

Practice Direction

Practice Direction 3
October 2020
Version 1.3

Submission of statistical data relating to coal production and sales

Purpose

This document forms part of the practice manual maintained by the chief executive under section 202 of the *Mineral and Energy Resources (Common Provisions) Act 2014*. It provides directions about what information, documents or instruments a person must give, the format a person must supply the information in, and how or when the requested information must be given under this legislation.

Application

This practice direction provides guidance about the information, document or instruments a person must give under section 404C - Information Requirements for holder of mining tenements, in the *Mineral Resources Act 1989* (MRA). It has been developed to provide uniform and consistent instructions relating to how producing coal mining permits are required to submit their production and sales data to the Department under section 404C of the MRA.

The practice direction also applies to the Mineral Resources Regulation 2013. Where this direction conflicts with a requirements of a resource Act or a regulation, the legislation or regulation prevails to the extent of any inconsistency in respect of the collection of statistical data related to coal production and sales.

For the purposes of this practice direction, the following definition is used:

Mine – a mine is considered to be any registered mining operation engaged in the extraction and production of raw coal. Open-cut and underground mining operations are to be considered as separate mines for the purposes of the submission of coal statistical returns. Coal production at a mine resulting from other recovery methods such as tailings re-processing or highwall mining/augering methods are to be submitted separately for that mine.

Submission is required from the time employees are either engaged at the mine for development work prior to the extraction of raw coal (such as pre-stripping activities for open-cut operations or mine portal or shaft development activities for underground operations) or begin undertaking coal mining activities.

Separate statistical returns are required for each mine.

Noncompliance

If a quarterly report is not received by the 21st day after the end of a quarterly reporting period, a notice may be issued under section 404C of the MRA requesting the submitter provide the required information within seven days. If this is not complied with, the department may take noncompliance action.

If you are having trouble complying with this practice direction, please contact the department as soon as possible via CoalandMineralStats@dnrm.qld.gov.au.

Submitters should note that it is also an offence to provide false and misleading information under section 404D of the MRA.

Lodging Returns

Mines are required to submit statistical returns four times a year, corresponding to the following quarterly periods:

| Quarterly Period | Date Due with Department |
|--|--------------------------|
| 1 January to 31 March (Financial Year Q3) | 21 April |
| 1 April to 30 June (Financial Year Q4) | 21 July |
| 1 July 30 September (Financial Year Q1) | 21 October |
| 1 October to 31 December (Financial Year Q2) | 21 January |

All returns should be forwarded to the Department of Natural Resources, Mines and Energy within twenty one (21) days of the period covered by the return. All forms must be lodged directly to CoalandMineralStats@dnrm.qld.gov.au

Where the 21st day of a month falls on a weekend or public holiday, the submission date will be the next available business day.

Data Format

Mines must only use the official forms when submitting production returns. These are:

- **Form S3.0** – broken down into three monthly interval periods,
- **Form S3.1** – for the quarterly period for sales returns,
- **Form S3.2** – for the resubmission of sales data price adjustments; and
- **Form S3.3** – for status information for all operating tenure numbers for an operational mine.

All four forms are to be completed for each quarter of the year as outlined above. Variations to the forms are not permitted.

Completing Form S3.0 (Production Return)

A Production return is required **for each individual mine and tailings¹ recovery operation**. Shaded areas are not required to be completed.

Note: *Although returns are only required to be submitted quarterly, form S3.0 contains three sub-forms to collect the monthly production data within the relevant quarterly period. This will allow for the continued production of some reports on a monthly basis.*

Name of mine (Mandatory Field) *

This is the name of the actual mine, not the company holding title or the operator.

Return for the Quarter/Month (Mandatory Field) *

Input the appropriate Quarter and Month for which the data applies.

Days worked during period on coal production

Number of days when raw coal is won.

Other days

Number of days when no raw coal is won; this includes days where other work is carried out. For example,

¹ For the purpose of these sections, unprocessed tailings at tailings recovery operations are regarded as raw coal

coal washing, loading, maintenance, etc, or where no work is performed for any reason, including statutory holidays, weekends and non-rostered days.

Total number of days in period

The number of days in the period, covering first to last days.

Note: *Total number of days in the period for a month's report should not exceed the number of calendar days in a month, **Example:** do not indicate total number of days in the period as 35 when the month of March only has 31 days.*

Total overburden removed in BCM (bank cubic metres) (OPEN CUT MINES ONLY)

This is the number of cubic metres of overburden removed, measured in situ, i.e. measured before it is displaced from the ground. Underground mines do not need to complete this field.

Stocks, Output, Deliveries

1. Gross raw output

This is the amount, in tonnes, of raw coal produced as a result of mining activities undertaken at the mine during the period. Irrespective of whether or not some/all of that coal may be subsequently sold without being beneficiated, in providing this figure, the assumption is to be made that all coal mined at the coal (face(s)) during the period is delivered to the Run-of-Mine stockpile).

