

Ulan Coal Mines CCC Meeting

Minutes

Thursday 1 March 2007

Attending Guests: Julia Imrie (JI), Scott Lillis (SL), Bev Smiles (BS), Esme Martens (EM), Michelle Kirkman (MK) (Umwelt), Erika Brockley (EB) (Coakes Consulting), Gary Bruce (GB), Shareen Murphy (SM)

UCML Attendees - Phil English (PE), Jamie Lees (JL), Cheryl Holden (CH), Brian Pease (BP)

Apologies: Gail Ratcliffe, Arthur Williams.

Chair: Esme Martens (part) / Gary Bruce

Date: 11 August 2008

Meeting Opened: 3.40pm

Meeting Closed: 7.15pm

Introductions were given by Meeting Attendees

1 PREVIOUS MINUTES:

Previous minutes were accepted as a true and correct record on the 11 Aug 2008.

Moved by JI and **Seconded** by PE.

Business Arising

EM enquired have any employees been retrenched following open cut closure.

PE advised that of the 130 DownerEDI employees, 24 displaced, with the other personnel taken on by UCML to operate the surface facilities, placed on other DownerEDI sites or facilitated into support roles with subcontractors that currently support UCML's operations.

JI asked whether list of questions for agenda items were received and would they be discussed. Also what was the outcome of the action regarding recompense for community representation on the CCC. It seems to have dropped off the minutes as an action.

PE advised that it had been taken up with XCN and as an organisation it was noted that XCN was not prepared to pay sitting fees to CCC representatives.

JI indicated that the new CCC Guidelines did make provisions for sitting fees to members and while this was at the companies discretion I believe there should be an acknowledgement of community members time and contributions (e.g. travel)

JI requested there be an action table. CCC agreed that an action table would be incorporated into the minutes.

2 OVERVIEW – OPERATIONAL UPDATE

PE gave operational update on mine. Key discussion points were:

- Mine plan for UG - N2 mini mains,
- MGW3, N2 panel and MG25.
- LW has retreated approx 800m in LWW1.
- Subsidence profile is within the predictions of the SMP with vertical subsidence of 1.3m being recorded.
- LW retreat was past the ‘critical point’ and therefore the current subsidence profile would be a reflection of the subsidence expected for the remainder of the panel. In this instance, 400m is the critical point = max subsidence.

JI asked what is the width of coal seam taken out for that subsidence.

PE indicated that extraction height was typically 2.9m.

PE provided a further update on the Open Cut Closure with the end of coaling occurring in June 08. Following the completion of coaling the open cut has been in rehabilitation mode with significant works underway. PE advised that the Open Cut mine had been a very successful operation since the contract operations (with DownerEDI formerly Roche) having commenced in April 2001.

PE presented the new structure flow chart for UCML’s operations. As previously indicated, significant work that had been undertaken in the contract completion with an objective of minimising the number of displaced employees.

PE provided an Environmental update for the operations with no Category 1 or 2 environmental incidents being recorded. 2 complaints had been received for Q1 and Q2 which is a significant reduction on the numbers when compared to 2007.

EM asked what were the 35 complaints for last year.

PE advised that they were mainly noise.

Other issues that were presented by PE related to:

- UCML’s implementation of the progressive mine closure with the operation undertaking a review of its rehabilitation provisions – current review has highlighted an accrual need of \$42m for the Ulan Complex.
- Implementation of the Tree Screening Project along Ulan Road. Works included the removal of earth mound and planting of 8750 endemic trees and shrubs species, e.g. box, red gum, ironbark.
- SMP W2W3 received first workings approval on the 16 June 08. 1st workings approval requires the development of a Groundwater Environmental Management Plan (GEMP) for full approval to be granted. PE indicated that he would like CCC input in GEMP

JJ enquired if there are more piezos required as part for this GEMP?

- PE advised that it currently is not intended that further peizo's will be installed outside those presented in the SMP for W2W3, eg. The near goaf program adjacent to W1.

PE indicated that the operation had developed a new Water Management Strategy for the operation in response to the predicted water make for the operation. PE advised that the WMS was an internal document only, however the substance of the document would be presented within future planning documents and would be used as a guide for UCML moving forward.

