

MT ARTHUR COAL COMMUNITY CONSULTATIVE COMMITTEE

Minutes of Meeting (21)

Location: Mt Arthur Coal Boardroom

Date: Wednesday 1 February 2012

Present: Martin Rush (MR) Chairperson, Jennifer Lecky (JL) Resident, John Bancroft (JB) Resident, Raymond Webb (RW) Resident, Craig Flemming (CF) Muswellbrook Shire Council, Bruce MacPherson (BM) Resident, Graham Guest (GG) Resident, Scott Mitchell (SM) Mt Arthur Coal, Rebecca Smith (RS) Mt Arthur Coal, Shelley Masterson (ShM) Mt Arthur Coal, Julie McNaughton (JM) Mt Arthur Coal, Sarah Bailey (SB) Mt Arthur Coal.

Apologies: Eddie Constable (EC) Resident.

Meeting Commenced: 4:10pm

1. WELCOME AND APOLOGIES

MR welcomed everyone to the Mt Arthur Coal Community Consultative Committee (CCC) February 2012 meeting and apologies were received.

2. 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.

3. DECLARATION OF PECUNIARY INTEREST

No pecuniary interests were declared.

4. CONFIRMATION OF PREVIOUS MEETING MINUTES

A request was received that this item be left until next meeting. The minutes had only been recently received and the chairperson had not been able to review them.

BM moved for the confirmation of the previous meeting minutes with the proviso that any issues arising from the review of the minutes be referred to in the next meeting. This was seconded by RW.

On JM's request, all other CCC members confirmed that they had received the minutes in a timely manner from the last meeting.

5. ACTION POINTS FROM PREVIOUS MEETING

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Action Item 1 - Amend previous meeting minutes as requested by BM as concern had been raised about the fire risk posed by grass along the verge of Denman Road not Edderton Road (as stated in the previous meeting minutes).

RS confirmed that the previous minutes were amended and forwarded for publishing on the BHP Billiton website. RS noted that they had not been forwarded to the library or the council for record keeping and that this would be done (Action Item 1).

Action Item 2 - Prepare a letter confirming that the community funds from FY11 would be carried over to the next financial year.

JM advised that Mt Arthur Coal publicly stated that we “planned to spend \$4 million in the community in FY11”. It was acknowledged that the whole \$4 million was not spent and this was predominantly due to groups within the community not being ready to manage very large projects. This was acknowledged by Mt Arthur Coal in talking to targeted community groups, and smaller capacity building projects were supported in order to build capacity and facilitate longer term sustainable community development projects that will assist in mitigating the impacts of mining on our community.

ShM noted that the \$4 million spend did not include approximately \$200,000 donated through the BHP Billiton Matched Giving program.

The breakup of community spend was discussed. Community expenditure includes large scale projects that Mt Arthur Coal is required to contribute to, the community development projects identified under the Sustainable Communities Project research that focus on addressing and mitigating the impacts of mining in the region, and the sponsorships and donations process where community groups are able to apply for funding. The larger projects do not impact on the ability of the community to apply for sponsorships and donations; however these applications will be assessed for their sustainability and against relevant BHP Billiton community guidelines.

MR asked if Mt Arthur Coal will disclose the planned community contribution spend next year (FY13).

JM responded that we would not disclose the planned community spend in future years. JM noted that it was difficult to commit to spending because of limited community capacity to deliver large projects without support in scoping projects and ensuring they are sustainable and deliverable first on which Mt Arthur Coal has limited impact. Mt Arthur Coal has a project pipeline over a five year period that includes target projects. The pipeline includes smaller scoping projects leading to larger spends aimed to improve project planning and sustainability within the community. It will be investigated whether this pipeline can be shared at the next CCC (Action Item 2).

ShM noted that the research costs for the SCP were included in the FY11 spend. This was a significant piece of work and the final document from this was circulated widely in the community. This was a substantial community contribution.