2. Coal used for processing and raw product (Other saleable product)

This is the amount of raw coal fed from the Run-of-Mine stockpile which includes coal 'feed' undergoing processing and unprocessed raw coal from which all the saleable product coal is derived. It is equal to the total net output (**Item 7**) plus all discarded material and rejects resulting from the crushing and processing of coal during the beneficiation process (**Item 4**). A maximum variance of plus / minus 10% is acceptable.

Note: *Raw (saleable) product coal is coal that is saleable without requiring further processing, distinct from ROM coal.*

3. Feed transferred from/to other collieries, in or (out)

This is the amount of raw coal from other mines transferred to another mine for washing and processing. Where this occurs, the mine sending the material to be washed to another mine should record a negative transfer amount in this field. The receiving mine should record a positive transfer amount.

Example : *Mine A sends Mine B 40,000 tonnes to be washed and processed at Mine B. Mine A should put minus 40,000 tonnes in this field on their return while Mine B should put positive 40,000 tonnes on their return.*

4. Discard

This is the amount, in tonnes, of un-saleable material removed by beneficiation from the raw coal fed into the coal preparation plant during the period. Show separate figures for crusher and preparation plant discard where indicated, with the right-hand column showing the total discard derived from both sources.

Example: *A coal washing plant receives 100,000 tonnes of coal for washing, of which 20,000 tonnes is lost to discard and other beneficiation processes. The correct entry in this field is therefore positive 20,000 tonnes.*

5. Washed saleable product

This is the amount, in tonnes, of beneficiated saleable ('clean') coal produced because of processing through the coal preparation plant during the period.

6. Other saleable (raw product)

This is the amount, in tonnes, of any other saleable coal produced at the mine during the period e.g. saleable coal not requiring washing (raw product).

7. Net output (5 + 6)

The total amount, in tonnes, of saleable coal produced during the period, i.e. washed saleable product **PLUS** other saleable product. For tailings recovery operations, the total saleable output for the period is required.

Note: As a check, **total Net Output** equals coal used for processing and raw product (**Item 2**) LESS any discard (**Item 4**). A maximum variance of plus / minus 10% is acceptable.

8. Saleable stocks at start of period

This is the amount, in tonnes, of saleable coal which was on hand in stockpiles (mine and port) at the beginning of the reporting period. This amount must be the same as the stocks reported at the end of the previous reporting period.

Note: If the saleable stocks at start of period differs from saleable stock at end of period in the previous return, the previous closing stock must be entered here, and the difference included under **Item 10, Adjustments**.

9. Coal transferred from/to other mines, in or [out]

This field refers to transfers between mines owned by the same company or group of companies and **where no sale has occurred**. Saleable coal is sometimes received **in** from another mine for blending prior to a sale or received from a tailings recovery operation for blending prior to sale. This entry is the number of tonnes transferred during the reporting period.

For completing Forms S3.0, the **delivering** or **producing** mine (mine **a**) should show the figure as a **negative figure**, whilst the **receiving** mine (mine **b**) enters an equivalent **positive figure**. The reason for any transfer should be entered in the space below **Item 13** e.g. "to mine **b** to blend for domestic sale".

Where recovered tailings are blended with product from an open cut or underground mine, the coal should be shown as a transfer **in** on the return (S3.0) of the mine which subsequently sells the coal.

Note: tonnes in figures to be reported add value (+) and out figures to be reported as a negative (-) value,
Exp: Tonnes in = 40,000
Tonnes out = -40,000

10. Adjustments, + or [-]

This entry is for adjusting the stockpile of saleable coal, i.e. tonnes added to or removed from the stockpile at end of period. A positive figure adds tonnes to the stockpile while a negative figure will subtract tonnes from the stockpile.

11. Sales

Where sale consignments comprise coal from different mines, enter only the tonnage details of the coal which was produced at your operation.

Note: sales should equal the actual sales as reported on the Sales return for the **calendar month**.

12. Sales within Australia (domestic sales)

This is the total amount, in tonnes, of coking (hard coking plus pci/soft coking) or thermal coal, including coal blended from tailings recovery operations, sold to Australian consumers including consumers in other states. Coal that is sold (or loaned) to other mining companies to meet contractual export arrangements; or sold trade companies for export shall be considered an export sale.

13. Sales overseas (export sales)

The total amount, in tonnes, of coal including reclaimed coal, coking (hard coking plus pci/soft coking) or thermal coal, including coal blended from tailings recovery operations, exported overseas during the period. In the case of multi-colliery blends only include details of coal produced from your operation.

14. Saleable stocks at end of period

This entry is the balance of stock on hand at the end of the period. It should be arithmetically correct, i.e. the sum of **Items 7, 8, 9** and **10** (taking transfers and adjustments into account) LESS sales (**Items 11** and **12**). Should the stock figure differ from the physical stock of saleable coal, the difference should be incorporated in the adjustments (**Item 10**). Any reasons for adjustments should be entered in the line below **Item 13**.

Completing Forms S3.1 (export and domestic sales)

The details entered on Forms S3.1 must refer to one quarter only as defined above for the relevant reporting periods. Quantities are to be expressed to the nearest whole tonne. If a single shipment contains multiple coal types a separate line entry should be made for each coal type.

