies on future investigations and findings of trial remediation at another site and an agricultural research committee established and funded by Bandanna.
17. The SCL decision about whether the underground mining will result in temporary or permanent impacts may be seen as precedent setting as it is the first time such a proposal has required an SCL decision.

Transport corridor (MLA 70502) - SCL implications

18. Bandanna is proposing a 25 metre wide, 35 kilometre long haul road, an adjacent 20m wide corridor for power, and other associated infrastructure for transporting coal.
19. Bandanna believes this activity will have a temporary impact on SCL.
20. Previous SCL protection decisions have determined haul road construction to have a permanent impact on SCL due to extensive and long-lasting impacts on the soil.
21. Should the decision be that the transport corridor will result in permanent impacts on SCL, and that it is not deemed exceptional circumstances under the SCL Act, the environmental authority for the resource activities cannot be issued. This would also mean the mining lease for the transport corridor would not be issued.
22. If this occurred and the mining lease was not issued, Bandanna could consider other options such as transporting the coal to the rail load out facility within the confines of land that has been designated as road reserve, which would not require assessment under the SCL Act.

Implications of the release of the SCL review and Central Queensland Regional Plan

23. It is highly likely the new Regional Planning Interests Act will commence prior to a final decision being made on the grant of the mining tenure for MLA70486.
24. The SCL Act will continue to apply until the new Act takes effect in 2014, whereby SCL will then become one of the regional planning interests under the new Act.
25. It is unlikely Bandanna will withdraw their SCL applications in order to re-lodge them under the new Regional Planning Interests framework, as they have previously indicated to DNRM officers that they require a decision as a matter of priority and wish to have all approvals in place in the first quarter of 2014.

Attachments

26. Attachment 1: Additional background information.

Clearance

27. Does this have a budget or financial impact? **NO**
28. Does this have an impact for Service Delivery or any other area in DNRM? **NO**
Service Delivery have been consulted in the preparation of this brief.

Next steps

- 29. DNRM's SCL assessment staff will continue to assess the proposed Springsure Creek project in accordance with the requirements of the SCL Act, with draft conditions to be discussed with the relevant agencies to ensure consistency.
- 30. A future brief outlining the department's final assessment of Bandanna's Springsure Creek project and recommended SCL conditions will be progressed to the Director-General DNRM.

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Director-General - Natural Resources and Mines

Comments:

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ATTACHMENT 1

Additional background information

1. The Springsure Creek project is located approximately 40km south of Emerald, within the Central Protection Area under the strategic cropping land (SCL) framework.
2. Under the *Strategic Cropping Land Act 2011* (SCL Act), land that is confirmed as SCL in a Protection Area cannot be permanently impacted by a development (except in limited exceptional circumstances).
3. The previous government included specific transitional provisions in the SCL Act for a mining lease arising from Bandanna's exploration permit for coal number 891 (EPC891).
4. Specifically, the transitional provisions allow the Springsure Creek coal project to proceed (and permanently impact SCL) subject to conditions. The conditions include that no open-cut mining can be carried out under the lease, and the environmental authority holder must use all reasonable endeavours to rehabilitate all impacts on the land from underground coal mining.
5. Bandanna lodged an SCL protection decision application for Mining Lease Application (MLA) 70486 on 9 August 2013 for assessment under the SCL Act by DNRM. DNRM SCL assessment staff (Central region) undertook a preliminary assessment of the SCL protection decision application and issued Bandanna a requisition notice seeking further information, which Bandanna responded to on 18 October 2013.
6. The Department of Environment and Heritage Protection (DEHP) issued the EIS assessment report on 7 November 2013. The report includes requests for further information in relation to a Subsidence Management Plan, Groundwater Management Plan and amended Environmental Management Plan. A draft EA is likely to be issued in early 2014, should Bandanna address the additional requirements expediently.
7. Bandanna also requires mining leases under the *Mineral Resources Act 1989* to transport coal from the mine project area to a rail load out facility. Separate MLA's for a transport corridor (MLA70502) and rail load out facility (MLA70501) were lodged on 16 May 2013.
8. No SCL application is required for the rail load out facility as it is not proposed to be located on potential SCL.
9. An SCL application is required for the transport corridor which is proposed to be located partly on potential SCL. This application would not be subject to transitional provisions under the SCL Act, and would therefore be assessed against the full requirements of the SCL Act.
10. DNRM considers:
 - MLA70486 (mine project area) meets the requirements of section 289 of the SCL Act for transitional status and is therefore exempt from the permanent impact restriction – that is, permanent impacts on SCL is permitted for a mining lease that results from MLA70486.
 - MLA70502 (transport corridor) is not eligible for transitional status under the SCL Act, and must therefore be assessed against the full requirements of the SCL Act. Bandanna has indicated in meetings with DNRM that they hold the same view.