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MR noted that no projects had been delivered, however, JM noted that community capacity building was also a part of this. FY11 was a planning and capacity building year. This year will not be as planning heavy, but this will continue to be a part of community spending.

ShM noted that \$20-\$30,000 is spent per community group to scope project detail.

BM advised that he had no problem with Mt Arthur Coal verifying community capacity and believed that due diligence is required. Mt Arthur Coal needs to do this and get the money out into the community.

JM moved a motion to discuss concerns about community spending at the next CCC meeting. Mt Arthur Coal will table its approach to communicating the FY11 community spend at the next meeting (Action Item 3).

MR requested that no public release be made on this matter in the interim.

JL noted that she appreciated the work that Mt Arthur Coal had done with the community. It had not been done before and was a positive contribution.

Action Item 3 - Confirm the height of VD1 following the recent reshaping.

SM presented a current plan view of VD1 noting that it was currently at 270 metres with rehabilitation at 260 metres.

Action Item 4 - Provide an update of exploration on site at the next CCC meeting.

RS advised that it was not the intention for a representative from the Mt Arthur Coal exploration team to provide an update at each CCC meeting. The exploration team would provide an update only when there were activities to report on.

Action item 5 – Confirm when Mt Arthur Coal would be operating closest to Denman Road.

SM presented a projection of the proposed mining sequence across the mine site by quarterly breakdown up to June 2017. The projection showed some areas in proximity to Denman Road in 2012, with other sections of the endwall alignment progressing closer in later years. SM noted allowance has to be made for inclusion of room for bunds, service lines, maintenance tracks and pipelines. SM also noted that mine plans may change, but the projection presented was a reasonable guide.

JB queried whether there was a period where Mt Arthur Coal would not be mining in Macleans Pit within the sequence shown.

SM explained that there was potential for equipment to be in both the Windmill Pit and Macleans Pit shown, but equipment may also not be in the same locations at the same time, depending on mine planning, equipment availability and scheduling and coal type required by customers.

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JM noted that the plan is to move in to the areas shown, move out and rehabilitate as soon as possible.

Action item 6 – Confirm whether a temporary blast monitor was installed following a complaint on the 5 September 2011 and investigate whether the data from the temporary monitor could be provided to the CCC.

RS explained that the complaint referred to was from a Roxburgh Road resident. A temporary blast monitor has not yet been installed on Roxburgh Road as the hired monitor is currently being used at a residence on Denman Road. It has been at this residence longer than originally planned due to the lower than expected number of blasts in the northern end of the pit recently. The monitor will be moved to Roxburgh Road in the coming weeks.

BM asked if results would be provided, noting that they haven't been provided from temporary monitors before.

RS noted that the monitor was put there because of a resident's concern and not as a part of the normal monitoring network for which results are provided to the CCC.

JM commented that monitoring equipment such as this wasn't normally hired. This is the first time in recent history. Results may be provided at the next meeting (Action Item 4)

RS confirmed that results would not include the specific address where the monitor was located.

Action item 7 – Investigate what action was taken as a result of the higher than typical dust levels recorded on the 31 October 2011.

RS noted that at the time of concern real-time dust monitoring levels were not high enough to trigger an alarm to prompt action.

JM noted that the complaint was received after the time of concern and it was not registered directly with Mt Arthur Coal. This meant that we could not respond to the concern at the time.

JB commented that a complaint wouldn't be received nor would monitoring be checked in the early hours of the morning.

JM responded that complaints could be received at any time through the 24 hour hotline and be responded to immediately. Real-time dust monitors with alarms to the open cut examiners were also utilised 24 hours a day.

Action item 8 – Muswellbrook Shire Council to follow up with the Department of Planning and Infrastructure and get a response in writing as to whether the upwind/downwind methodology was an acceptable practice.

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CF confirmed that this had not been completed and would be carried over to the next CCC meeting (Action Item 5).

Action item 9 – Investigate whether a faulty spray on the ROM bin was a reportable incident and whether the spray was required to be operational under a management plan.

