

MT ARTHUR COAL COMMUNITY CONSULTATIVE COMMITTEE

Minutes of Meeting (14)

- Location:** Mt Arthur Coal Boardroom
- Date:** Wednesday 25 May 2011
- Present:** Jennifer Lecky (JL) Deputy Chairperson, Martin Rush (MR) Chairperson, Raymond Webb (RW) Resident, Graham Guest (GG) Resident, John Bancroft (JB) Resident, Michael White (MW) Mt Arthur Coal, Steve Perkins (SP) Mt Arthur Coal, Rebecca Smith (RS) Mt Arthur Coal, Donna McLaughlin (DM) Mt Arthur Coal, Shelley Masterson (SM) Mt Arthur Coal, Julie McNaughton (JM) Mt Arthur Coal, Ben Harrison (BH), Department of Planning & Investment.
- Apologies:** Craig Flemming (CF) Muswellbrook Shire Council, Scott Mitchell (SM) Mt Arthur Coal, Eddie Constable (EC) Resident
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Meeting Commenced: 3.10pm

1. WELCOME AND APOLOGIES

Jennifer Lecky welcomed everyone to the Mt Arthur Coal Community Consultative Committee May 2011 meeting and apologies were received.

2. DECLARATION OF PECUNIARY INTEREST

No pecuniary interests were declared.

3. CONFIRMATION OF PREVIOUS MEETING MINUTES

Moved by RW

Seconded by JB

4. HOUSEKEEPING AND SAFETY

RS provided information on general housekeeping and safety at Mt Arthur Coal, this included:

- Entry/Exit
- Emergency Procedure
- Muster Area
- Amenities
- Tea/Coffee
- Site tour postponed until next meeting due to wet conditions

5. ACTION POINTS FROM PREVIOUS MEETING

Action Item 1 - Invite a representative from the laboratory to the July CCC meeting to explain the process for obtaining depositional dust results.

This action is not yet due (Action Item 1).

Action Item 2 – Confirm that 138 permits are in place for road closures

This was completed by RS. An email with this information was sent to CF 25/5/2011.

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Action Item 3 - Invite DoP Compliance Officers to the next CCC Meeting

This was completed by RS. Ben Harrison in attendance.

Action Item 4 - Establish process to send an electronic version of the CCC agenda to JL and Muswellbrook Shire Council

This was completed by RS. BM requested that the CCC agenda be sent by fax (Action Item 2).

Action Item 5 - Send electronic version of the rehabilitation plan to CF

Ongoing - SM and CF are to determine an appropriate format (Action Item 3)

6. OVERVIEW OF OPERATIONS TO DATE

MW presented information on the following:

- Internal approval for RX1 has been announced:
 - growth up to 32M tonnes (within the current consent),
 - no major changes to infrastructure,
 - additional employees,
 - additional equipment.
- New enterprise agreement:
 - organisational improvements,
 - employee benefits
 - staggered shifts
- Plan to continue aerial seeding of overburden to assist in minimising visual and air quality impacts.

JL enquired on the current RL. MW responded approximately MRL 300m (current MOP permits height to RL of 320m).

7. INTRODUCTION – BEN HARRISON, DoPI COMPLIANCE OFFIER

BH presented information on the following:

- Attendance at MAC CCC meeting to meet members and gain an understanding of issues raised.
- Will attend other CCC meetings by request only.
- Establishment of Singleton Department of Planning & Investment (DoPI) compliance office,
- Role of compliance officers to enforce conditions of consent through both announced and unannounced visits to mine sites.
- Role is also to provide feedback to the assessment process
- Work with other government departments (e.g. OE&H, I&I) to coordinate a better regulatory response.
- DoPI compliance officers can be contacted through the advertised hotline.

BM raised concern that it was not a condition of consent for mines to advise DoPI of blast dates and times so that blast fumes could be better monitored.

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BH responded that DoPI utilised a risk based response to viewing blasts and encouraged mines to notify when they expected unusual blasts.