Springsure Creek mine project area MLA70486

11. Areas of the underground mining (long wall) and related surface infrastructure will be located on SCL. An SCL protection decision is required to be made under the SCL Act for the mining project prior to the issue of both the mining lease (ML) by DNRM and environmental authority (EA) by DEHP.
12. The SCL protection decision applications lodged by Bandanna are being assessed in accordance with the SCL Act. Bandanna is required to demonstrate: the nature of the impacts; that SCL has been avoided or minimised; whether the impacts are temporary

or permanent; for temporary impacts, how the SCL will be restored to its pre-development condition; and for permanent impacts, mitigation measures in accordance with the SCL Act.

13. The SCL protection decision application lodged by Bandanna states the predicted maximum subsidence will be 2.2 metres over the longwall panels, and 1.4 metres over the pillars. Subsidence and the surface mining infrastructure will result in a range of impacts on SCL including:
 - permanent increases in slope and landform irregularity;
 - redirection and disruption of overland flow;
 - increased erosion hazard on cropping land (due to landform irregularities and increased slopes) and the subsequent need for intensified soil conservation management and erosion control structures to be imposed on cropped land to manage these hazards;
 - changes to soil profile characteristics and soil depths through both natural and mechanical soil redistribution in response to landform irregularities as the land subsides;
 - scouring, ponding and sediment deposition as a result of redirected and captured overland flows above collapsed longwall panels;
 - enduring practical and economic impediments to cultivation and harvesting on deformed cropping land due the closer spacing and irregular shape of contour banks needed to conserve soil within the deformed landscape;
 - the exclusion of flood irrigated cropping systems from areas developed and utilised for this purpose; the potential abandonment of cropping in some locations due to the constraints of the altered landform;
 - potential soil loss, compaction and contamination associated with surface infrastructure, mine waste storage and coal handling.
14. Whether subsidence from underground mining results in permanent or temporary impacts on SCL will be determined by whether Bandanna can demonstrate the land affected by subsidence can be restored to its 'pre-development condition' and is not impeded from being cropped for at least 50 years.
15. The supplementary environmental impact statement (SEIS) for the Springsure Creek project states the predicted subsidence is in the order of 1.2 metres to 2.3 metres over the longwall panels, and 0.2 metres to 1 metre over the pillars. The SEIS focuses on managing the impacts of subsidence by remediating the subsided areas and claims there will be no permanent change in land use.
16. Taking into account the predicted subsidence, and the focus on remediation and managing impacts as opposed to restoration, it is likely that the project may cause a permanent impact to SCL, as the land is unlikely to be restored to its pre-development condition.

Transport corridor (MLA 70502)

17. The transport corridor does not have an exemption from the permanent impact restriction; therefore any resource activities permanently impacting SCL will need to be decided as being in Exceptional Circumstances under Chapter 4 of the SCL Act.
18. If an EC application under the SCL Act is lodged by Bandanna, it must be decided by the Minister for Natural Resources and Mines. This decision is not delegated.
19. Should the decision be that the transport corridor is not deemed Exceptional Circumstances under the SCL Act, and the impacts of the transport corridor on SCL assessed to be permanent, then section 94 of the SCL Act provides that the environmental authority for the resource activities cannot be issued.
20. This situation would result in the mining lease not being issued. However, there are other options Bandanna could consider, such as transporting the coal by road if this situation arises.

Release of the SCL review and Statutory Regional Plan for Central Queensland – Implications

21. On 24 October 2013, the final Statutory Regional Plans for Central Queensland and the Darling Downs was released by the Deputy Premier and Minister for State Development, Infrastructure and Planning Jeff Seeney. The SCL review was also released on 24 October by the Minister for Natural Resources and Mines, Andrew Cripps.
22. The new Statutory Regional Plans will identify and map Priority Agricultural Areas for protection (of which the Springsure Creek project lies within). New legislation will be needed to implement the regional plans, and the Queensland Government have introduced the *Regional Planning Interests Bill 2013* into Parliament on 20 November 2013. It is likely this new Act will commence late in the first quarter of 2014.
23. SCL will become one of the regional planning interests under the new Act, and the outcomes of the SCL review will be incorporated into the new Act's regulations and codes.
24. Developments triggered by the SCL Act, including Bandanna's Springsure Creek project, will continue to be assessed against the SCL Act until the new Act commences.

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