



ANNUAL KOORAGANG COAL TERMINAL COMPLIANCE REPORT

| January to 31 December 2018



PORT WARATAH
COAL SERVICES

Pioneering Through Partnership

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Name of Operation	Kooragang Coal Terminal
Name of Operator	Port Waratah Coal Services
Development Consent(s)	DA 35/96 PA 06_0189 PA 06_0189 MOD 1 PA 06_0189 MOD 2 PA 06_0189 MOD 3
Name of holder of Development Consent / Project Approval	Port Waratah Coal Services Limited
Environmental Protection Licence Number	1552
Groundwater bore licence	20BLI73934
Compliance Report Start Date	1 January 2018
Compliance Report End Date	31 December 2018
<p>I, Trudie Larnach, certify that this compliance report is a true and accurate record of the compliance status of the Kooragang Coal Terminal for the period 1 January 2018 to 31 December 2018 and that I am authorised to make this statement on behalf of Port Waratah Coal Services.</p> <p>Note.</p> <p>a) <i>The Annual Review is an 'environmental audit' for the purposes of section 122B (2) of the Environmental Planning and Assessment Act 1979. Section 122E provides that a person must not include false or misleading information (or provide information for inclusion in) an audit report produced to the Minister in connection with an environmental audit if the person knows that the information is false or misleading in a material respect. The maximum penalty is, in the case of a corporation, \$1 million and for an individual, \$250,000.</i></p> <p>b) <i>The Crimes Act 1900 contains other offences relating to false and misleading information: section 192G (Intention to defraud by false or misleading statement—maximum penalty 5 years imprisonment); sections 307A, 307B and 307C (False or misleading applications/information/documents—maximum penalty 2 years imprisonment or \$22,000, or both).</i></p>	
Name of Authorised Reporting Officer	Trudie Larnach
Title of Authorised Reporting Officer	Manager Sustainability and Corporate Affairs
Signature of Authorised Reporting Officer	
Date	17 July 2019



Annual Kooragang Terminal Operation Compliance Report

This annual operation compliance report provides a summary of the compliance status of the Kooragang Coal Terminal (KCT). The Compliance report provides an assessment of the environmental performance of the project by way of compliance with the requirements and conditions of the following regulatory approvals:

- Development Consent 06_0189 including modifications of 26 November 2012, 5 April 2012 and 31 May 2010;
- Development Application No. 35/96 (Stage 3 Expansion);
- Environment Protection Licence (EPL) No 1552; and
- Groundwater bore licence No 20BL173934.

A total of 229 conditions were assessed for compliance with the above approvals. Five conditions were not complied with for the reporting period with 1 administrative non-compliance. A summary of KCT's compliance with key operational approvals as at the 31 December 2018 is provided in **Table 1**. A compliance key as per the Department of Planning and Environment (DPE) October 2015 Annual Review Guideline is provided in **Table 2** with a summary of the non-compliances for the reporting period provided in **Table 3**. In accordance with Condition 8.2 of PA 06_0189, a register of all incidents for the Kooragang Coal Terminal and the resulting actions undertaken by Port Waratah during 2018 are provided in **Table 4**.

Table 1: Statement of Compliance with Kooragang Terminal Approvals and Environment Protection Licences

Development Approval/Licence	Approval/Licence Number	Approval/Anniversary Date	Approval Body	Compliance
Kooragang Coal Terminal – Stage 1 (15Mtpa) & 2 Approval (35Mtpa)		21 April 1982	Minister for Public Works	Yes
Kooragang Coal Terminal – Stage 3 Expansion Approval (77Mtpa)	DA35/96	25 November 1996	DUAP	Yes
Kooragang Coal Terminal – Proposed increase to Throughput Capacity (120Mtpa) Modified Project Approval	06_0189	13 April 2007	NSW DoP	No
	06_0189 MOD 1	Modified 31 May 2010	NSW DoP	
	06_0189 MOD 2	Modified 5 April 2012	NSW DoP	
	06_0189 MOD 3	Modified 26 November 2012	NSW DPE	
Kooragang Coal Terminal Environment Protection Licence	EPL 1552	1 June	EPA	No
Groundwater bore licence	20BL173934	18 February 2017	NSW DI	Yes

Note: The light grey text represents previous approval documents that have been superseded.