JM noted that Mt Arthur Coal advises scheduled blast times through the website (a consent condition). JM also noted that Mt Arthur Coal advised DoPI compliance officers recently of a blast with expected fumes which a DoPI compliance officer attended.

BH noted proactive measures, such as feeding into fume studies and looking at best practice, which DoPI were taking in response to increased community concern about blast fume.

BM raised concern that the Muswellbrook Environment Committee is no longer able to recommend conditions of consent. BH committed to communicating this concern to DoPI.

DoPI response sent by BH following CCC meeting

It is not a practice of the Department to submit draft conditions for major projects to community stakeholders for comment, as this would cause lengthy delays in determining applications. During the exhibition period, community stakeholders are invited to make submissions on major projects. Any submissions received are considered by the Department prior to determine

The Response to Submissions in major projects is publicly available on the Department's website. Therefore copies are no longer posted to community stakeholders.

Most current consents contain conditions requiring a system to enable the general public and surrounding landowners and tenants to get up to date information on blasting activities to the satisfaction of the Director General. This generally takes the form of a webpage on the mines website. Departmental Officers have access to, and have utilised mines websites in order to establish blasting activities and observe blasts. Where mines do not have a requirement to establish a blast schedule the Department has phoned the mine to establish blasting activities with a view to observing blasts.

Most Hunter Valley mines voluntarily inform the Department when they consider a blast to be at high risk of producing fume and Officers attend and witness those blasts when possible.

MAC response to DoPI comments following CCC meeting

Mt Arthur Coal currently communicates blasts prior to firing through the following practices:

- Blast schedule is posted weekly on the MAC website.
- Blast schedule is mailed weekly to community members requesting this correspondence.
- Community members who have requested notification are informed of blasts by telephone on the days that blasts are fired.

8. Upper Hunter Mining Dialogue (UMHD) Findings

JM presented information on the following:

- UMHD arose from increased community concerns about cumulative impacts.
- UMHD aims to better understand and address community concerns.

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- First step was to undertake a comprehensive survey of stakeholders.
- The findings are challenging and demonstrate a need to approach impacts together, both as an industry and with stakeholders and the broader community.
- Current initiatives – Upper Hunter Air Quality Monitoring Network, research into dust suppressant for haul roads, work with government on best practice management of dust.
- New initiatives – three working groups on environment, rehabilitation and community.

UHMD Reports will be provided to all CCC members (Action Item 4)

MR queried whether the UHMD findings will feed into the Mt Arthur Coal Sustainable Communities Project (SCP).

JM responded that Mt Arthur Coal will consider the outcomes of the UHMD but, without fully understanding the outcomes at this stage of the project, cannot make a commitment for the findings to feed into Mt Arthur Coal's investment strategies.

MR queried whether the community would be given an opportunity to engage the UHMD working groups.

JM considered that this was likely but the Minerals Council could confirm the timing of this.

MR raised concerns about the validity of the findings of the UHMD due to assumptions made in the methodology around co-existence and cooperation.

BM queried whether Mt Arthur Coal was shocked by the findings of the UHMD.

JM responded that the findings of the SCP had given Mt Arthur Coal a good understanding of community sentiment prior to the UHMD findings and the mining industry realises it needs to address community concerns.

9. MONITORING SYSTEMS

RS presented an overview of the Mt Arthur Coal monitoring results since the last meeting. Monitoring results were delivered to the CCC members prior to the meeting and were referred to during the course of the presentation.

Blasting

- All licensed blast monitoring stations recorded results below development consent criteria for the March to April 2011 monitoring period
- 2 road closures in the March – April period;
- 18 blasts in March – April 2011;
- 8 blasts were delayed due to adverse weather conditions.
- A blast on 17 February 2011 which recorded a blast vibration of 11.55mm/s at the Edinglassie monitor was previously reported to the CCC. A blast on 23 March 2011 also recorded a blast vibration of 15.67mm/s at the Edinglassie monitor. In light of these events, the Edinglassie

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geophone was inspected and was found to be detached from its concrete block, invalidating these results.