RS confirmed that this control was specified in the air quality management plan – Automatic sprays and/or wind shields will be used when tipping raw coal that generates excessive dust. The failure of these sprays is not a reportable incident. The operation of the sprays is not a requirement of the project approval or licence conditions. This incident was reported internally prompting and rectified through this internal process.

Action item 10 – Investigate whether Mt Arthur Coal's haul roads are to best practice standards as specified in the Katestone Report.

RS confirmed that this was the case. In accordance with best practice measures, a low silt aggregate (red rock) is used on major haul roads and chemical dust suppressant product is applied to all permanent haul roads. In addition, trucks used for overburden are some of the largest available and speed restrictions are placed on all vehicles.

JL queried whether red rock was sourced from the mine.

RS confirmed that it was.

BM asked whether red rock was used on all haul roads.

JM noted that as red rock was a valuable resource it was not used on roads that would be dumped out. It was only used on permanent haul roads.

JB noted that this would mean that not all haul roads were to the best practice standard.

JM committed to checking the Katestone report to see if best practice was to use an aggregate on only permanent haul roads (Action Item 6).

BM enquired whether traffic during heavy rain impacted the roads.

JM replied that Mt Arthur Coal did not operate in heavy rain due to safety concerns, so this is not an issue.

6. OVERVIEW OF OPERATIONS TO DATE

SM presented the overview of operations to date which included information on the following:

- RX1 equipment continued to be delivered (overburden digger, trucks, dozer, grader);
- further reshaping and rehabilitation occurred on VD1;
- production records on coal were achieved;

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- rollout of the digital two-way system continued, with the analogue radio system decommissioned.

SM also noted that there had been an impact on operations from recent rain. Recruitment was continuing in-line with increased equipment. Mt Arthur Coal continued to have diggers in the northern end of the mine. SM also noted that blasts were planned soon for the high and visible areas of Macleans Pit. These would only be fired in suitable environmental conditions.

JM commented that a digger was stopped in December while waiting for suitable conditions for blasting.

CF asked what was meant by “modular unlocked”.

JM explained that modular is a dispatch system. It assists dispatch to allocate equipment etc. Mt Arthur Coal recently moved to this system.

7. Mt Arthur Coal Growth Strategy Update – Proposed Open Cut Modification Project

SB introduced herself to the CCC and explained that the Environment and Community team used to look after project approvals in the past, but this was now separated out into the role of Approvals Manager which SB held.

SB advised that she intended to provide an introduction to the project modification in this meeting with more information to come. Fact sheets were currently being prepared and would be mailed out to CCC members.

SB explained that the Mt Arthur Coal Consolidation Project Approval, granted in 2010, was based on mine planning in 2008. Further planning had since identified efficiency opportunities that may also provide improved community outcomes. An environmental assessment had not been completed for this. Mt Arthur Coal met with DOPI at the end of November and began discussions with MSC on Monday.

SB advised that the majority of communications would follow this meeting. Lodgement is planned for mid-2012. The community, including the CCC and MSC, will be involved in the modification process.

SB advised that the proposed modification would include:

- a change to the dumping configuration. There was an opportunity to dump in an area of predominantly disturbed ground in the conveyor corridor. This would reduce haulage distance and therefore may reduce dust generation. Approximately 50 hectares of this area is currently not disturbed;
- an extension to the consent life of the mine from 2022 to 2026. SB noted that this modification would not include an increase in export tonnes or ROM coal tonnes from the existing approval;

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- additional disturbance, noting that some of the proposed additional disturbance would be within the current approval limits;

MR asked for clarification – does the modification extend the disturbance area.

SB confirmed that it would (shown in presentation). This additional disturbance would occur in approximately 2022 to 2026.

- the relocation of explosive facilities away from infrastructure and to an area closer to the pit face for the drill and blast team. The new location would also improve access for product delivery;
- relocation of the load point of the Mac Gen conveyor to a location closer to the current turn-out point;
- duplication of the existing balloon section of the rail loop and an increase in the daily number of maximum trains from 12 to 19. This would allow for greater flexibility for the rail. Trains would be able to wait closer to the mine, further from sensitive receivers. Annual production down the line would not change. SB noted that the maximum number of trains would be expected to be reached only occasionally and not be a typical daily count.

