

Ulan News

Ulan Coal Community Newsletter
December 2011, Issue no. 9



Message from the General Manager



Dan Clifford, General Manager.

In the October newsletter (Issue no. 8) I talked about some of the challenges we have faced this year, including significant challenges with water and underground roof conditions. These challenges will always be there – that is the nature of mining at Ulan. However, there have also been other challenges, including a legal challenge to

Ulan's Project Approval (PA 08_0184), which was granted by the Minister for Planning on 15 November 2010. The challenge came from the Hunter Environment Lobby, who lodged a Class 1 Merit Appeal against the Minister for Planning in the NSW Land and Environment Court against the granting of the Project Approval. The court hearing was held in June 2011 and at the time of going to print, UCML are still awaiting the decision of the judge in this matter.

This year has also seen significant changes at Ulan, including a new roster for the Ulan No. 3 Underground in October. Much has been said about the roster change in the local media, some of which was incorrect. Consultation was undertaken with the workforce and union representatives prior to the roster change. A number of options were put forward for consideration and negotiation before the final roster was determined. I understand that this change has affected many people however the roster change was necessary to improve business performance by:

1. increasing operating time:
 - a. through dedicated maintenance focus and capability (to reduce delays caused by breakdowns and unplanned maintenance); and
 - b. through "hot seat" changeovers at the coal face i.e. shifts overlap, effectively allowing machinery to keep

operating instead of shutting down during shift change

2. improving visible leadership and contact with management staff on all shifts i.e. no crews are "isolated"; and
3. introducing dedicated training and communications sessions for all shifts.

Coal mining is a tough business. We need to continually improve our business if we are to remain viable in a competitive market. This change will help ensure the long term sustainability of the mine.

In December 2010 we started construction of the Ulan West Box Cut. This activity, as well as the activity of neighbouring mines, has resulted in a significant change to the noise profile in the area surrounding the mines. Prior to January 2011, UCML had not received a community complaint for 18 months. This year to date we have received 70 complaints, almost all related to noise from the Ulan West Box Cut area. In response we have been working hard with the neighbouring mines and government regulators to develop a shared noise monitoring network and response protocol (see article below). We have also implemented our own on-site trigger-action-response-plans (TARPS) and undertaken considerable additional noise monitoring around the mine to understand Ulan's contribution and cumulative noise impacts on residents. We will continue to work with affected residents, neighbouring mines and regulators in an effort to minimise the noise impacts of Ulan's operations on the local community.

The changes mentioned above have also resulted in the employment of more people at the mine. The Ulan West Underground team has grown, with 32 staff now employed on the project and many more starting up in the next 12 months. The Ulan West Box Cut construction project now employs over 260 people, including approximately 200 from NMS Contractors, the contract mine operator. With plans progressing to recommence

open cut mining at the Ulan Surface Operations UCML is currently seeking expressions of interest for a number of new positions. Information on employment opportunities can be found at www.xstratacareers.com.

In the last issue I talked briefly about Xstrata's contributions to the local community through its Corporate Social Involvement (CSI) program. In 2011 Xstrata supported the local area through a variety of initiatives including \$75,000 for the Mudgee Dad's Take Home Reading Program (\$300,000 over 4 years) and \$60,000 for the Mudgee Area Health Service, for the purchase of new cardiac monitors. These new monitors will be compatible with the monitors in the Emergency Department and High Dependency Unit, which were previously purchased from funds donated by Xstrata. This will extend the hospital's ability to monitor patients in the Emergency Department, replacing ageing existing technology, and enabling hospital staff to more effectively manage and track patients' recoveries and allow some patients, who had previously needed to be transferred to a larger hospital, to remain in Mudgee. Additionally, Mid Western Regional Council have confirmed that UCML's first Voluntary Planning Agreement payment of \$2 million has all been used for the development of the Glen Willow Regional Sports Complex.

2011 has certainly been a busy and challenging year at Ulan. A notable positive this year is the safety record for the Ulan Surface Operations - the team recently recorded over 500 days without a single lost time injury (LTI). Well done to Rod and the team – 500 days LTI free is a fantastic achievement. Of course, 2012 promises to be another busy year, with many exciting developments in the pipeline. I look forward to bringing you further updates in the New Year. Until then, I wish you and your families a safe and happy festive season.