Blast vibration results from a nearby monitor used by a neighbouring mine (130 metres from the MAC monitor) were provided to Mt Arthur Coal. These have are more accurate blast vibration results and have been changed in our monitoring records:

- 17/2/2011 – 5.72 mm/s
- 23/3/2011 – 5.29 mm/s

All Mt Arthur Coal geophones have now been replaced with an updated model which is bolted down, rather than glued to prevent a reoccurrence of this issue. Scheduled maintenance reports have also been reviewed with the blast monitoring contractor for the maintenance and inspection of blast monitoring equipment.

The Department of Planning and Investment has been notified of this issue and has acknowledged that in light of the faulty blast monitoring equipment the blast events were not a breach of consent conditions.

MR questioned who carried out the inspection that revealed that the geophone was detached from the concrete base and whether DoPI authorised the inspection with concern that this could raise questions about tampering with evidence.

RS responded that RS and the Mt Arthur Coal Drill and Blast Superintendent, inspected the geophone. A consultant then also inspected the geophone to confirm the fault found. This was not authorised or requested by DoPI.

BH responded that the vibration exceedance was accepted on February 17 and a warning letter was sent on that basis. After exceedance on 23 March, Mt Arthur Coal reported the fault with the equipment supported by the results from the neighbouring monitor. In light of this, the Mt Arthur Coal results were not considered exceedances but if the additional results had not been available the outcome may have been different.

MR noted that his concerns with the DoPI exceedance investigation process remained.

BH invited MR to make an appointment with DoPI to discuss his concerns further.

JB raised concerns that he registered a blast vibration complaint on 23 March when the high Edinglassie result had been received but he was not informed of this high result.

JM noted that it was Mt Arthur Coal practice to provide results from the closest monitor when complaints were received and that all other monitors recorded readings within regulatory limits.

JB also raised concerns about cumulative impacts from blasting. Specifically, JB reported that he had a cracked window at his residence but was unable to determine which mine was responsible as his windows shook from blasts at both Mt Arthur Coal and Bengalla.

HVAS

- There were no elevated results in the March to April 2011 monitoring period;

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- All HVAS monitoring locations currently have annual averages below relevant Development Consent criteria

Depositional Dust

- There were no depositional dust gauge results recorded in the March – April 2011 monitoring period that were above development consent conditions with the exception of DD01, DD13 and DD20 in March and DD16 in April;
- Analysis of the predominant wind direction in March determined that due to the location of DD01 and DD20 Mt Arthur Coal's contribution was below consent criteria;
- Using DD05 as the upwind monitor, Mt Arthur Coal's contribution to the elevated result at DD13 in March was calculated by subtracting the DD05 result from the DD13 result for this period. The DD13 result was therefore determined to be below consent criteria.
- DD16 is on Mt Arthur Coal owned land and is only used for management purposes;
- All current rolling annual averages are below relevant development consent criteria, with the exception of DD02 and DD03. The predominant wind direction for each month that has recorded elevated results at these gauges has shown that these gauges were upwind of Mt Arthur Coals operation, therefore other activities have impacted these elevated results;
- Contaminated Results for the period were at:
 - DD02 March (excessive bird droppings)
 - DD16 March (excessive insects)
 - DD05 April (excessive berries)

JB queried BH whether the upwind-downwind method for determining Mt Arthur Coal's contribution to high depositional dust readings was an acceptable method.

BH confirmed that this was a standard method.

MR queried whether contaminated results were included in the 12 month rolling averages.

JM confirmed that contaminated results were not included in the calculation of 12 month rolling averages.

JB queried why real-time dust results were not shown in CCC meetings.

JM responded that these were previously used only for management purposes but results will be included in future meetings (Action Item 5).

GG raised concern that depositional dust results from monitors that are used for management purposes only are used to calculate Mt Arthur Coal contributions to results from monitors used for statutory purposes.