CF enquired whether this would ease congestion down the track.

SB responded that, although this hadn't been considered, this was possible as there would be a greater guarantee of when coal would be loaded which may assist scheduling from the port.

BM enquired whether there was at least one Mt Arthur Coal train each day on the rail loop.

JM confirmed that there was generally at least one train each day unless there was a stoppage, such as track work.

BM questioned why trains sat idle. If they could be stopped while waiting, how long would it take to warm the motor up and start again? BM noted that stopping the engine would reduce noise and pollution.

SB committed to investigating this (Action Item 7).

- The modification did not include an increase in employee numbers. It would therefore be consistent with the traffic and social impact assessment in the current environmental assessment. Employee numbers would also be expected to peak at 2016, , rather than 2014.

MR commented that there was no way to test assertions such as these. For example, you would expect additional workforce during the rail construction.

SB confirmed that modelling suggested that the required workforce would not be in excess of the current consent.

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MR noted that the VPA will be discussed in more depth with council. MR also noted concern about areas around Mount Arthur that appeared to be those that were abandoned in 2008 proposals.

JM explained that not all areas shown in yellow in the presentation were proposed in 2008. One small area was taken out in 2008 and will be addressed in the modification.

CF enquired whether the planned disturbance of Macleans Hill was swapped with conservation areas at Mount Arthur.

JM noted that Mount Arthur is classed as a conservation area. This has not changed and this modification will not impact on this area. It will impact other areas adjacent to the base of Mount Arthur.

- An additional office building and CHPP control room would be included in the modification.
- A change to the stockpile footprint was also proposed.

SB reiterated that a fact sheet containing the proposed project modification would be distributed.

BM asked if there was no tonnage increase, why was it necessary to extend the life of the mine.

SB replied that a number of factors affected growth and to provide the full return on investment at Mt Arthur Coal an additional four years was required.

MR requested that it be noted that this CCC item was a notification session only, without the provision of material.

JB enquired whether Mt Arthur Coal were looking at final voids in this modification.

SB responded that there is an undertaking to look at rehabilitation and the final landform strategy considering MSC policy. This will be looked at and the CCC will be consulted.

JM noted that as communicated at previous meetings, the rehabilitation strategy will need to be reviewed if modifications are made.

8. REHABILITATION MANAGEMENT PLAN

SM noted that it was Mt Arthur Coal's intention to provide a draft rehabilitation management plan prior to this meeting, but it was not yet ready. SM presented a proposed timeline for the rehabilitation management plan:

Item	Delivery date
Revised Draft Rehabilitation and Biodiversity Management Plan distributed to CCC	13 February
Overview presentation prior to joint rail loop CCC meeting	16 February

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CCC feedback opportunity	7 March
Revised final document circulated for review	14 March
Final meeting and summary presentation	21 March

JM explained that the draft rehabilitation plan could not be provided prior to this meeting because the draft received from the consultants was not at a standard that would be acceptable for this. Feedback from Mt Arthur Coal's review of the document has been provided to the consultants and an updated version is currently being worked on.

MR enquired if the management plan would provide more detail from the rehabilitation strategy.

JM confirmed that it would.

SM discussed the timeline presented.

MR asked where the Rehabilitation Strategy was up to. Had it been approved?

JM replied that it had been submitted to DOPI, but had not yet been approved along with other management plans also submitted for approval.

MR asked if the CCC had endorsed the Rehabilitation Strategy and asked if the CCC could come back to this in the next meeting.

JM noted that Steven Perkins had presented the CCC feedback on the Rehabilitation Strategy in a format that demonstrated what was incorporated into the document. JM also noted that the Rehabilitation Strategy was available on the BHP Billiton website and a link to this site would be added to the meeting minutes (<http://www.bhpbilliton.com/home/aboutus/regulatory>).

