



Wollongong Coal Limited

Russell Vale Colliery

Independent Audit

Action Plan

February 2020

Document Control	
Site:	Russell Vale Colliery
Document ID:	WCL_WW_EC_RPT_014
Document Type:	Report
Date Published:	21 January 2020
Document Title:	Russell Vale Colliery Independent Audit Action Plan
Version Number:	1
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TABLE OF CONTENTS

Table of Contents.....	3
1 Introduction.....	4
2 Independent Audit	5
2.1 Background	5
2.2 Independent Audit Findings.....	5
2.3 Independent Audit Recommendations.....	6
3 Action Plan.....	7
3.1 Non-Compliances.....	7
3.2 Recommendations.....	7

1 INTRODUCTION

Russell Vale Colliery (RVC) is an underground coal mine located approximately 5 km north of Wollongong in New South Wales, Australia and operated by Wollongong Coal Limited (WCL).

WCL hold mining leases CCL745, ML1575 and MPL271 for the RVC, with a total area of 6,683 hectares. WCL also hold Environment Protection Licences (EPL) 12040.

A locality map showing the mining lease area extent is outlined on **Figure 1**.

RVC mining operations are governed by the “Preliminary Works Approval” (MP10_0046), approval for which was granted on 13 October 2011.

Longwall extraction ceased in 2015 and currently RVC is on care and maintenance operational mode.

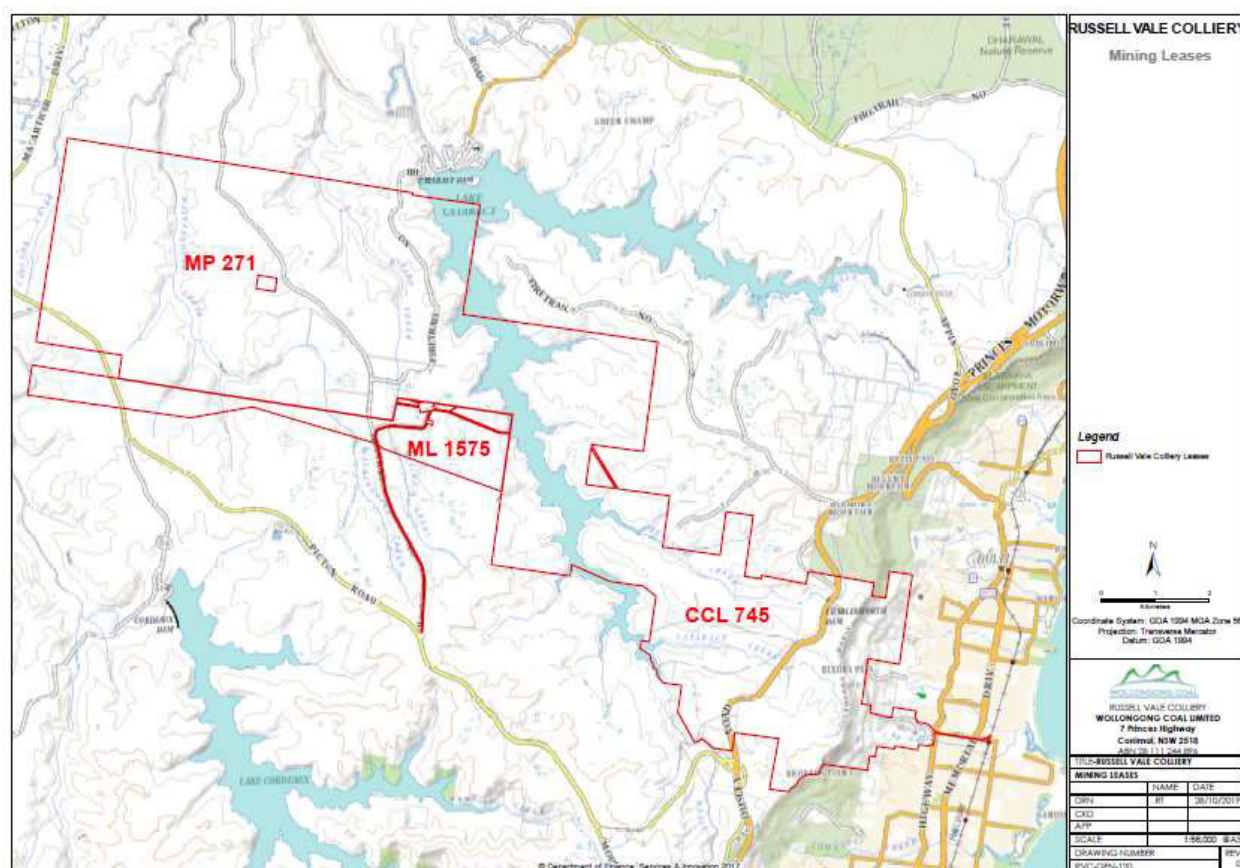


Figure 1: Russell Vale Colliery Mining Leases

2 INDEPENDENT AUDIT

2.1 Background

Wolfpeak we engaged by WCL to undertake an Independent Audit for the period from 1 July 2016 to 30 June 2019.

