

FINAL MINUTES OF THE WALLARAH 2 REFERENCE GROUP  
Held Thursday 19<sup>th</sup> April 2012 at 4pm  
25 Bryant Drive TUGGERAH

MATTERS	DETAILS	ACTION	TIME LINE
<b>PRESENT</b>	Margaret MacDonald-Hill (MMH)    Chairperson Kerry Heywood (KH)                    Wallarah 2 Grahame Lesha (GL)                    Chittaway Bay Merv Church (MC)                        Jilliby Peter Murray (PM)                        Lake Haven Narelle Caldwell (NC)                    Blue Haven Douglas Ford (DF)                        Toukley Suzanne Allport (SA)                    Kanwal Warwick O'Rourke (WO)                Australian Coal Alliance Peter Fryar (PF)                            Wyong Shire Council Daniel Farmer (DFa)                    NSW Business Chamber Sean Gordon (SG)                         Darkinjung LALC		
<b>ALSO IN ATTENDANCE</b>	Mandy Auston(scribe)                    Wallarah 2 Bob Purser (BP)                            Wallarah 2		
<b>APOLOGIES</b>	Peter Miller, Wyong Chamber of Commerce		
<b>WELCOME &amp; INTRO</b>	<b>4.08pm meeting opened.</b> MMH welcomed all attendees and invited each attendee to introduce themselves.		
<b>DECLARATIONS OF INTEREST</b>	MMH: Engaged by the company as independent chair of this committee. Also a member of the Mine Subsidence Board and Ministers' Arbitration Panel. MC : Has been approached by Centennial Mandalong to allow bore holes to be drilled on his property.		

	PM: Up to 2011 was committee member of Hunter Youth Development Trust, a community youth program which received contributions from W2CP.		
<b>ROLE OF THE REFERENCE GROUP</b>	MMH referred to the guidelines provided which are based on the DOP guidelines.		
<b>ADMINISTRATIVE MATTERS</b>	<p><b>Schedule of meetings</b>  MMH initiated discussion on the meeting schedule which was proposed to be bi-monthly in the first instance. It was agreed that:</p> <ul style="list-style-type: none"> <li>- Meetings be held on Thursdays commencing at 4:00pm</li> <li>- Meetings will last no more than 2 hours</li> <li>- The next meeting be held on June 14<sup>th</sup> and include an optional site inspection commencing at 2:00pm – most members indicated they would attend the site inspection</li> </ul> <p><b>Privacy</b>  MMH raised the issue of privacy and after discussion it was agreed that:</p> <ul style="list-style-type: none"> <li>- The minutes including attendee names would be published on the company website</li> <li>- Minutes will not be published on the website until they have been approved at the next meeting</li> <li>- No contact details of committee members would be disclosed by the company</li> <li>- That a list of committee names and contact details be circulated within the committee only - if anyone's situation changes, they are to notify the company independently</li> </ul> <p>PF noted it was important that views of individuals should be understood to be that of the individual and not necessarily the entity that they represented.</p> <p><b>Minutes</b>  It was agreed that:</p> <ul style="list-style-type: none"> <li>- All minutes and notices would be distributed by both email and in hard copy by mail.</li> <li>- The target was for all notices/minutes to be sent out 2 weeks before a meeting</li> <li>- Any requests for information or agenda items should be sent to the Chair via the office at least 2 weeks before the meeting</li> </ul>		

	<p><b>DF</b> suggested that the website be updated to reflect the activities of the committee and assist where possible for providing information. <b>KH</b> agreed this would be incorporated where possible in the new website (to be revamped).</p> <p><b>Travelling expenses</b>  <b>MMH / KH:</b> The company is appreciative of everyone giving up their time and are happy to reimburse travel expenses so members are not out of pocket. To keep administration simple it was proposed that a payment based on the ATO rate and an average attendee travelling distance be paid to each member who believes it is appropriate. Members to notify the office of their preference.</p>		
<b>PROJECT OVERVIEW</b>	<p><b>KH</b> provided a presentation on the project which had previously been given to Wyong, Gosford and Lake Macquarie Councils (a copy of which had been previously circulated to attendees).</p> <p>Questions were asked by members on a range of topics including market for coal, coal haulage, water catchment protection, employment, planning assessment processes, subsidence, economic benefits, areas of affectation and impact, technology and community trust arrangements.</p> <p><i>Questions and answers are recorded as an attachment for convenience.</i></p>		
<b>GENERAL BUSINESS</b>	<p><b>SG</b> raised the North Wyong structure plan and its impact with reference to the proposed Wyong town planning centre as well as DLALC major industrial estate and the provision of water, power and sewer services.</p> <p>He asked whether there is a coordinating body through council to address some of these issues?</p> <p><b>KH</b> – Regular dialogue between all concerned. Firm plans can't be made and we don't know who is up to what stage.</p> <p><b>PF</b> asked for clarification about how the Voluntary Planning Agreement (VPA) would be negotiated and inserted into the Environmental Impact Statement (EIS) process.</p> <p><b>DF</b> sought clarification on the commitment to achieve 70% local employment and how that is reflected in</p>		