MR noted that the Rehabilitation Strategy had not been presented to the council. Consultation must go through the twelve councillors.

JM advised that it had been presented to MR, CF and Tracey May at MSC.

MR explained that they do not have delegation for this purpose and suggested that council should perhaps send a communication to all mines on council expectations for consultation. MR noted that his attendance was not an endorsement from council.

JM asked if the accepted process is to consult with MSC staff and the MSC staff to then report to the councillors, and for the council to then provide endorsement or other response?

SB enquired whether this was an internal MSC policy, that was different to other councils.

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MR confirmed that it did differ from other councils and that MSC preferred these responsibilities to sit with the appointed councillors.

CF noted that documents were able to be progressed with him before he presented them to council.

SM continued through the presented timeline. SM asked if the CCC would like Mark Burns to be invited to the CCC meeting proposed for 7 March to provide opinion etc.

MR registered his concern about the independence of Mark Burns given that his business sells the seeds that may be used in the rehabilitation planned. MR noted that this was not what the CCC had asked for.

JM explained that the CCC had requested a resource that could provide an opinion and was not writing the report. It is difficult to source a local specialist that may not provide a product or service to the mine. JM stated that she was not sure that independence was what the CCC had requested. It was Mt Arthur Coal's intention to provide the best specialist possible that was not writing the report. Mark Burns holds a doctorate in the area of rehabilitation and plant science and is able to explain the subject matter easily at many levels.

MR noted that it was communicated that Mark Burns would provide a service (not may provide a service).

JM explained that Mark Burns was invited to explain any queries that the CCC had about the Rehabilitation Strategy. JM proposed some options for Mark's involvement: he could be invited to the CCC meeting; he could be a resource to call if the CCC had any queries; or he could review the document and provide a peer review for the CCC.

BM asked that Mark be invited to the CCC meeting on 7 March and provide a peer review, which was generally accepted by the group, with MR noting that he felt that Mark was not independent and did not see that he would provide value.

9. OVERVIEW OF MONITORING SYSTEMS

JB questioned why there would be differences in monitoring results at TEOM and HVAS monitors on the same day at the same location.

RS explained that this difference was noted between a TEOM and HVAS monitor at Sheppard Avenue at the last CCC meeting. The significant difference between the two monitors suggested that a localised dust source impacted one monitor on this day and not the other.

CF noted that differences between measurements made by the same equipment at the same location may not signify an error and were consistent with what is known to happen.

MR noted that this is an issue if the standard deviation between equipment is so disparate and suggested that a number of devices might be required at a location for statistical relevance.

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CF stated that standard measuring protocols accept that measurements for this type of equipment are representative and not absolute.

JM explained that a HVAS monitor takes a sample over a 24 hour period while a TEOM collects samples in 15 minute periods that are averaged over 24 hours. This is why the results at the monitors may be different at the same location on the same day.

CF disagreed, explaining that a single sample taken over a 24 hour period is in principle the same as a number of 15 min samples taken over the same period. The only difference may be that the TEOM will miss very small periods of time as it resets between samples, resulting in a lower result.

MR suggested that CF and Mt Arthur Coal provide less than four paragraphs on why the two monitor types might measure different results and how the measurement could be done better to be presented at the next CCC meeting (Action Item 8).

BM enquired about the letter that was sent to the CCC about issues with blast monitoring results.

RS explained that an issue was found with some blast monitoring results. The Denman Road West and the Antiene monitor labels and colours were inadvertently swapped on some graphs that were presented to the CCC. This was now remedied.

BM asked what mining noise occurred on the night of 14 December that was so noisy (as shown in the monitoring information provided to the CCC).

RS explained that the noise was likely to be truck engine noise. The graph did not reflect the volume of the noise. It showed the percentage of time over the night period (from 10 pm to 7 am) that mining noise exceeded limits. If this was over 10 per cent the night would be considered a high noise night. This noise analysis is based on the NSW Industrial Noise Policy.