PE provided an overview of the New Waste contract – Thiess Services engaged.

- Waste Management was an area whereby the operation did maintain significant scope for improvement and that the review of the waste contract was a significant step to achieving this objective.

CH provided an overview of the Hydrocarbon Remediation Program which included the light vehicle facility and 800000L bulk fuel storage tank. It was outline that the program was another step by UCML in its ongoing progressive rehabilitation program.

PE provided an overview of the rehabilitation status with the final landform plan reviewed for the site. Currently as part of the rehabilitation program 25Ha had been shaped within the barrier pit to date with residual capping stockpiles to be maintained adjacent to the proposed voids, i.e. orange paleo material.

PE outlined that UCML is currently in the process of developing the sediment control structures with the longterm intention to see water drainage from the Barrier Pit area to Ulan Creek. Photos were presented of rehabilitation works including before and after bulk shaping activities. Target and actual rehab budget figures for 2008 presented.

3 ULAN COAL - CONTINUED OPERATIONS PROJECT UPDATE

JL introduced project update and provided a detailed project outline including the aim of project is for UCML to obtain one project approval for site consolidating the numerous development consents which UCML currently maintain.

EM enquired if there had been any work undertaken on whether the coal from the project will go through to Newcastle?

JL advised that Xstrata are working with Australian Rail Transport Corporation to ensure that the expected production from the operation is capable of being transported from the operation. JL further advised that the project modelled for all coal to go through Newcastle given the existing limitations on railing to the west.

JL explained the proposed mine plan for the project which includes Ulan No. 3, Ulan West and an Open Cut extension.

Jl enquired if Ulan Creek had been avoided for ecological reasons?

JL outlined that there were geological anomalies i.e sills in the area of Ulan Creek which results in no viable resource within that area. Additionally the current Ulan West Mine plan allows for an offset away from the creek.

Jl asked that the need to maintain the integrity of Ulan Creek be noted

JL advised that the project boundary within the plans (to the south of UCML's operations) included the approved augmentation (raising) of Moolarben Dam and included the high water mark footprint of the dam. JL advised that the project boundary included all existing approvals which UCML maintain.

Jl enquired as to what is the size of the proposed new open cut area?

JL outlined that the area was 215ha.

Jl asked what was the size of the existing open cut operation and that it would have to be approx 800ha? JL agreed.

JL further advised from a preliminary perspective that the underground and open cut mine lives were expected to be 21 years and 8 years respectively. With respect to the proposed open cut extension that the proposed pit lay out would extend off the current western pit highwall.

Jl enquired if the mine is intending to restore plant communities as more ecologically stable and resilient over the long term.

SL stated that he had taken the matter up with UCML that species selection was not typically applied to the applicable landform unit and thus the broad seeding program may have varied success.

PE indicated that the use of local seed was a significant step in the ensuring the success of the regeneration program and that the broad scale sowing was ultimately a risk management tool to cover all variables.

JL outlined that the ongoing emplacement of coarse and fine rejects will be dictated by the reject emplacement strategy. UCML has commenced the development of the longterm strategy with the applicable emplacement areas to be identified within the strategy.

JL presented the proposed surface infrastructure layout with the plan presented showing proposed infrastructure layouts to support the Project.

Jl enquired if there will be clearing of vegetation for infrastructure on the surface of the proposed underground mine similar to on the existing underground mine?

PE advised that the presence of the power lines on the eastern side of the underground was to support to the dewatering activities associated with the underground operations. it was

expected that similar dewatering facilities would be required for the Ulan West underground, however with the dip of the coal to the northeast that the powerlines would not be needed to run along the panels as per underground No 3 and this would minimise the potential disturbance.

JL outlined that with the additional infrastructure would need to be required, e.g. conveyors to support the proposed operations. The current consent maintains provisions for the establishment of some of these works however this is being revised in parallel to the baseline assessments undertaken for the project.