	<p>the VPA.</p> <p><b>KH</b> – There is no real incentive to not try and hire locally. The main complication is with the 30 – 40 professional staff required. There can be more flexibility with operators. Project would commit to a training scheme that would include apprentices. The 70% employment target would probably take a number of years to be achieved.</p> <p>There followed some general discussion regarding neighbours and friends travelling to work in other areas and how the outcomes of the commitment could be policed.</p> <p><b>PF</b> pointed out that the VPA would be between the company and the Minister. Council will focus on infrastructure, but a VPA is different to Section 94 where there is a plan. The developer can use the VPA as a sweetener to the community. If W2CP wish to use the VPA as a sweetener to the community they can make generous contributions.</p> <p><b>WO</b> suggested members download the Director Generals Requirements (DGR's) and to see how certain there will be a VPA.</p> <p><b>MMH</b> – We can provide a link with minutes. [Link is <a href="http://tinyurl.com/7tw636j/">http://tinyurl.com/7tw636j/</a>]</p> <p><b>WO</b> asked what would happen to the whole project if W2CP was not permitted to have a spur line off the main north line thru DLALC land on the Transgrid easement?</p> <p><b>KH</b> – The spur line doesn't necessarily need to be precisely on the existing Transgrid easement. W2CP was not considering any alternative to raiiling coal to the port - road coal to the port was not under consideration nor even practical.</p> <p><b>WO</b> stated that the company had previously said that ongoing ground water monitoring was taking place on their property. The peer review did identify as inadequate the data for the baseline condition of the coal seam formation. Is any monitoring of water in the coal seam taking place?</p> <p><b>KH</b> – Confirmed that ongoing monitoring was continuing on Honeysuckle Park – now 2 years of monitoring has been undertaken. For the deep monitoring the Peer Review recommended 2 years of monitoring before in-seam development commenced. As it is 3 years of construction prior to in-seam development there is plenty of time post approval.</p> <p><b>WO</b> said that neither the company nor the Department understood what was required. He said that if the monitoring was not being done and the company won approval there would be good ground for arguing insufficient information available to justify approval.</p>		
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	<p><b>KH</b> said the Company held a different view and would welcome discussion at another time.  <b>WO</b> said his view was set out in an email last December.</p> <p><b>SG</b> asked about the timeline for this committee? He expressed the need to inform his DLALC council.  <b>MMH</b> – This is mentioned in the guidelines. If it was approved it would be part of the conditions that a new committee be formed. This reference group is a sunset committee.  <b>KH</b> – I would expect this group would run until at least late next year as that is the earliest determination would be obtained.</p> <p><b>KH</b> – Advised a new newsletter is going out today in the mail and invited everyone to please take one/some.  <b>KH</b> - Open days starting next week for anyone from community to attend.</p>		
<p><b>NEXT MEETING</b></p> <p><b>MEETING CLOSED</b></p>	<p>Thursday 14 June 2012 at 4pm – Everyone available except WO.  2pm tour group – Everyone interested except PM &amp; WO.  6.12pm</p>		

## Project update – Committee member's Questions and Answers

**DF** – Does 100% of coal mined go to export or some to local power stations.

**KH** – At this stage 100% goes to export although it is always possible some would go to local power stations in the future. There would be quite substantial rail loop infrastructure required for coal coming in from the south to the power stations.

**MC** – Where does the coal leave from?

**KH** – The Port Waratah Coal Services (PWCS) T4 facility is proposed which is currently seeking development approval. T4 is proposed to be built in stages over years reflecting demand growth. Trains go straight from Wallarah 2 to coal T4 terminal. The Great Northern Railway is run by RailCorp whose main charter is passengers and is different from the Hunter line which is mainly coal freight.

**NC** – Primary reason for Tooheys Rd site is access to rail?

**KH** – Several reasons that eventuated over the years. The mine needs an incline tunnel to surface. The site is close to rail line. Largely industrial focused site. Some residential properties on Tooheys Rd but not many. The coal seam deteriorates closer to rail loop.

**MC** – You have put a lot of boreholes down. Will there be seams or strips you will select to mine?

**KH** – Seam deteriorates away from main mining areas. We have a continuous seam with ~4.5m economic thickness. The seam we are mining is the Wallarah & Great Northern seams which have come together and that is why we have a thick seam.

**WO** – Planning Assessment Commission (PAC) recommends 40 conditions.

**KH** – 40 conditions are not unusual for a project like this. Planning refusal grounds was for more information primarily related to subsidence impacts on in western part of mine plan. This work is being done for the new EIS

**MC** – What will happen to water after purification.

**KH** – Either put into the water supply system or discharged into water courses as clean water.

**DF** – What volumes?

**KH** – 2ml/day after ~5 year period of which mine usage is half of that.

**DF** – Could a golf course get treated water.

**KH** – Yes or Sean's development could get water.

**SG** – Has exploration licence (EL) expired?

**KH** – Yes the licence has expired and the renewal went in as per requirements. Legal status of a renewal application is same as if EL is in place. Talked re his experience at Chain valley mine with renewals often taking years.