The objective of the Independent Audit was to satisfy MP10_0046 Schedule 5, Condition 8.

This condition requires that an Independent Audit be carried out within 12 months of the approval, and every three years thereafter. This IEA seeks to verify compliance with the relevant Conditions of Approval (CoAs), EPLs, and Mining Leases. The Independent Audit is also required to assess the effectiveness of environmental management.

This Audit Report presents the findings from the third Independent Audit for the MP10_0046, and covers the period from 1 July 2016 to 30 June 2019.

2.2 Independent Audit Findings

The Independent Audit reviewed 72 CoAs, 48 EPL conditions and 55 Wollongong Council conditions.

The findings were as follows:

- There was 124 conditions that were identified as being complied with;
- There was 14 non-compliances identified;
- There was 3 administrative non-compliances identified;
- There was 10 conditions not able to be verified; and
- There was 9 conditions for noting;
- There was 18 conditions identified as not being triggered.

A summary of the findings of the Independent Audit are outlined within **Table 1**.

Table 1: Summary of Independent Audit Findings

	Project Approval MP10_0046	EPL12040	WCC 1989/389
Compliant	49	41	34
Not Verified	6	0	4
Not Triggered	10	2	15
	65 (90%)	43 (90%)	53 (96%)
Not Compliant	5	5	2
Administrative Not Compliant	2	0	0
	7 (10%)	5 (10%)	2 (4%)
Total	72	48	55

2.3 Independent Audit Recommendations

The Independent Audit made 3 recommendations of a more strategic nature, which are:

- Recommendation that WCL prepares an Annual Subsidence Impact Performance Report that provides a statement of compliance against all of the Subsidence Performance Measures in Tables 1 and 2 of the Approval and references to supporting evidence, analysis and conclusions by relevant experts.
- Recommendation that WCL develops and implements a Compliance Management System as soon as possible. Ideally, such a system would enable coverage of the next 3 yearly audit period from July 2019 to June 2022. We also recommend that a dedicated resource (e.g. Environmental Compliance Coordinator or similar role) be assigned to implementing this system.
- Recommendation that the published reports clearly indicate what the relevant limit criteria are, or clearly state where these do not apply.
- We recommend that a comprehensive review of the requirements of all the various approvals and consents applicable to RVC be undertaken with a view to streamlining and clarifying (or removing) outdated, overlapping, confusing or unclear conditions between the different approvals and consents. This will also require the assistance and support of the relevant regulatory agencies to agree to modify their approvals and consents to assist this process. We believe that this would greatly assist WCL achieving a higher degree of compliance by clarifying and simplifying the regulatory framework they are operating under and potentially improve without compromising environmental performance requirements.
- We recommend that WCL undertake a review of its EMS with a view to ensuring it is fit for the purpose of any proposed extension and reopening of the mine in 2020 should this be approved.
- We recommend that should RVC return to operations in 2020 the necessary Mining Operations Plan (MOP) review required at that time should include a comprehensive review of the rehabilitation strategy across all RVC's operations, including both Russell Vale and the Special Catchment Areas.
- We support the approach advised by Wollongong City Council in relation to lantana control and further recommend that in any revised MOP, triggered by the reopening of the mine, consideration be given to a coordinated approach to the control of this weed, in consultation with landowners and managers surrounding the mine.
- We recommend that the testing register required under section 12.2 of the PIRMP be actively maintained and that it should include as a minimum, relevant details of the nature & date of the test / scenario, personnel involved and any improvements and recommendations to pollution response procedures and the PIRMP arising from the test.

3 ACTION PLAN

3.1 Non-Compliances

WCL Action Plan related to the Independent Audit non-compliance findings are outlined within **Table 2**.

3.2 Recommendations

WCL Action Plan related to the Independent Audit Recommendations are outlined within **Table 3**.