JL also outlined that a minor modification (separate to the project) to UCML consent would be submitted to allow coal to be transferred from underground conveyor CV5003 to open cut Conveyor CV1099. Project is being referred to as the 'link conveyor.' It was advised that some clearing of previous rehab area would be required to facilitate this infrastructure.

BS questioned whether UCML aims to conserve its rehabilitation areas or would it continue to disturb as the need arose.

PE indicated that the disturbance of the rehab represents an in-efficiency in that money had been spent on the area to ensure that it was to an acceptable level and that it is not a decision that UCML takes lightly to disturb rehab areas. In this instance, it was deemed that the benefits of the projects, such as reduced diesel burn and noise emissions would offset the potential impacts to portions of the rehabilitated land.

JL outlined that as part of the Project it was likely that modifications to the CHPP& coal transport would be likely in order to cater for the production increases and that this would presumably include internal modifications and potentially a 3rd module to the CHPP. JL outlined that the modifications would need to take into consideration water and energy savings plus noise mitigation.

JL advised that it would be expected that under the proposal it would be expected that an average of 7 trains/day would be expected, however that this may peak to approximately 10 at full production (each way).

BS asked beside ARTC raiing access constraints and bottlenecks if rolling stock was also an issue for the project.

JL advised that this was the case for all operations not just UCML.

SL enquired to what are the other options are being considered by UCML other than the train haulage to Newcastle and if the Mudgee line was being considered.

JL pointed out that the current Mudgee line does not have capacity for taking coal trains. There was a general discussion held relating to the movement of trains through Mudgee and EM indicated that Council was considering a motion to stop trains moving through Mudgee.

PE indicated that at present the position of the company is at present is a conceptual one in relation to the movement of trains and that further investigations would need to be undertaken in order to formalise this position further.

JL outlined that from an environment and community perspective the majority of land in approval area was owned or leased by UCML. It was pointed out that 6 private landowners are located within mining lease, with 5 landholders within the Ulan West area. Furthermore the existing landuse for the area is mining and agriculture.

BS asked if the 3 remaining Ulan village landowners will be impacted by the establishment of the proposed Waratah Open Cut.

A general discussion was held in relation to the remaining residences within Ulan Village and the CCC was advised that the three remaining residences within Ulan were the pub, school and the shop.

MK indicated that to determine the potential impacts on these areas that further studies will still be completed of the proposed impacts.

PE advised that UCML have no obligations under consent to look at cumulative impacts of the other operations given that the planning instruments that have been issued predated the new operations, however through the Project these aspects would need to be considered.

JL outlined that the proposal would be a Part 3A approval with the Department of Planning and therefore subject to the various planning considerations under this legislation. This approval will seek to consolidate the numerous consents maintained by UCML inot one Project approval for the next 21yrs.

BS asked if UCML would be relinquishing all current development consents for one new consent.

PE advised that this would be a matter that needed to be taken up with DoP and considered in light of the approval process for the COP.

JL provided an overview of the Environmental Assessment team.

BS asked where does rail fit in? What is the overarching plan for this area for train movements?

MK indicated that rail considerations will be covered in traffic study.

JL provided a proposed project timeline summary. It was outlined that UCML is currently going through baseline social and environmental studies. At this point it was expected that a Major Project Application accompanied by Preliminary Environmental Assessment would be lodged in August 2008, with a Planning Focus Meeting expected in early September 2008.

BS asked if the proposed Planning Focus Meeting provides an update like the CCC meeting and does council attend these forums.

GB advised that DoP do interact/consult with MWRC and MWRC do have a say when it comes to developments within its shire.

JL advised that concerns raised by MWRC to date have been captured by Coakes.

MK indicated that the PFM is an opportunity to provide agencies with as much information as is possible in order that they can determine what their key assessment requirements include. Council are treated like any other agency at the PFM.

4 SOCIAL IMPACT ASSESSMENT (SIA)

EB provided a general overview of the SIA with relevance to the Project. EB indicated that the information that is presented is to be supplemented by a further information package that will continue to be updated through future CCC meetings.

BS questioned the definition of Broader Community.