Regards,

Dan Clifford,
General Manager, Ulan Coal Mines

Environmental management

This year UCML revised its Environmental Management System (EMS) in accordance with the requirements of the Project Approval. The revised EMS includes a number of new and revised management plans which, once approved by the NSW Department of Planning and Infrastructure, are made publically available on UCML's website www.ulancoal.com.au.

Management plans contain important information on how UCML will manage environmental risks associated with the mine, including noise, dust and water quality. Environmental monitoring is a key component of each management plan. Over the last few months UCML has been working with

Moolarben Coal Operations and Wilpinjong Coal Project on a shared environmental monitoring network and data sharing protocol. The data sharing protocol enables all three mines to access and share real-time noise, dust and meteorological data from a combined network of in-field monitoring equipment. This shared network will assist all three mines to monitor and manage the impacts of their own mines as well as cumulative impacts from all three mines.

UCML's Environment Protection Licence (EPL No. 394) is currently being amended by the NSW Office of Environment and Heritage to reflect the new monitoring requirements of



Noise monitoring unit.

the Project Approval and UCML's approved management plans. A copy of the revised EPL will be made available via UCML's website www.ulancoal.com.au.

Around the mine

Monitoring of Ausfeld's Wattle

During the environmental assessment (EA) for the Ulan Coal Continued Operations Project, Ausfeld's wattle (*Acacia ausfeldii*), which is listed as Vulnerable under the NSW Threatened Species Conservation Act 1995, was identified in one location within the proposed Open Cut Disturbance Area. The population (150 plants), located within the Grey Box Woodland, comprises approximately 150 individuals, which are 1–2 metres high.

Due to numerous design-based and economic reasons it was not possible to alter the layout of the Open Cut Disturbance Area to avoid impact on this species. As the loss of this population from the project area has the potential to result in a significant impact on the species, UCML have mitigated this loss through the following strategies:

- development of a Biodiversity and Offset Management Plan (BOMP), that includes management of threatened species such as Ausfeld's wattle;
- harvesting of seed from the Ausfeld's wattle in the Open Cut Disturbance Area for use in future rehabilitation of the post-mining Open Cut;
- identification of another population of Ausfeld's wattle within the immediate area that will be protected (offset) and monitored (in accordance with the BOMP);
- replanting of Ausfeld's wattle, via direct seeding and tubestock, in the Open Cut rehabilitation area; and
- removal and relocation of topsoil around the existing



Monitoring of Ausfeld's wattle.

stand of Ausfeld's wattles to a dedicated site with the Open Cut rehabilitation area.

Monitoring of the Ausfeld's wattle in the new offset area has recently been undertaken to establish the baseline condition of the population. This population is much larger than the population in the Open Cut Disturbance Area, with greater than 400 plants of varying ages being identified during the EA.

Subsidence monitoring

Underground mining at UCML is undertaken using the longwall mining method, where a long wall of coal is mined in a single slice (typically 1–2 m thick). The longwall panel (the block of coal that is being mined) is 400 m wide and typically many kilometres long. When coal is extracted using this method, the roof immediately above the seam is allowed to collapse into the void that is left behind the roof supports as the longwall face retreats. As the roof

collapses into the void, the fracturing and settlement of the rocks progresses through the overlying strata and results in sagging and bending of the near surface rocks and subsidence of the ground above.

UCML have been monitoring subsidence above the longwall panels since the late 1980's, when longwall mining first began at Ulan. Over the first few longwall panels, surveying technique involved measurement of levels and peg-to-peg chaining to measure horizontal strains in the direction of the line. This monitoring was upgraded to three dimensional monitoring from Longwall 5 onwards to allow better definition of the nature of ground movements.

In addition to survey monitoring UCML also undertake monitoring of environmental and built features as part of an approved Subsidence Monitoring Program. Results of this monitoring are regularly reported to relevant Government authorities in accordance with UCML's approval conditions. Results are also included in UCML's Annual Environmental Review Reports, which can be found on the UCML website www.ulancoal.com.au.



Subsidence survey line.

Community

Ulan Road Strategy

The Project Approval requires UCML to develop a strategy for the upgrade and maintenance of Ulan Road between Mudgee and the entrance to the Ulan No. 3 Underground Mine over the next 21 years. The strategy must be prepared in conjunction with Wilpinjong Coal Project (WCP) and Moolarben Coal Operations (MCO), in consultation with Mid Western Regional Council (MWRC) and the Roads and Traffic Authority (RTA).