Name of mine (Mandatory Field) *

This is the name of colliery, not company holding title or operator.

Return for the quarter (Mandatory Field) *

This is the quarter to which the return refers.

Freight and cartage for the quarter

This is the total freight and cartage for the quarter in Australian dollars. List the cost incurred in transporting minerals sold by the mine or closely located treatment works point of sale. Information required:

- payments to owner-drivers for delivery;
- cost of delivery by own employees (including wages and salaries of relevant employees and running expenses of vehicles and other transport equipment); and
- loading costs, port charges for stockpiling away from the mine, e.g. incurred by the mining operation, if sold FOB.

Note: *Exclude sea and air freight on goods exported from Australia.*

Destination (country or Australian state) (Mandatory Field) *

Input the name of the overseas country, or if a domestic sale, the name of the Australian state of final delivery.

Note: *Domestic sales transported to other Australian states by sea are not considered exports.*

Purchaser (Mandatory Field) *

The trading names of the purchaser. In the case of two or more purchasers trading under the one name, also include the location of the purchaser. For example

James Hardie, **Carole Park**
James Hardie, **Meeandah** OR Queensland Cement, **Darra**
Queensland Cement, **Gladstone**

Ship date (Mandatory Field) *

This is the date on which the domestic or export vessel departed the port or coal terminal.

Port/coal terminal (Mandatory Field) *

This is the Queensland port or coal terminal the coal shipment was loaded, and the ship sailed from (e.g. Gladstone, Brisbane, Abbot Point, Dalrymple Bay or Hay Point). For the purpose of reporting port of export, the following definitions are used:

- GLAD (Gladstone Port)
- POB (Port of Brisbane)
- AAPT (Adani Abbot Point Terminal)
- DBCT (Dalrymple Bay Terminal) **
- HPCT (Hay Point Coal Terminal) – only BHP/BMA export from HPCT **

Note: *The Port of Hay Point comprises two separate coal export terminals: Dalrymple Bay Coal Terminal (DBCT) and the Hay Point Coal Terminal (HPCT), which is owned by BHP Billiton Mitsubishi Alliance. It is important when exporting through the Port of Hay Point that the correct coal terminal is identified.*

Transport method (Mandatory Field) *

This cell is used to identify how the coal is transported, i.e. legitimate entries for this field are sea, rail, road, or belt (conveyor **belt**).

Ship name (Mandatory Field) *

Self-explanatory.

Coal type (Mandatory Field) *

A description of the coal type as sold. Legitimate entries for this field are: hard coking coal; soft coking coal or thermal coal.

Note: *PCI coal should be reported as soft coking and semi-hard as hard coking coal.*

Tonnes (Mandatory Field) *

Figures are to be entered as metric tonnes.

Value (Mandatory Field)

The dollar value of each shipment is to be costed on a Free-on-Board (FOB) basis.

Currency (Mandatory Field) *

The currency should be reported in Australian Dollars (AUD) or United States Dollars (USD) only.

Coal purchased, transferred, borrowed or loaned

If, during the reporting period, coal is purchased (loaned or borrowed) from another mine – or is sold to another mine to meet an export quota – this sale must be identified and is considered as a split shipment.

The portion provided by each individual mine is considered an export sale from that (i.e. originating) mine and must be reported by each mine individually.

Completing Form S3.2 Submitting Sales Adjustments to Previously Submitted Sales Data

To ensure the accuracy and integrity of the data submitted to the department we have changed the way adjustments to previously submitted sales data are to be made. From Q3, 2019 reporting, any sales form adjustments for previous periods must be submitted to the department as re-submitted data for the previous reporting quarter. Submitters must use the report resubmission worksheet/tab S3.2 in the form workbook, as illustrated below.

Populate all Mandatory (*) fields in sales form for resubmission entries. An easy way to achieve this is to cut and paste your previously submitted sales return for the relevant period from Form S3.1 into Form S3.2 before making the relevant adjustments.



Note: The department will not consider the return submissions if appropriate mandatory (*) fields are not populated in sales form.

Completing Form S3.3 Submitting Tenure Details

Submitters are requested to list all Mining Lease (ML), Mineral Development Licence (MDL) and Exploration Permits (EP) linked to the mine. For each production tenure (ML and MDL) you are also requested to indicate the production status for the tenure (Yes/No). Submitters should enter this data in in the blue tab in S3.3 as shown below.



Disclaimer

While this document has been prepared with care it contains general information and does not profess to offer legal, professional or commercial advice. The Queensland Government accepts no liability for any external decisions or actions taken on the basis of this document. Persons external to the Queensland Government should satisfy themselves independently and by consulting their own professional advisors before embarking on any proposed course of action.

Authorisation

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Director
Regulatory Support and Performance
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Contacts: For help, information and technical support contact the Coal Statistics Team
8.30am – 4.30pm (AEST) Monday to Friday on Queensland business days.

Telephone: +61 7 3199 7915

Email: CoalandMineralStats@dnrme.qld.gov.au