EB indicated that the broader community included landholders within the vicinity of Ulan Mine and other residences within the locality of Ulan's operations

JI suggested that the range of participants as shown in the current survey (ie. predominantly mine employees) introduces a bias to SIA

EB advised that the figures do get broken down to specifics within the SIA and that specific results pertinent to each of the stakeholder bases will evolve with the SIA studies.

JI noted that employment figures need to take into account that future employees may not reside in the area.

BS advised that some of the mines in the Hunter are currently using the s457 provisions to bring in foreign labour and that this needs to be considered in the development of the application.

A general discussion was held relating to the number of people that have been surveyed with general question relating to the number of people adjoining the operation. Previously it was pointed out that number of landowners in the vicinity of the operation, i.e. Warongaroo Road and Ridge Road. CCC was advised that approximately 3 weeks was spent by EB and JL on community surveys of surrounding areas. It was acknowledged that that the offer was made to all residents surrounding the Mine including Rob Carroll (who refused).

EB advised that issues that were raised were extremely varied, including weeds and native fauna impacts, i.e. dead kangaroos on the roads.

EB indicated that traffic has been raised as a significant issue within the current SIA however it was pointed out that this is not necessarily due to mining traffic, i.e. RTA reclassification of Cope Road.

BS questioned the cumulative impacts of traffic.

EB indicated that cumulative impacts of traffic were to be considered as part of the COP development application.

JI raised accessing local skilled tradespeople as an issue and whether local retail businesses have (and would in the future) benefit from mine patronage

PE indicated that Xstrata maintains provisions within its Community Policy to support local industry where this can be undertaken however it was recognised that the mining industry does place a strain on the local support services such as tradespeople.

BS indicated that local property has not seen the longer term jobs maintained within the area.

JL indicated that the figures that are to be presented by UCML will be based on an existing operations rather than a proposed operation therefore one would expect the jobs to brought to the area should be very accurate.

Blasting management practices that were used by the operation were questioned by JI.

JL advised that changes and the addition of blasting limits have amended the blasting activities relating to the operation and therefore the potential blasting impacts. It was outlined that blasting activities by the operation have concluded for an interim period and that Project will need to address the proposed blasting program.

JI pointed out the relatively low ranking of tourism with the current SIA results.

JL advised that the consultation with local tourism has been limited and that time allocated by the local tourism providers has been limited to 15minute intervals to date.

The changing community and the loss of the local community within the area was noted as an issue within the SIA.

JL indicated that with UCML's operations being an existing operation, many of the people that have moved to the area have done so knowing that Ulan Mine does exist.

JI stated her family pre-dates the current mine and has witnessed many families leaving the area due to mining

BS asked about the potential for a Independent Assessment Hearing Panel (IHAP) being applied to this process.

PE indicated that the Part 3A process is the pathway in which the Project will be determined and that the IHAP process has been established in order to add transparency to the planning process.

SM asked if during this process a proposition could be established for busing people to and from the site to minimise the amount of people that are using the road. This was a general consensus from the CCC members that this should be considered.

JL noted that there is a general problem with people from the operation using this service with people seeking overtime etc.

EB advised of the process moving forward for the SIA.

JI ask it be noted that there is a risk of skewing data if the sample was not representative

JL advised that consultation with Mudgee Environment Group etc still needs occur, however is mindful that in order to progress this discussion that he would like to have information on the technical studies in order that the findings can be presented other than conceptual information.

JI enquired if the CMA would be consulted in the development of the project considering the impacts on remnant native vegetation.

JL advised that the CMA would be consulted through the process.

There was a general discussion relating to the general business process within the CCC meetings given that some of the issues that are raised are left to the end of the meeting whereby people are keen to leave and therefore may get glossed over. UCML are mindful of this timing and issues within the Project will be addressed by exception for the remainder of the presentation.

5 ULAN COAL CONTINUED OPERATIONS - ENVIRONMENTAL ASSESSMENT

General overview of the Projects Environmental Assessment was given by MK

JI asked whether the amount of surface water intercepted in dams was based on modelling or actual figures.

MK indicated that this is a complex issue and that it can be calculated based on the depth of overburden, the nature of the overburden etc.

Transfer of water to Wilpinjong was discussed with CCC with BS advising that the Heads of Agreement being signed without the CCC being advised.