JM responded that monitors used for management purposes are treated in the same manner as those used for statutory purposes so their results are valid. JM also noted that there will not be so many monitors for management purposes in the management plans for the Mt Arthur Consolidated Project Approval.

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Surface Water

- There are no significant variations in pH or EC in the sampling period.

10. OVERVIEW OF COMMUNITY SUPPORT

SM presented an overview of the Mt Arthur Coal community support since the last meeting.

Sustainable Communities Project (SCP)

- Currently developing public document to communicate and outline the findings of the SCP.
- Planning to undertake Aboriginal Engagement work commencing May.
- Round two of the Community Development Fund closed on Friday 20 May. Applications are being assessed.
- Currently working with the University of Newcastle and key stakeholders including community service agencies, Council and miners to scope identified investment opportunities over the coming months. The process that these projects were undertaking was presented to the CCC.
- Current scoping projects include:
 - Expansion of housing services for women and children in Muswellbrook
 - Precinct planning and place making
 - Wollombi Road community development
 - Children's Services planning
 - Community development capacity (x2)
 - Duplex housing project
 - Mental Health Support Program
 - Muswellbrook District Hospital Support

MR queried whether government agencies will be given the opportunity to comment on the viability of projects before the implementation phase begins.

SM noted that council have been given information on current projects and it is part of the proposal process for the projects to consider other stakeholders and other sources of funding. The second phase then includes dialogue with stakeholders.

MR questioned how much will be spent this financial year and asked if the CCC will be informed of this each year or how the community might audit this.

JM responded that the aim was to spend the budget given this year. Next year's funds will depend on budgeting processes so a commitment cannot yet be made on this. Processes are also in place to attempt to carry unspent funds from this year over to next year. JM also noted that although BHP Billiton had a 1% target this does not mean that Mt Arthur Coal will spend 1% of its EBIT in Muswellbrook.

BM asked if there was a minimum amount that a community project required before it would go through the process presented.

SM responded that there was no requirement for minimum funds. Quarterly sponsorship rounds would remain for community projects that did not require the SCP process.

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MR noted that the SCP process alone can be of benefit to community organisations regardless of whether funds were granted.

SM agreed that the process aims to build capacity within the community.

BM requested that the process flowchart presented be sent to CCC members with the minutes for referral to a community group. (Action Item 6).

SM noted that dialogue is the first step for potential projects. From this, Mt Arthur Coal then determines if the SCP process is followed. SM invited BM to ask the specific community group to contact Mt Arthur if desired.

Complaints in March – April 2011

- 6 Noise
 - 5 Blast Vibration
 - 3 Blast Fume
 - 4 Dust
-
- Eleven complaints were received in March. Six of these related to blasting. Five were related to blast vibration with all but one of these arising from blasts in Windmill Pit. The remaining complaint was related to a blast in Calool Pit. One person concerned about blast vibration also raised concerns about blast dust and the final blast complaint related to blast fume. There were three complaints related to operational dust during March. One of these complaints also related to operational noise. Two additional noise complaints were also received from Castle Rock Rd.
 - Seven complaints were received in April. Four of these were from residents on Roxburgh Rd concerned about operational noise. Two were related to blast fume from a blast in Saddlers Pit on 19 April. The remaining complaint was regarding operational dust on 2 April when conditions were dry.

BM questioned whether Mt Arthur Coal was concerned about the increase in complaints this year.

MW responded that Mt Arthur Coal is concerned and while some of the increase may be explained by our operations moving closer to Denman Road and an increase in sensitivity in the community it is Mt Arthur Coal's obligation to work to drive down complaint numbers and minimise our impact on the community.

GG requested details on the blast fume issue.

MW responded that blast fumes were a visible component of some blasts that could be recognised by the orange colour. Fumes are created in wet conditions and are caused by a chemical reaction that produces oxides of nitrogen.

BM also noted that the unknown health impacts of these fumes were a concern.

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JB questioned what conditions of consent were implemented around the issue of blast fumes.