Table 2: Statement of Compliance Key

Risk Level	Colour Code	Description
High	Non-compliant	Non-compliance with potential for significant environmental consequences, regardless of the likelihood of occurrence
Medium	Non-compliant	Non-compliance with: <ul style="list-style-type: none"> • Potential for serious environmental consequences, but is likely to occur; or • Potential for moderate environmental consequences but is likely to occur.
Low	Non-compliant	Non-compliance with: <ul style="list-style-type: none"> • Potential for moderate environmental consequences, but is likely to occur; or • Potential for low environmental consequences but is likely to occur.
Administrative non-compliance	Non-compliant	Only to be applied where the non-compliance does not result in any risk of environmental harm (e.g. submitting a report to government later than required under approval conditions)



Table 3: Kooragang Terminal non-compliance details

Relevant Approval	Condition #	Condition Description	Compliance Status	Comment
PA 06_0189	2.12	<p>Soil and Water Quality Impacts</p> <p>Except as may be expressly provided under the provisions of an Environmental Protection Licence for the project, the proponent shall comply with Section 120 of the Protection of the Environment Operations Act 1997 which prohibits the pollution of waters</p>	Non-compliant	<p>Non-compliances that occurred at the Kooragang Coal Terminal during the reporting period that involved water quality impacts are as follows:</p> <ul style="list-style-type: none"> • During the return to service process following a ship loader washdown on 23 February 2018, the boom conveyor was run to check the operational status. A small amount of potable water sprayed from the boom onto the wharf deck and into the harbour. • On 2 April 2018, process water from a small hole in the discharge line of a sump pump exited the discharge line and landed on the public footpath. A small amount of water travelled down the nearby public road and into the drainage system. • On 12 September, the boom fire deluge system on 7.10 Shiploader activated due to a heat sensor failure resulting in the volume of the deluge tank (15kL) being released. The majority of this water was retained onsite, however a small proportion discharged into the harbour via run-off from the tip of the boom. • Following a shiploader washdown on 17 November 2018 at KCT, a build-up of coal was identified on the wharf deck and timbers at K4 and it was estimated following investigation that approximately 64kg of coal entered the harbour during the shiploader washdown process.
	2.13	<p>Soil and Water Impacts</p> <p>The proponent shall not permit the discharge of any water from the site to the Hunter River unless expressly provided under the provisions of an Environment Protection Licence, or when a storm exceeds a 1 in 100 year ARI event or after prolonged wet weather 'equivalent' to this event</p>		Non-compliant



Relevant Approval	Condition #	Condition Description	Compliance Status	Comment
	7.5 (c.i)	Water Management Plan A Water Management Plan to outline the water management system for the site. The plan shall include, but not necessarily limited to: i) Predicted site water balance including the water supply system	Administrative Non-compliance	The Operation Environmental Management Plan (OEMP) Rev 2 dated 4 May 2012 contains a Water Management Plan as Appendix 4 however there is no reference to a predicted site water balance for the site. A revised version of the OEMP was submitted to the Department of Planning and Environment that included a water balance for the site.
EPL 1552	EPL LI.1	Pollution of waters Except as may be expressly provided in any other condition of this licence, the licensee must comply with section 120 of the Protection of the Environment Operations Act 1997.	Non-compliant	Refer to comment for condition 2.12 of the Development Consent 06_0189 above.
	EPL O3.1	The premises must be maintained in a condition which minimises or prevents the emission of dust from the premises.	Non-compliant	A dust non-compliance was recorded on 6 January 2018, where excessive buildup of dust occurred during ship loading activities. Activities ceased and the area cleaned up.
	O7.1 (a)	Ensure that vehicles or containers prior to leaving the premises are clean and sealed in a manner that will not cause materials or wastes used in conducting activities at the premises to be tracked, thrown from, blown, fall or cast from any vehicle or container onto a public road.	Non-compliant	On 22 March 2018, a vac truck being used to clean out coal fines from the underpass sump area of the outbound conveyor system tracked material along Cormorant road. The area was cleaned up with a sweeper truck with no material entering the road drainage system.