PE indicated that the CCC was advised during 2007 of the discussions with Wilpinjong relating to water sharing and that a Heads of Agreement was signed. PE further advised that UCML adopted an approach that issues relating to the operations will be openly discussed with the CCC and it was the intention to continue this level of transparency.

Water discharge to the west was discussed and the nature of the understanding needs to be clarified.

BS enquired to the levels of information that is presented needs to be also presented to the CCC.

JL indicated that the information that is currently presented has been of a high level.

JJ stated that the proposed increase in coal production in the area will result in significant increase in water demand (> 25 ML/day) this has implications for both surface water (ie river flow) and groundwater system..

JJ enquired about access to the proposed underground operation?

JL advised that the access to the site will be via the existing access road.

BS / SL indicated that the access to Wilpinjong had been varied and that this needs to be strongly considered.

JJ suggested that the order of the agenda items needs to reflect community priorities not just the mines approval requirements

Some of the issues that were deemed significant by consensus were:

- water interactions
- rehabilitation of river diversion
- flora
- traffic
- rail transport
- heritage

JL indicated that the issues whereby information is available will be presented to the CCC in order to ensure that they are appropriately addressed.

The general discussions relating to the manner in which the CCC is to be structured. It is acknowledged that water is required to be discussed on a risk based process (PE) i.e. water would need to be discussed at each CCC meeting.

It was agreed in order that for the efficiency of the CCC meeting that UCML develop agenda ASAP to ensure issues can be addressed appropriately.

6 GENERAL BUSINESS

JJ - River Diversion questions (emailed). When does UCML plan to begin rehabilitation of Goulburn River diversion channel and what would it involve? How does UCML plan to mitigate for loss of base flows (~1ML/day from diversion) especially over drier period e.g. summer?

PE outlined that UCML is committed to undertaking further works however these need to be further investigated in detail – UCML do not want to do a “piecemeal” job.

PE stated that Bobadeen Irrigation Scheme is one part of the UCML’s water management strategy. It was appreciated that it is an important component of the system, however it did not maintain the capability to manage the entire water volume that it generated by UCML operations. In this case it would be expected that UCML would need to discharge. PE noted that UCML did discharge during last summer and there is a high likelihood that this will also

occur during the upcoming summer, however ultimately this requirement would be determined by the operational activities undertaken by UCML.

JI & PE to further discuss questions relating to the Imrie Submission on the SMP in own time
Re: JI questions (emailed) on UCML water extraction, management, bore licensing and on-site storage.

PE presented water balance summary for Jan-June 08 which indicated a groundwater make of approximately 11ML per day from UCML underground operation

JL briefly explained water balance - microbalances etc. Next step is to develop storage curves for dams.

EM questioned the cumulative impact of UCML's operations with other mines and if there had been a Mining Committee for the area established.

PE advised it has been presented as part of UCML's HSEC 5yr strategy to XCN and it was a matter of waiting to if it is taken up.

BS questioned where the water under the proposed Water Sharing Agreement would be sourced from.

PE indicated that at this stage in was proposed to be the East Pit storage facility.

JI enquired to the volumes that were proposed under the water sharing agreement.

PE advised that it is presently proposed that up to 1000ML / year. PE explained where the water comes from onsite and that it should be recognized that there is a whole of government push to see the water sharing occur and an example of this was the Moolarben Consent. PE further indicated that the modification of consent is being sought by Wilpinjong and that if there are specific concerns relating to the project that these should be taken up with the applicable government agencies.

JI enquired if UCML operated licensed production bores and were the dewatering bores licensed?.

PE stated that they did, for example one bore near access road entry which was being used for ablutions. Individual dewatering bores were not licensed separately.

It was acknowledged that JL would provide a copy of the Preliminary Environmental Assessment to the CCC when it becomes publicly available.

MEETING CLOSED: 7.15PM

NEXT MEETING: 13 OCT 08

Action Status Table

ITEM	RAISED BY	Action	Responsibility	STATUS
1	BS	Distribute Preliminary Environmental Assessment	JL	Pending