BH responded that consent conditions on blast fumes were in their infancy as this has only arisen as an issue in more recent years. DoPI are currently focused on implementing best practice and are also looking at a rating system for blast fumes. DoPI recognises that blast fumes may be a health or amenity issue but are treating this area cautiously until potential health impacts are investigated.

JB queried what action DoPI can take in the case of excessive blast fume.

BH responded that DoPI may assume in such a case that best practice was not implemented and may subsequently take action ranging from nothing to a warning, fine or prosecution. The level of response would be determined by DoPI policy which was publicly available and based on elements, outcomes and affects.

11. GENERAL BUSINESS

JB requested that sigma theta be explained.

SP responded that sigma theta is a measure of variability around the mean. A small sigma theta reflects a constant result while a large sigma theta reflects highly variable results (Action Item 7).

It has been confirmed since the CCC meeting that the sigma theta presented in the CCC is based on wind direction results.

MR queried whether community engagement would be undertaken for rehabilitation strategy and offset strategy.

JM confirmed that the CCC would be consulted at a later date, yet to be determined.

SP noted that the rehabilitation strategy was due in September 2011, the offset strategy was not due until September 2012.

JL proposed that the schedule for the CCC meeting be changed to earlier in the month as today's meeting clashed with other CCC Meetings.

JM noted that the monitoring results would not be available if the meeting was brought further forward.

MR noted that he preferred the CCC meetings to be held at the Muswellbrook Shire Council chambers, before leaving. This was discussed. There was consensus from all remaining CCC members that the meeting venue would remain the Mt Arthur Coal administration building boardroom.

BM questioned why the agenda and results were only received on the day of the meeting.

JM noted that there was a delay in receiving monitoring results and that a review process then had to be completed before the agenda could be delivered.

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BM proposed that the agenda should be received at least 10 days before the CCC meeting and be separated into parts if only some sections were available.

RS responded that results were not received in time for this deadline to be met. Most results would be absent.

JL proposed that the Mt Arthur Coal CCC meeting be moved to the first Wednesday in the following month to address both the issue of results being unavailable for the agenda to be sent out in adequate time and the issue of the meeting conflicting with other CCC meetings. This would mean that May-June data would be reviewed in the first week of August.

There was consensus that this proposal should be accepted if absent CCC members were also in agreement. All but one absent CCC members have agreed to the change since the meeting. This member has not yet been able to be contacted (Action Item 8).

JB noted that there had been success with the use of a dust suppressant at Liddell Coal.

JM confirmed that the same dust suppressant was being used by Mt Arthur Coal.

BM expressed disappointment that site tour planned for today's CCC meeting had been postponed until the next CCC. JB would not be able to attend this meeting and would have liked for the CCC to view the area along Denman Road east of Edderton Road where JB felt that the vegetation has not been well managed, particularly outside the fence line.

BH noted that DoPI had noted in their last visit that vegetation bunds along Denman Road are required and requested an action plan from Mt Arthur Coal to vegetate this area.

BM also raised concern about kangaroos and noted that fence to prevent kangaroos passing would assist in safety for drivers along Denman Road.

12. NEXT MEETING DATE

Proposed to be 3 August 2011 (1st Wednesday of month). To be confirmed with absent members that have not yet been contacted by phone correspondence (Action Item 8)

Meeting Closed: 5:27pm

ACTION ITEM NO.	ITEM	ACTIONED BY
1	Invite a representative from the laboratory to the July CCC meeting to explain the process for obtaining depositional dust results.	RS
2	Arrange for CCC agenda to be sent by fax to BM	RS
3	Send electronic version of the rehabilitation plan to CF	SM
4	Provide UHMD Reports to all CCC members	RS
5	Include real-time dust results in CCC meeting presentation	RS

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6	Provide SCP flowchart to CCC members when minutes are distributed	RS
7	Explain the concept of Sigma Theta in greater detail in the next CCC meeting	SP
8	Confirm rescheduling of meeting with absent CCC members	RS