10. OVERVIEW OF COMMUNITY SUPPORT

The Community Development Fund set up between Muswellbrook Shire Council and Mt Arthur Coal was discussed. Membership of the committee was discussed: there were two representatives from MSC (the Mayor and Steven McDonald), two representatives from Mt Arthur Coal (to be determined), and one community representative (which has been advertised).

BM noted that two complaints had been received in December 2011 about weeds. BM asked if this complaint was from a resident or an authority.

RS noted that one complaint had been received regarding weeds in 2010.

JM explained that the complaints were from a resident. Mt Arthur Coal had plans in place prior to the complaints received to address the weeds of concern.

BM noted that there was a complaint about a light near the train line. BM asked if there was a point where train light could shine on to Thomas Mitchell Drive.

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JM responded that she was not aware of any point and thought it was unlikely.

11. GENERAL BUSINESS

JM informed the CCC that Mt Arthur Coal is about to review our complaints and grievances management. This was not a legal requirement and this notification was simply a "heads up". The CCC is recognised as one area where community concerns can be addressed early so a part of the review process Mt Arthur Coal will be looking at the CCC process. The CCC will be asked to be involved in this process and will be requested to provide feedback on how the CCC operates and how processes can be improved. This feedback may be requested one-on-one rather than at the next meeting.

MR noted that this was a good initiative.

12. NEXT MEETING DATE

The next Mt Arthur Coal – Drayton Coal Joint Rail Loop Community Consultative Committee meeting is scheduled to be held Thursday, 16 February 2012, 5 pm, at the Drayton Mine Offices.

The next Mt Arthur Coal extraordinary Community Consultative Committee meeting is scheduled to be held Thursday, 16 February 2012, 4 pm, at the Drayton Mine Offices (prior to the Joint CCC meeting). This meeting is to provide an overview presentation on the draft Rehabilitation Management Plan. Further extraordinary meetings to discuss the rehabilitation management plan are planned for the 14 and 21 March if required.

The next Mt Arthur Coal Community Consultative Committee meeting is proposed to be held on Wednesday, 4 April 2012.

JL queried the location of the Mt Arthur Coal – Drayton Coal Joint Rail Loop CCC meeting, noting that it was at Drayton Mine offices last time and would normally be rotated between locations.

JM explained that Mt Arthur Coal would prefer that it was held at Drayton Mine offices because the Drayton Mine CCC met after the meeting, and holding the meeting at Mt Arthur Coal meant that a Mt Arthur Coal employee would be required to stay and wait for the Drayton CCC meeting to complete in order to pack up the meeting room.

The CCC agreed that the Arthur Coal – Drayton Coal Joint Rail Loop CCC meeting could be held at Drayton Mine offices.

Meeting Closed: 6:20 pm

ACTION ITEM NO.	ITEM	ACTION BY
1	Forward copy of amended minutes from December 2011 meeting to CCC	RS

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	distribution list (including Muswellbrook Library and Muswellbrook Shire Council).	
2	Investigate whether Mt Arthur Coal is able to share the community development project pipeline next CCC meeting.	ShM
3	Mt Arthur Coal will table its approach to communicating the FY11 community spend at the next meeting	ShM
4	Provide results from temporary blast monitor on Denman Road at next CCC Meeting	RS
5	Muswellbrook Shire Council to follow up with the Department of Planning and Infrastructure and get a response in writing as to whether the upwind/downwind methodology was an acceptable practice.	MSC
6	Check the Katestone report to see if best practice is to use an aggregate on permanent haul roads but not necessarily on temporary roads.	RS
7	Investigate why trains sit idle while waiting to be loaded. If they can be stopped while waiting, how long would it take to warm the motor up and start again?	RS
8	Provide less than 4 paragraphs on why HVAS and TEOM monitors at the same location might measure different PM ₁₀ results during the same 24 hour period and how the measurement could be done better to present at the next CCC meeting	JM & CF