Table 4: 2018 KCT Environmental Incident Register (in accordance with Condition 8.2 of PA 06_0189)

Number	Incident Date	Incident Details	Incident Type	Incident Response
1	6 Jan	Excessive buildup of coal dust occurred on the vessel during ship loading activities.	Air Quality	<p>Shiploading activities were immediately ceased, and the deck of the vessel cleaned.</p> <p>Prior to resuming loading activities, the following actions were undertaken:</p> <ul style="list-style-type: none"> • sprays on the conveyor systems were assessed for operational effectiveness; • yard sprays were manually initiated on the cargo stockpile; and • additional water was added to the process via hoses at the transfer house. <p>The incident has been included in the 2017/18 EPL annual return as a non-compliance.</p>
2	23 Feb	During the return to service process following 7.10 ship loader washdown, the boom conveyor was run to check the operational status. A small amount of potable water sprayed from the boom onto the wharf deck and into the harbour.	Water	<p>The belt commissioning process was immediately ceased with the belt checked for further water build up.</p> <p>As a result of this incident, shiploader return to service procedures and boom belt starting parameters were reviewed, with further engineering controls being investigated.</p> <p>The incident has been included in the 2017/18 EPL annual return as a non-compliance.</p>
3	22 Mar	A vac truck being used to clean out coal fines from the underpass sump area of the outbound 4.28 conveyor system, tracked material along Cormorant road. The driver made a U-turn shortly after leaving the site and noticed the material being tracked. He immediately stopped the vehicle and contacted the Operations Supervisor.	Material tracking	<p>The Operations Supervisor inspected the area and organized traffic controls to be implemented to contain the material to the affected area.</p> <p>The area was cleaned up with a sweeper truck with no material entering the road drainage system.</p> <p>The incident was communicated to work groups, and the contractor's Safe Work Method Statement (SWMS) and long-term work permits were updated to include relevant Licence to Operate (LTO) controls. Additional signage has also been organised to be installed at boundary gates to remind drivers of LTO controls prior to site departure.</p> <p>The incident has been included in the 2017/18 EPL annual return as a non-compliance.</p>
4	2 Apr	Process water from a small hole in the discharge line of a sump pump exited the discharge line and landed on the public footpath. A small amount of water travelled down the nearby public road and into the drainage system.	Water	<p>The pump was immediately shutdown and the discharge ceased. Following initial controls to manage the incident, an audit was performed on the sump discharge line pipework, with repairs/replacements made where required. The PIRMP was enacted at the time of the incident and notifications made in accordance with condition R2 of EPL 1552. A written report was submitted to the EPA within 7 days of the incident.</p> <p>It was estimated that a maximum of 98 L entered the road drainage system over a 5-hour period.</p> <p>The incident has been included in the 2017/18 EPL annual return as a non-compliance.</p>



Number	Incident Date	Incident Details	Incident Type	Incident Response
5	12 Sep	During planned maintenance on 7.10 Shiploader, the boom fire deluge system activated due to a heat sensor failure resulting in the volume of the deluge tank (15kL) being released. The majority of this water was retained onsite, however a small proportion discharged into the harbour via run-off from the tip of the boom.	Water	Area inspected to determine level of impact. Fire Systems Contractor performed fault finding. Remaining heat sensors on the shiploader shuttle and boom were replaced. Heat Sensors located in environmentally sensitive areas are to be replaced on a 3-yearly schedule. The incident has been included in the 2018/19 EPL annual return as a non-compliance.
6	17 Nov	A temporary blockage occurred within the loading chute of 7.08 Shiploader, resulting in excessive coal build up and overflow outside the shiploader boom at the K4 Wharf, no coal entered the harbour at this time. The Shiploader was relocated to the maintenance bay to conduct a washdown to remove the deposited coal material. An operator has then identified coal spillage on the K4 Wharf Maintenance bay, with further inspection identifying some coal material had entered the Harbour (calculated at approximately 64kg dry weight).	Water	Port Waratah's PIRMP was initiated following the incident which included immediate notification to all 6 required agencies. A written report was submitted to the EPA within 7 days of the incident. The incident was reported in the 2018/2019 EPA Annual Return. On 1 July 2019, the EPA issued Port Waratah with a Penalty Notice regarding this incident. Additional controls implemented following the incident include: <ul style="list-style-type: none"> • Implementation of mandatory controls for all shiploader and wharf washdown activities • Investigation of engineering modifications to avoid the reoccurrence of similar incidents • A cross functional team was assembled to review and identify environmental performance improvement opportunities • The Shiploader washdown procedure was reviewed and updated with more robust controls. • Development of a Communication and competency training package for the updated Shiploader Washdown Procedure. • A review of environmental awareness training packages. • Communication of the incident to all workgroups across the business.

