

Ulan Coal Mine

Community Consultative Committee Meeting

UCML Attendees - Phil English, Jamie Lees, Cheryl Holden, James Barben

Attending Guests: , Cr Esme Martens (Mid Western Regional Council), Scott Lillis, Julia Imrie, Gary Bruce (Mid Western Regional Council), Paul Tammetta (Coffey) Cara Danis (Coffey) Barbara Crossley (Umwelt), Rod Williams (Umwelt), Erika Blockley (Coakes Consulting).

Apologies: Bev Smiles, Arthur Williams, Gail Ratcliffe

Chair: Garry Bruce (MWRC)

Date: 9th April 2008

Meeting Opened: 4.00pm

Meeting Closed: 7.15pm

1 Previous Minutes:

Minutes were previously accepted as a true and correct record on the 9th April 2008.

Julia Imrie indicated that she did not receive the minutes. Other members indicated that they had received the minutes in accordance with the agreed protocol.

2 Operational Update:

Open Cut

Mining barrier pit predicted to conclude in approximately July 2008. The surface operations will be going into rehabilitation works in approximately May 2008.

Action: *The next meeting will include a presentation covering the closure process.*

Underground

Production update: finished LW24- moving into and commencing works in West 1 on the 24th May 2008.

West 1 is expected to produce more water considering that it is the first Longwall panel on the western side of the Mains (since LW A & B). The strata surrounding the panel has not been affected by previous mining and dewatering activities.

Williams plug continues to cause impacts on the strata however the impacts on the main headings are reduced from those experienced within LW23.

UCML vision was presented the CCC, i.e. “To become Australia’s premium U/G coal mining operation.” The map in which this vision was to be achieved, i.e. BASICS was also presented to the CCC.

Rehabilitation photos (taken on 4th April 2008) were presented to the CCC. Photos detailed rehabilitation undertaken Jan 2008 at which point there was 39 ha of land rehabilitated. Photos provided an indication of excellent establishment rates were being achieved in the short period of time.

3 SMP

PE enquired if all CCC members received a DVD of the SMP application. Consensus was that members had received the application.

An overview of the SMP Application was presented which outlined the following points:

- No yellow box communities identified
- Objections to size of the document.
- Sought approval for May 2008, may not occur until June.
- Notification through Newspaper, CD’s, Ulan Focus, internet.
- Risks for SMP identified by BBRA with technical experts.
- Input from community – newsletter distributed to around 430 residents.
- High priority area: Subsidence, GW, SW, Arch, Flora and Fauna.
- Regional GW monitoring Network, assisted with SMP preparation.
- Coffey’s model based on the regional groundwater monitoring network. The model showed an increased water make from 11ML to 18 ML per day by the end of LW West 3.
- Concerns rose as to where the water is coming from - Permian coal measures.
- SMP application is not a planning approval, rather an operational approval.

Trigger Action Response Plans (TARP) developed to monitor against predictions made within the SMP and determine strategic responses prior to events occurring. In this instance, the TARP’s are detailed within the Management Plans submitted with the SMP Application and involve monitoring of GW bores within 9km’s from operation. The TARP is a step by step process with the outcome being developed in agreement with landholders should monitoring trigger issues.

Objections

9 were received and as such UCML will be preparing responses and returning to the objectors.

These objections ranged from general objections to the impacts of underground mining to climate change.

GB asked how does it relate to an SMP? (Climate Change)

PE advised that it doesn’t really. The SMP process has been introduced by the DPI to address the impacts of subsidence primarily however the response from UCML will include reference to the management actions that are occurring to address climate change.

Groundwater Modelling (presented by Coffey’s)

PT gave an update of the impacts on the ground water from the operation. This information is included in the SMP application.

PT stated that the Triassic sandstone is the most important aquifer as it is of a higher quality than Permian coal aquifer.

The large monitoring network maintained by UCML allowed Coffey's to put together a potentiometric surface of GW levels for the Triassic Sandstone. This network is a high class and extensive facility.

PT outlined that the Northern recharge reports to Jurassic sandstone and more Southern recharge reports to the Triassic sandstone.

JI - Has the mine impacted this aquifer?

PT: Believes that pre-mining GW flow in the Triassic Sandstone in the centre of the lease (ie, over the later longwalls) would have been similar to current flow direction seen just North of the current panels (ie, approximately East – West, current hydraulic contouring of Triassic's still arc around current mine to discharge into Goulburn River and Talbragar River as detailed in visual presented).