Table 3: Independent Audit Recommendations Action Plan

Audit Recommendations	WCL Action Plan	Timeframe
Preparation of an Annual Subsidence Impact Performance Report that provides a statement of compliance against all of the Subsidence Performance Measures	WCL will include with Annual Review/AEMR as an Appendix	2019/2020 Annual Review/AEMR (30 June 2020)
WCL develops and implements a Compliance Management System as soon as possible. Ideally, such a system would enable coverage of the next 3 yearly audit period from July 2019 to June 2022. Also recommend that a dedicated resource be assigned to implementing this system	As interim step, WCL is implementing a Compliance Database developed by SMEC Engineering for project approval conditions WCL is investigating purchase and implementation of a commercially available Compliance software, such as Global 360 or Intellex WCL proposes to review the Environment team resources once Russell Vale UEP approval commenced	30 June 2020 30 December 2020 30 December 2020
That the published reports clearly indicate what the relevant limit criteria are, or clearly state where these do not apply.	WCL will communicate with consultants to ensure that reports indicate relevant limit criteria wherever possible	2019/2020 Annual Review/AEMR (30 June 2020)
We recommend that a comprehensive review of the requirements of all the various approvals and consents applicable to RVC be undertaken with a view to streamlining and clarifying (or removing) outdated, overlapping, confusing or unclear conditions between the different approvals and consents. This will also require the assistance and support of the relevant regulatory agencies to agree to modify their approvals and consents to assist this process. We believe that this would greatly assist WCL achieving a higher degree of compliance by clarifying and simplifying the regulatory framework they are operating under and potentially improve without compromising environmental performance requirements.	WCL will conduct review post UEP approval being granted	30 June 2021
We recommend that WCL undertake a review of its EMS with a view to ensuring it is fit for the purpose of any proposed extension and	WCL will conduct review post UEP approval being granted	30 June 2021

reopening of the mine in 2020 should this be approved.		
We recommend that should RVC return to operations in 2020 the necessary Mining Operations Plan (MOP) review required at that time should include a comprehensive review of the rehabilitation strategy across all RVC's operations, including both Russell Vale and the Special Catchment Areas.	WCL will conduct review post UEP approval being granted	30 June 2021
We support the approach advised by Wollongong City Council in relation to lantana control and further recommend that in any revised MOP, triggered by the reopening of the mine, consideration be given to a coordinated approach to the control of this weed, in consultation with landowners and managers surrounding the mine.	WCL will conduct review post UEP approval being granted	30 June 2021
We recommend that the testing register required under section 12.2 of the PIRMP be actively maintained and that it should include as a minimum, relevant details of the nature & date of the test / scenario, personnel involved and any improvements and recommendations to pollution response procedures and the PIRMP arising from the test.	WCL will conduct review and report in 2019/2020 Annual Review/AEMR	30 June 2020

Table 2: Independent Audit Non-Compliance Findings Action Plan

Condition	Compliance Status	Non-Compliance Findings	WCL Action Plan	Timeframe
MP10_0046 Schedule 2 Condition 1	Non-compliant	We recommend that WCL develops and implements a Compliance Management System as soon as possible. Ideally, such a system would enable coverage of the next 3 yearly audit period from July 2019 to June 2022. We also recommend that a dedicated resource (e.g. Environmental Compliance Coordinator or similar role) be assigned to managing such a system.	WCL is investigating purchase and implementation of a commercially available Compliance software, such as Global 360	30 December 2020
MP10_0046 Schedule 2 Condition 2	Administrative non-compliance	We recommend that WCL develops and implements a Compliance Management System as soon as possible. Ideally, such a system would enable coverage of the next 3 yearly audit period from July 2019 to June 2022. We also recommend that a dedicated resource (e.g. Environmental Compliance Coordinator or similar role) be assigned to managing such a system.	WCL is investigating purchase and implementation of a commercially available Compliance software, such as Global 360	30 December 2020
MP10_0046 Schedule 2 Condition 10	Non-compliant	No specific recommendation	Noted	NA
MP10_0046 Schedule 3 Condition 1	Not verified	We recommend that WCL prepares an Annual Subsidence Impact Performance Report or Statement that provides a statement of compliance against all of the Subsidence Performance Measures in Tables 1 and 2 of the Approval, and includes references to the supporting evidence, analysis and statements by the relevant technical experts in support of compliance (or otherwise) with all of the measures.	WCL will include with Annual Review/AEMR as an Appendix	2019/2020 Annual Review/AEMR (30 June 2020)
MP10_0046 Schedule 3 Condition 2	Not verified	We recommend that WCL prepares an Annual Subsidence Impact Performance Report or Statement that provides a statement of compliance against all of the Subsidence Performance Measures in Tables 1 and 2 of the Approval, and includes references to the supporting evidence, analysis and statements by the relevant technical experts in support of compliance (or otherwise) with all of the measures.	WCL will include with Annual Review/AEMR as an Appendix	2019/2020 Annual Review/AEMR (30 June 2020)
MP10_0046 Schedule 3 Condition 3	Not verified	We recommend that WCL prepares an Annual Subsidence Impact Performance Report or Statement that provides a statement of compliance against all of the Subsidence Performance Measures in Tables 1 and 2 of the Approval, and includes references to the supporting evidence, analysis and statements by the relevant technical experts in support of compliance (or otherwise) with all of the measures.	WCL will include with Annual Review/AEMR as an Appendix	2019/2020 Annual Review/AEMR (30 June 2020)
MP10_0046 Schedule 3 Condition 4	Not verified	We recommend that WCL prepares an Annual Subsidence Impact Performance Report or Statement that provides a statement of compliance against all of the Subsidence Performance Measures in Tables 1 and 2 of	WCL will include with Annual Review/AEMR as an Appendix	2019/2020 Annual Review/AEMR (30 June 2020)