The three coal operations (UCML, WCP and MCO) have formed a steering committee to oversee the development of the strategy. Transport consultants ARRB have been engaged to prepare the strategy on behalf of the steering committee. The strategy must:

1. determine the design standard of the relevant section of road (and any associated intersections) to the satisfaction of the RTA (based on the relevant road design guideline(s));
2. identify the works required to upgrade the road to the designated design standard;
3. estimate the cost of these works and the likely annual costs for maintaining the upgraded road;
4. identify any measures that could be implemented to reduce the amount of mine traffic on the road, such as providing long-term parking in Mudgee to support increased car pooling, and the likely cost of implementing those measures;

5. identify any measures that could be implemented to minimise the traffic noise impacts of mine traffic on Ulan Road on adjoining residences, and the likely costs of implementing these measures;
6. include a detailed program for the proposed upgrade and maintenance of the road, implementation of traffic noise mitigation measures, and implementation of any works to support a reduction in the amount of mine traffic on the road;
7. calculate what each mine and the council shall contribute towards the implementation of the detailed program outlined in (6) above, including consideration of:
 - a. the likely traffic generated by each mine as a proportion of the total traffic on the road taking into account;
 - b. any mine contributions that have been made towards the upgrading of the road in recent years; and
 - c. any relevant planning agreements that deal with the funding or maintenance of the roads in the Mudgee LGA area; and
8. include a detailed contributions plan for the three mines and the council to support the implementation of the detailed program described in (6) above.

The strategy will be submitted to the NSW Department of Planning and Infrastructure by 31 December 2011 for approval, in accordance with the Project Approval. Once the strategy is approved by the Director-General, UCML will contribute towards the implementation of the strategy in accordance with the detailed contributions plan.

Supporting emergency services

This year UCML donated \$12,000 to local emergency services as part of its annual Community Support Program. Cheques to the value of \$2,000 each were handed to representatives from each of the local bushfire brigades (Cainbil-Bungaba, Cooks Gap, Munmurra and Gulgong DC) during a meeting on site in November. Money donated by UCML will go towards training and equipment for these essential local services. Cheques (\$2,000 each) were also presented to Gulgong and Mudgee Rescue Squads.



2011 Bushfire Brigade donations.

Gulgong subdivision

In 1981 UCML received development approval for Stage 1 of the Ulan Coal Mine. This approval, and the subsequent Deed of Agreement signed by UCML, Mudgee Shire Council and the Minister for Planning and Environment, required UCML to develop 250 residential lots in the "Shire of Mudgee". UCML have previously provided 176 lots of land for sale, leaving 74 lots left to fulfil the requirements of the development approval. UCML is currently in the process of preparing a 12.6ha block of land in Gulgong for subdivision into 81 residential lots. It is proposed to undertake the development in a number of stages with the first stage consisting of 34 lots, most with a lot size of 1000m² or greater. It is anticipated that onsite works will commence in late November with lots available for sale during 2012.

Did you know?

UCML is licensed to discharge treated mine water into the Ulan Creek (which flows directly into the Goulburn River) under an Environment Protection Licence (No. 394), administered by the NSW Environment Protection Authority. In the period 1 January 2011 – 31 October 2011 UCML discharged approximately 3988 ML of water to Ulan Creek. This equates to the same amount of water in approximately 1595 Olympic-sized swimming pools!



Specialised survey vehicle.

For further information contact:

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Community complaints and enquiries hotline:

1800 647 630

For information on articles in *Ulan News*, or other operational and environmental issues, please contact the relevant people listed or visit www.ulancoal.com.au.

Xstrata's commitment to Sustainable Development

We are committed to the goal of sustainable development. We balance social, environmental and economic considerations in how we manage our business. We believe that operating to leading standards of health, safety and environmental management, contributing to the development of sustainable communities, and engaging with our stakeholders in two-way, open dialogue, regardless of our location, enhances our corporate reputation and is a source of competitive advantage. This enables us to gain access to new resources, maintain a licence to operate, attract and retain the best people, access diverse and low-cost sources of capital, identify and act upon business opportunities, and optimise our management of risks.