Data sourced from the regional GW monitoring network was used to determine draw down in the quartzose faces of Triassic Sandstone. A 12 m drawdown was observed close to panels within Triassic Sandstone, decreasing to negligible approximately 1.5km - 2km away after which there was zero drawdown. It is expected that the zero drawdown line will stay approximately 1.5km's away from the front of mine. The zero contour is expected to continue travelling North but at a much slower rate at close of mining.

JI enquired what's happening with the drawdown over the previously mined area?

PT advised that some results suggest desaturation to surface, where as other results suggest that the drawdown is much less. Regardless the model assumes the worst case scenario that it will desaturate to the surface as a conservative approach.

JI asked that as a result of mining will the Triassic aquifer ever stabilise.

PT indicated that this depends on the height of fracturing above longwall panels. Research overseas (mainly in the US) suggested height of fracturing might not extend to the surface.

JI asked if the Triassic aquifer will remain a discreet aquifer?

PT indicated that there will be more connectivity between the 2 aquifers (Triassic Sandstone and Permian Coal Measures) but the void will fill up at completion of mining. At steady state the situation will probably show recharge equaling outflow.

JI enquired if the aquifer has connectivity with river?

PT stated that this was correct

JI asked if the drawdown was similar to other panels?

PT indicated that the model overestimated drawdown based on actual monitoring. Drawdown varies to depth. At the water table the drawdown is small . Depressurisation appears to extend for 11km's in Permian at seam level (the level where drawdown is maximum). The drawdown for the entire mine is included in the SMP.

Jl asked if groundwater is further pushed to the North, will it lose its connectivity with the river?

PT stated that much of the flow will remain in tact, there will be a loss of some flow, however there is no concrete data on the height of fracturing yet. GW inflows to the void will increase at a faster rate as the West 1 panel will create a proportionately larger perimeter length than has normally been the case for a panel. This will stabilise as time goes on. Additional panels will not produce as much water proportionally compared to West 1.

Jl asked what proportion of the 18ML is from the Triassic Sandstone?

PT indicated that from the model approximately 45% will come from the upper Permian coal measures. 28% from Triassic Sandstone based on worst case scenario whereby fracturing to the surface occurs. 30% will occur from the middle Permian coal measures.

In all, Permian coal measures account for about 70%, the Jurassic Sandstone approximately 2% and the Triassic Sandstone approximately 28% of groundwater make.

Jl asked what will be the long term impacts on river flow?

PT advised that further modelling is planned with Col Mackey to work on the studies undertaken by Coffey's, however the area of impact covers about 10% of total catchment that reports to Ulan creek and Talbragar River. A loss of 10% surface water to these rivers would be a worst case scenario from above the longwall panels.

Jl asked where the Permian coal aquifer exited to the surface and how has the lowering of the Permian water level affected any downstream discharge?

PT – Commented it relates to where there were Permian strata and could exit into the Goulburn River south east of the mining lease or even as far as the ocean.

Jl asked whether it could be linked to the Bylong or Wollar area where Permian geology outcropped on the valley floor.

Jl asked whether the Moolarben CM would affect Ulan CMs water make?

PT advised that Moolarben has the potential to decrease Ulan's water make.

PE moved that further questions relating to Moolarben be discussed following the meeting and in light of time that the SMP discussions look at wrapping up.

The presentation continued with PE detailing that UCML's management of water had improved significantly and depending on how the site manages the water, by working smarter we can keep the water cleaner. In the longer term there is likely to be a water sharing agreements between Ulan and Wilpinjong or Moolarben given the agency focus on this point, Ulan's water management moving forward is likely to include a western discharge.

SL asked how do you balance the proposed western discharge and eastern discharges?

PE stated that this is a work in progress. At this stage the investigations are at a very conceptual stage however will need to be refined in the future.

5 GOULBURN RIVER DIVERSION BASELINE ASSESSMENT (presented by Coffey's)

An overview of this project and the findings so far were given by Paul Tammetta.

Monitoring of Goulburn River commenced approximately 2 yrs ago with V-notch weirs installed by UMCL to quantify water seepages to East Pit. With the June 2007 rainfall events, flows allowed data to be collected on the river flows as it was the first real rain event that had occurred in some time.

Based on monitoring data, Coffey's calculated that a maximum of 1ML per day loss of water from GR to the East Pit, however a best estimate of 0.7 - 0.8 ML per day from preliminary flow data has been modelled.

It was determined from groundwater monitoring that majority of the water is likely being lost from Southern edge of the East pit through unconsolidated material rather than through the eastern edge.