		the Approval, and includes references to the supporting evidence, analysis and statements by the relevant technical experts in support of compliance (or otherwise) with all of the measures.		
MP10_0046 Schedule 3 Condition 19	Administrative non-compliance	We recommend that for the avoidance of doubt it would be useful if a statement of compliance with the air quality criteria in Table 7 was made in the quarterly reports, including reasons for any exceedances due to the extraordinary events noted in the condition (if applicable)	WCL will include with Annual Review/AEMR as an Appendix	2019/2020 Annual Review/AEMR (30 June 2020)
MP10_0046 Schedule 3 Condition 20	Non-compliant	No recommendation as the automatic spray system has since been repaired and was operational at the time of the audit.	Noted	NA
MP10_0046 Schedule 3 Condition 31	Non-compliant	We recommend that the published reports and data sets clearly indicate what the relevant limit criteria are, or clearly state where none apply.	WCL will include with Annual Review/AEMR as an Appendix	2019/2020 Annual Review/AEMR (30 June 2020)
MP10_0046 Schedule 4 Condition 1	Non-compliant	We recommend that the requirement to notify affected external parties could be included within the functionality of the Compliance Management System recommended above	WCL is investigating purchase and implementation of a commercially available Compliance software, such as Global 360	30 December 2020
MP10_0046 Schedule 5 Condition 10	Administrative non-compliance	We recommend that the missing Quarterly monitoring report be uploaded to the website	WCL will include with Annual Review/AEMR as an Appendix	2019/2020 Annual Review/AEMR (30 June 2020)
EPL12040 L1.1	Non-compliant	No recommendation as we understand that the plant and equipment responsible for the discharge to Bellambi Gully has been repaired and is fully operational	Noted	NA
EPL12040 L2.1	Non-compliant	No recommendation as we understand that the plant and equipment responsible for the discharge to Bellambi Gully has been repaired and is fully operational	Noted	NA
EPL12040 O1.1	Non-compliant	No recommendation as the relevant plant and equipment has since been repaired and was fully operational at the time of the audit	Noted	NA
EPL12040 R2.1	Not verified	We have recommended an Incident Notification and Reporting Procedure be developed, tested and communicated to relevant personnel. It needs to include this requirement	WCL will complete and report within Annual Review/AEMR	2019/2020 Annual Review/AEMR (30 June 2020)
EPL12040 R2.2	Not verified	We have recommended an Incident Notification and Reporting Procedure be developed, tested and communicated to relevant personnel. It needs to include this requirement	WCL will complete and report within Annual Review/AEMR	2019/2020 Annual Review/AEMR (30 June 2020)
WCC 1989/389 Condition 4	Not verified	We are not able to assess the compliance status of this condition due to the current legal action	Noted	NA

WCC 1989/389 Condition 15	Not verified	Not able to be assessed	Noted	NA
WCC 1989/389 Condition 16	Not verified	Not able to be assessed	Noted	NA
WCC 1989/389 Condition 37	Not verified	No action required as stockpiled coal has now been removed from emplacement area	Noted	NA
WCC 1989/389 Condition 47	Non-compliant	Action in response to be advised by WCL	WCL will report within Annual Review/AEMR	2019/2020 Annual Review/AEMR (30 June 2020)
WCC 1989/389 Condition 48	Non-compliant	Action in response to be advised by WCL	WCL will report within Annual Review/AEMR	2019/2020 Annual Review/AEMR (30 June 2020)