**SG** – If it is not renewed?

**KH** – It maintains its current status. Nothing changes.

**WO** – Sean do you mean refused?

**KH** – We have no expectations that it will be refused.

**WO** – Could you summarise?

**KH** – All ELs in NSW underwent a desktop audit. Some got physical audit. At this stage some renewals have been processed but many haven't.

**MC** – Were the independent studies paid by W2.

**KH** – Development Application fee funds the government's costs in assessing the application. Fee of approx. \$1m to submit development application.

**BP** – The independent water study was paid by govt. The Peer Review was paid by government.

**MC** – Sounds like a key issue. If studies are done independently they need to be by organisations of high repute. If W2 are paying one would think that they would lean towards W2.

**KH** – There is no link with W2CP to fee structure or selecting people to do studies. PAC, Department of Planning & Infrastructure (DP&I) etc take onboard & assess our studies and any other submissions & assess all evidence and come up with opinion based on evidence of all sources.

**DF** – How is criteria set for a study?

**KH** – DP&I set terms of reference.

**WO** – So we are all clear, are you suggesting that water study and peer review were adequate?

**KH** – The water study found that the available data was adequate to assess the project. The PAC/DP&I found that the impact would be minimal and manageable.

**WO** – How close to Wyong Creek?

**KH** – about 100 metres – would need to confirm exact distance

**WO** – 140 metres

**KH** – Will come back to this. Explanation on subsidence management plan (SMP)

**WO** – The case is no matter how good your modeling is there will be subsidence from this mine. And the subsidence zone will be on the southern side of Wyong Creek.

**KH** – My understanding is it isn't in the current modeling and in practice the SMP will ensure that it doesn't.

**NC** – Regarding the modeling and estimate of reporting, is it to DOP Mineral Resources? Who gets the results of the review?

**KH** – Mineral Resources manage the SMP process but the results would be publically available

**KH** – WATER CATCHMENT SLIDE W2 footprint only covers 5% of catchment area.

**WO** - 5% of area or 5% of volume?

**KH** – Reasonably good correlation between area and catchment volume.

**WO** – PAC said 11-13%.

**KH** –Yes that is right if you include the total Jilliby area it is ~ 14%. So we are saying the larger numbers of 80% or 53% that have been quoted are absolutely totally impossible. W2CP only has the potential to impact (if any) in some small way on ~14% of the catchment (ie a very small percentage, insignificant, not measurable % etc of 14%)

RE PAC & DP&I VIEW SLIDE

**SA** – Regarding the deep saline systems that are being treated by W2CP is that a reasonable proportion of the water?

**KH** –represents only a couple of % of central coast water supply.

**SG** – What is the mining company's thoughts, if being successful, how many employees are local people and how many are from other mining companies.

**KH** – The target is 70% from the local community (which would include part way up the Lake Macquarie). Not many experienced people are sitting waiting for jobs so will need to employ many from outside the mining industry. There is no reason to not draw these people from the local community. Problem will be managing new starters. W2CP has to negotiate a set of benefits with council with one likely being commitment to local employment and training. These benefits will be included in the EIS.

**SA** – Regarding training? Are plans in place for local training?

**KH** – A lot of skill is required at operator level. The challenge is to get crews of people with the right mix of trained and untrained. There will be a ramp up of people required which is good for the training process. Challenge will be getting qualified supervisors & tradespeople.

**WO** – Rio Tinto are running in WA with no drivers in dump trucks etc. To what extent are you factoring in automation?

**KH** – Longwall mining is quite automated. Skilled operators are required.

**PM** – Currently there is testing on remote underground transport. Mining is centered around safety, the human touch is required. Underground is very different from open cut automation.

**MC** - What is a community trust project?

**KH** – Typically x\$ per year into a trust with a committee appointed. Organisations put in submissions to use the funds.

**MC** – Ongoing consequences after mine is finished. How is money to be drawn for compensation?

**MMH** – A security deposit is required to be lodged with Mineral Resources.

**KH** – And kept until the rehabilitation is completed.

**WO** – What would be usual amount of deposit, \$20-30k per mine?

**MMH** – No, millions.

**MC** – Believes it would be of value to the community for a sum of money to be held in trust for a number of years to remediate any unexpected problems that may occur after the mine closes and thought this may have been achieved through VPA. It was explained that funds are held in security bonds for this purpose.

**KH** – Funding is released for clean up after mine life. That is 40 years away.

**SG** – Knows the DGR process. Believes it is predominantly focused on environment and transport etc. Not focused on the community.



**KH** – It is a requirement of our DGRs to have a voluntary planning agreement in place. We come under State Significant Development (SSD) you are under the old system.

**SG** – Who develops that component of the VPA and how do they benefit from local opportunities?

**PF** – You are 80% correct KH. The VPA is a mechanism to enable the broader community to have facilities funded by the developer to and pay ongoing maintenance for public facilities that they utilise. The VPA would be between the company and Minister as the consent authority but the council will have input thru DGR's.

**KH** - Hopeful that we get EIS in by end of year.