JI – Prior to the expansion of Ulan Coal Mine the surface flow in the river had never stopped past my house (e.g pre-mine maintained a surface flow during the 1982 drought). What proportion of the base flow does this loss represent?

PT estimated that the loss encountered would be around 50% at the upstream gauging station during normal rainfall periods (worst case scenario) of the base flow. Variability of the monitoring results was a factor in this consideration given at times total flow was 5ML upstream as opposed to 35 ML downstream. Base flow would be expected to be approximately 24% of river flow. Other 76% is surface flow based on long term averages over 20 years.

JL indicated that the report is being finalised and will be sent out to CCC along with government agencies on completion.

ACTION –Send out GRDBA report to CCC Members.

JI – What is the overall impact on the downstream base flow of the river from the loss of 18ML/day (dewatered from the long walls)?

PT advised that there is only a slight impact however this impact has not been calculated as yet however it will be fully determined with longterm monitoring.

JI – We have concerns about the long term impacts and viability of the river; it has experienced significant impacts from the diversion, the old open cut and underground mining. It now frequently ceases to flow except after a rain event; or when the mine is discharging water - what will happen to the river flow after mining ceases and the aquifers levels have to recover? Will there be a river or any surface flow during dry periods – will it ever recover?

UCML will continue to update on investigations during future CCC meetings.

7 UCML Continued Operations

Jamie Lees provided an introduction and background to the UCML continued operations plan. This included the potential Ulan West Underground facility and the open cut extension.

The presentation also included talks from the primary environmental consultant Umwelt Australia and Coakes Consulting who are undertaking the Social Impact Assessment.

JL advised that the project is expected to have an approximate life span of 21 years, an increase of around 7 years on top of the current operations and consolidate the current approvals that apply to Ulan with increased coal production to 20MT/annum.

SL asked if the 21 yrs applies to current mine area?

JL indicated that it applies to whole area.

JI asked if this is a significant increase in the life of the mine?

JL indicated that the project will result in an increased mine life of around 7 years.

PE advised that at this stage some approvals maintained by UCML are indefinite and have no expiry dates, whilst others expire in 2021.

EM asked about the capacity of the railway line and its ability to service the production expected.

JL indicated that UCML are working with ARTC to deal with the issue of inappropriate rail facilities. It is expected that this level of rail activity will be able to be supported by ARTC.

EM asked if any coal will go to any other areas other than Newcastle?

JL advised that all coal currently goes to Newcastle and UCML will still be looking to go through the Newcastle port facilities.

JL outlined the plans to expand the current Basalt quarry on site. The product from this facility is intended to be utilised on site for underground road ways.

JI asked if all Basalt would be used on site?

JL stated that it would.

JI enquired about the vegetation communities present on the potential O/C.

JL indicated that the vegetation encountered is disturbed and sparsely vegetated and mostly regrowth.

BC presented to the CCC on the Approvals Path for the project and that a Part 3A Approval will be required for the project which will encompass an extensive assessment of the area.

JI asked with production to increase to 20 million tonnes of coal per annum was anyone concerned about climate change? The emissions from this amount of coal are equal to twice the amount of CO₂ emitted by the transport system in NSW (ie 25-30 MT CO₂/annum)?

BC indicated that the general climate change issue is dealt with at a federal and state policy level but that the project EA will cover detailed greenhouse assessment of the project and 'downstream' effects of use of the coal products, in accordance with the DoP requirements.

EM asked if the cumulative effects of mining in the area will be covered?

BC stated that yes this will be addressed for each of issue in the EA process.

SL asked if the cumulative effects of each aspect of the EA will be addressed?

BC advised that each of the issues covered in the application will address cumulative impacts.

JI asked what are the penalties for not meeting commitments?

BC advised that it would be a non compliance with conditions of consent and an action plan would have to be developed to address non compliances identified with agreed time frames.

The discussions regarding the EA process continued in relation to different stages of the process and different aspects covered in the EA. Audits were one issue that was discussed at length.

GB asked if the audits exhibited?

BC indicated that audits usually go to the Department of Planning and in some circumstances that CCC.

JI asked if the audits were conducted by a company selected by UCML?

BC advised that the company were chosen by the government from a list of auditors, and that to avoid a future conflict of interest that Umwelt would be excluded from such future process.

Erika Blockley (EB) addressed the CCC and presented a overview of the Community Consultation process moving forward and the proposed Social Impact Assessment.

The social assessment section of the EA was discussed. This included the social assessment process and input was sought from the CCC as to how they would like to be involved.

JI asked if the SIA will deal with Mudgee mainly?

JL advised that the community is broader than Mudgee and that the assessment will cover a wider area that just Mudgee.

EM asked if there will be a focus on things like health and skills needed?

EB stated that this would be covered as part of the assessment.

JI asked is Mine Closure a consideration and what will happen when the operation closes?

JL - Xstrata Coal takes mine closure very seriously. Detailed mine closure planning occurs when the mine life reaches 5 years from closure and all sites are required to have Conceptual Mine Closure Plans that are costed.

JI – The big problem is that we don't know yet what the full impacts are from either the Moolarben or Wilpinjong Mines so aren't you guessing? Even the issues with the traffic congestion on the Cassilis Road are unresolved.

EB indicated that the SIA would include consultation, assessment of impacts and monitoring.

BC advised that cumulative impacts at Ulan are on top of recent assessment and up to date predictions from the Moolarben and Wilpinjong EA's. These would be up to scratch having recently passed through the government rigours prior to approval.

GB enquired if you rely on the EA from other mines or test them?

BC stated that they are tested, the predictions are used from the EA and available monitoring data is utilised for a cumulative impact review and validation.

JI indicated that Ulan probably have the best figures as Ulan's are proved where as the others are unproven.

SL asked if there will be public meetings?

EB advised that the intention at this stage was to conduct face to face interviews and to hold focus groups session's . There will be a series of community information sheets distributed to provide outputs from each phase of consultation.

ACTION: Ulan focus will provide an update of the overall process

EB asked how is the best to consult with the CCC members?

SL indicated that from his perspective that individually would be the best.

GB also indicated that individual consultation would probably be the best.

JI agreed.

GB indicated that the CCC as a group would like to be briefed on key issues

JI advised that there was a distinct need to go further than the CCC as the members of the CCC aren't a total representation of the community as a whole and that further members should be recruited to the CCC.

Action: UCML to review and investigate the recruitment of new CCC members

JL stated that the Social impact assessment will be broader than the CCC and will involve other relevant stakeholders.

It was generally agreed that there would be regular briefings to the CCC and individual sessions outside the regular meetings as individuals were interested in more detail on particular issues.

Barbara Crossley (BC) provided an insight to the Environmental studies to be conducted for the proposed project and a summary of the key issues. BC stated that the UCML EA will be an upfront high quality assessment.

BC advised that the key environmental issues that were identified included:

- Ecology
- Aboriginal Heritage
- Water

SL enquired if water sharing was limited to coal mines?

BC indicated that if it is commercially viable to share elsewhere it may be considered.

JI asked if the mine will undertake assessment of fine dust particles, i.e. PM 2.5

BC advised that monitoring PM 2.5 is a difficult area to monitor and it is not monitored at present and is not legislated. Emissions will be assessed in the EA. But there are no criteria on this class of emission and generally it forms part of the PM10 assessment.

JI pointed out that this is an example of one of the many current problems being experienced by the local community due to inadequate regulations.

8 General Business

JI raised the issue that the lights at the entrance to the access road to the O/C are always on?

PE stated that UCML will review and resolve this issue.

ACTION – Resolve lighting issues at the entrance to the O/C.

PE advised that as part of a consent condition UCML are required to provide \$2000 to the CCC to spend as they wish on studies etc. PE stated that as an item on the next CCC agenda that he would like to discuss with the members the proposed options for spending this money.

JI indicated that the money could be spent on an independent expert advice that would assist the CCC interpret some of the lengthy and complex mine reports and plans.

SL stated that PE had earlier in the meeting outlined Ulan's Vision and BASICS as a tool to go beyond compliance. SL enquired if UCML can get together with other mines and discuss cumulative impacts?

PE advised that this is beyond the environmental team at UCML and that there was nothing established at the moment. We will look into the feasibility of this and discuss with the operations manager.

ACTION: Discuss with Operations Manager and the Group Manager Environment the options of facilitating an Industry Forum to address cumulative impacts in the area.

BC indicated that on this issue UCML are taking lead. They are not taking a piece meal approach to approvals and by investigating the proposed Development Application the mine would be required to assess cumulative impacts that otherwise it may not have to consider.

9 ACTIONS

1. ACTION - The next meeting will include a presentation covering the closure process.
2. ACTION - Send out GRDBA report to CCC Members on completion.
3. ACTION - Ulan focus will provide an update of the overall process

4. ACTION - Advertise for CCC members for consultation at next CCC.
5. ACTION – Resolve lighting issues at the entrance to the O/C.
6. ACTION: Discuss with Operations Manager the prospect of a cumulative impact review with other mines in the area.

Meeting Closed: 7.15pm

Next Meeting: