

MT ARTHUR MINE COMPLEX
Community Consultative Committee Meeting – 10 March 2016



Attendance

Chairperson

Dr. Colin Gellatly Independent Chair MAC CCC

Company Representatives

Andrew Garratt Senior Manager Corporate Affairs, NSW Energy Coal

Donna McLaughlin Lead Environmental Execution

Blake Holden Specialist Environment

Kat Stojakovic Corporate Affairs Team Administrator

Community Representatives

Jenni Hayes Community Representative

Alex MacDonald Community Representative

Apologies

Nick Woodbyrne Principal Mining Engineer

Deirdra McCracken-Tindale Manager Corporate Affairs

Di Gee Community Representative

John Bancroft Community Representative

Minutes Sarah Purser - e) sarah.purser@bigpond.com

1. Welcome by Chairperson;

Col welcomed the CCC and Donna introduced Blake; a Specialist in MAC's Environmental Execution Team.

2. Apologies; Advised and recorded.

3. Declaration of Pecuniary Interests;

Ongoing Declaration; Col advised that both he and Sarah are engaged by BHP Billiton to provide the respective roles of independent Chairperson and preparation of the Meeting Minutes. Alex advised that his father is Parliamentary Secretary for the Hunter.

4. Approval of the previous Meeting's Minutes

Col called for comment on the Minutes for the Meeting held 16 December 2015 and Andrew advised that Donna has provided some minor amendments. Col asked for acceptance of the previous Meeting's Minutes and they were adopted by the group.

✓ **Actioned:** Sarah incorporated feedback from Donna into the 16 December 2015 Meeting Minutes and the Minutes as Endorsed by Chair were provided to Andrew for re-distribution to Members, the Library and for uploading on the Company website.

5. Matters Arising from the previous Meeting – Action Items

Andrew to test accessing the MAC CCC Minutes on the Company Website.


✓ **Actioned:** Andrew reported that website access is now working.

Andrew to contact Muswellbrook Library regarding displaying the MAC CCC Meeting Minutes and provide hard copies in the future if that would assist the Library to facilitate this.

✓ **Actioned:** Andrew confirmed that Kat had taken copies of the Meeting Minutes to Muswellbrook Library and there is now a system in place for approved minutes to go to the Library.

6. **Update from BHP Billiton - Presentation to be distributed with the Meeting Minutes**

OVERVIEW OF OPERATIONS – Andrew Garratt

 December 15 to February 16:-

Product Coal was 4.2 Mt; MAC did not uncover quite as much as the company would have liked and are hopeful of tracking against that.

 Media Release – 8 March 2016; Workforce changes at Mt Arthur Coal:-

Andrew confirmed that this Media Release had been circulated to Members and there will be a reduction of approximately 290 roles across the Site, being both Labour Hire and Fixed Term Contract. Andrew explained that the crew briefing process will be completed today and that it takes a few days to get face to face messaging completed.

Andrew advised that MAC had also notified Council and the Business Chamber who have offered their help and have been good in relation to previous announcements. In addition, MAC is working with the two main Unions; CFMEU and APESMA.

With regard to the workforce reduction, Andrew advised that MAC remains committed to 19.6 million tonnes and that the operation is not reducing its throughput. Andrew explained this had been a difficult decision and the result of a US\$9 Million underlying EBIT loss for the 6 months to 31 December 2015. From an operational point of view, MAC is working on maintaining motivation through these difficult times.

Jenni thanked MAC for providing the Media Release to members and was pleased to have had the opportunity to receive this information rather than first reading about it in the press. ***Jenni asked if the workforce changes had been a shock to staff?***

Andrew responded that the workforce had some anticipation of changes coming and that MAC had been consistent over the last 18 months in their messaging on how the company was tracking in relation to productivity and performance. It was generally agreed that some people would have been surprised by the number of roles that needed to be reduced.

Jenni asked if there was anything the CCC could do to assist in this situation, she understands members are not in a position to make statements but queried what message or details could be taken to the community from this forum?

Andrew advised the main thing to note is that there are still 1,400 people engaged by the company and that the reductions have been made in an effort to make the business sustainable for the long term. Essentially, the \$5M the company spends within the local community still remains and MAC will continue their efforts to support locals.

Kat advised Information Sessions will be conducted on 14, 15 & 16 March regarding a Local Buying Program that will provide opportunities for small business, with less than 25 full-time employees, to competitively supply goods and services to BHP Billiton, Mt Arthur Coal.

The Program aims to deliver significant benefits to Muswellbrook, Singleton and Upper Hunter Shires through a targeted program that will create immediate commercial opportunities for local suppliers, as well as investment in building capacity for the broader regional economy through a Local Buying Foundation.

It was noted that there was some concern that employees may potentially be replaced with Labour Hire and Andrew advised that this is not the company's intent, however MAC does need to utilise Labour Hire for flexibility during peak periods and to cover absenteeism, therefore MAC does need this labour pool to keep operations going.

Alex queried if the reduction in numbers included some full time jobs and MAC confirmed yes, these being full time equivalent roles primarily in operations and maintenance.

ENVIRONMENTAL MANAGEMENT – Donna McLaughlin
Environment - Period 1 November 2015 to 31 January 2016

 ***AEMR Inspection***

The Department of Planning and Environment (DPE) and Division of Resources & Energy (DRE) undertook a site inspection following MAC's submission of the Annual Environmental Management Report (AEMR). MAC has not received feedback from the DRE. The DPE felt that the AEMR generally met requirements but DPE did identify some improvement opportunities in the areas of water reduction initiatives, monitoring of vegetation establishment and maintenance of contours on rehabilitation. MAC will report their progress on these in the next AEMR and awaits feedback from the DRE.

 ***Dust Awareness Training***

MAC engaged the DPE to come to site and deliver four Dust Awareness Sessions to Operational Supervisors, Superintendants and Planners. Scott Brooks delivered this program and talked to all crews on what the DPE's expectation is in relation to dust management and what the DPE may hear from the community.

 ***Rehabilitation Strategy***

MAC recently consulted with key stakeholders on the revision of their Rehabilitation Strategy. MAC had received a query from Muswellbrook Shire Council regarding the final landform and feedback on what Council expected to see in there. To allow for further consultation, approval was granted by the DPE to extend the time for submission of the Rehab Strategy to 30 April 2016.

ACTION 1: MAC to provide an update on the Rehabilitation Strategy, that is to be submitted to the DPE on 30 April 2016, at a future CCC Meeting.

 ***Biodiversity Management Plan***

As part of their Approval, MAC was required to submit a Biodiversity Management Plan outlining management of offset and conservations areas. This was approved since the last CCC Meeting and an updated copy is on the company's website.

 ***Six-monthly Spontaneous Combustion Report***

This report was prepared in accordance with MAC's Environmental Protection Licence (EPL) for the period July to December 2015. This period saw a decrease in the area recorded as being affected by spontaneous combustion, with a reduction down from 2,200m² at the commencement of the reporting period to approximately 600m² at the end. The areas at MAC most susceptible to spontaneous combustion have been confined to the old Bayswater No.2 and the Drayton sublease areas.

ENVIRONMENTAL PERFORMANCE

Elevated Environmental Monitoring Results; Refer to Slide 4 of Presentation for detail.

Environmental Incidents; Nil.

Donna asked if members had any queries on the exceedences and confirmed that MAC report these to the DPE within 24 hours and undertake their own investigations e.g. for dust MAC looks at what operational controls were in place, wind direction at the time etc., and report this detail back to the DPE.

Community Complaints by Issue & by Location

During the period November 2015 to January 2016 MAC had received 14 complaints that were generally in relation to dust and blast vibration. Complaints have reduced in February 2016 with MAC having only received one or two.

Blast Vibration Concerns; Donna advised that blast vibration complaints had generally come from the Denman Road area. All blasts were below the criteria; however given MAC are now operating in close proximity to Denman Road some residents may start to feel impacts that they haven't experienced before resulting in a higher than usual number of calls.

Lighting Concerns; Blake advised that this was the result of a contractor operating at their onsite build pad. As a result, MAC undertook further training with the contractor so they understood their impacts. Blake confirmed the contractor was also made aware of what the lighting procedures were, along with the locations of sensitive receptors.

Blake advised that the OCE's modified lighting plans straight away and the Contractor had changed the way their machinery was positioned and adjusted which direction they were facing. In addition, Blake had personal Tool Box Talks with Supervisors both on shift and coming onto night shift.

Jenni was impressed at the speed MAC had closed off these complaints issues and was interested to see that some community members did not require a call back.

Ongoing Action: MAC CCC to keep Sheppard Avenue as an Agenda Item in relation to providing updates on progress with DPE's recommendations to; seal this road and/or potentially relocate the dust monitor.

Blake advised that he had picked up this task and consulted with Racecourse representatives and that both parties are now moving forward to an agreement regarding sealing the road. Blake advised there had been a draft agreement between MAC and the Racecourse, however there were a few questions that needed to be addressed. Donna further explained this was around the type of sealing for the road. Donna explained that MAC are not in a financial position to do a full road resurface and that a two coat seal would essentially achieve the same result.

Donna confirmed that in principal MAC and Racecourse representatives have agreed and this has now been taken back to the Racecourse Board. The group agreed that a lot of exceedence measurements may be a result of the roads current surface and it was hoped that when the road is sealed this concern will go away.

The logic of having a monitor near a road was queried? Donna explained this monitor is in a good location for sensitive areas along Sheppard Avenue and the company would rather not remove it. If the localised source of dust does come from the current road surface, when that issue is addressed, MAC hopes this will be an effective monitor for dust, rather than potential dirt from the road.

COMMUNITY PARTNERSHIPS

MAC is in the process of rolling out a Local Buying Program

🚧 **Online Portal;** Local businesses and BHP Billiton can communicate about upcoming supply opportunities.

🚧 **Online Directory;** Local businesses to showcase their business capability and capacity, with the flexibility to update their profile as required to ensure their details are always current.

Advantages of Program:-

- ✓ Good local vendor terms.
- ✓ For smaller purchases the supplier may not be able to take credit card payments.
- ✓ Paying through one vendor makes purchasing easier.

The Local Buying Program was successfully delivered in Central Queensland with BHP Billiton Mitsubishi Alliance and BHP Billiton Mitsui Coal. Both Mt Arthur Coal mine site and the community are excited about the Program. MAC understands that some local business' are doing it tough and the company hopes this program will be a good Portal for supporting them.

Kat gave the example of purchasing some business cards; she explained this purchasing enquiry would go out to all suppliers in that category who can then see if they are able to assist. The Agent of the Program will compile all the potential suppliers and their prices back to the purchaser at MAC. The purchaser is given a comparison of different supplier offers and is able to go to any one of these suppliers and make the purchase.

Eligible business will have less than 25 full time employees and Kat explained to meet the intent of the Program MAC is seeking suppliers that employ locals, live local and spend in the community.

Kat explained the Local Buying Program is restricted to Muswellbrook, Singleton and the Upper Hunter and asked if CCC Members know of eligible business in those locations to please make them aware of the Program and hand out MAC's fliers.

Kat advised the Program is still rolling out internally with training, including State wide sessions on the Buying Program, and MAC are hoping that it will go live in the beginning of April. ***Col asked if there had been much interest in registrations?*** Kat advised there had been 47 RSVP's to the Singleton Session, 22 to Muswellbrook and approximately 15 for Scone. Kat noted that 10 suppliers had officially registered on the Portal.

Jenni found this interesting and acknowledged its success in Queensland, there was hope that this Program will accomplish the same results in this region.

MAC advised the main message they would like taken out of this forum is that whilst business conditions are difficult, the company is not pulling out of the community and want to continue to support them.

7. Focus Topic 1 – Department of Planning & Environment Revised Guidelines for Community Consultative Committees

Col advised that he had attended a workshop with the DPE where a number of CCC Chairpersons had provided feedback in relation to the new Draft CCC Guidelines for State Significant Projects; he feels there is a general improvement in these, including the provision of some form templates, and noted that some criteria and procedures had been tightened.

Col advised the CCC that the DPE are seeking comment by the 31st of March and asked if members would like to add anything based on their experience. Any members wishing to provide a Declaration of Pecuniary Interest by utilising the new CCC Guidelines Toolkit Template were encouraged to do so to negate the need for repetitive statements at each Meeting. Jenni feels it is a comprehensive document, particularly with the inclusion of forms and noted the Representative Nomination Form.

Jenni feels the obvious gap in the MAC CCC is that there is no Council or Environmental representation. From Jenni's perspective she feels it is disappointing that Local Government choose not to engage in this community forum.

Jenni feels this CCC is light on this expertise and asked what is the process or incentive to encourage Council representatives as well as Environmental Groups to participate in this group? Andrew advised that Council have requested a Technical Review Meeting with each Mine and that CCC Meeting content would be raised in that forum.

Jenni was concerned that the second meeting with Council on the same subject matter was a bit of a double up for the company. Andrew confirmed that he had advised Muswellbrook Shire Council in August 2015, that MAC CCC members had requested for council to be advised of the next CCC meeting in the event that MSC did want to send an environmental representative to attend.

Jenni asked if the CCC was for the life of mining? Andrew confirmed that this is the case.

Drayton Mine & Mt. Arthur Coal Joint Rail Loading Facility – Community Consultative Committee

It was queried if the Joint Drayton CCC will continue beyond that mine's closure and what would happen in relation to rehabilitation in the case of mine closure? Donna confirmed that at this stage the Joint Drayton and Mt Arthur Coal CCC will continue and that rehabilitation at Drayton would be covered in their approval and associated management plans.

ACTION 2: Col to contact John Milsom to see if he wishes to remain on the MAC CCC or if the group should advertise for another Community Member.

Col encouraged members to provide any feedback on the Draft CCC Guidelines to him, for on forwarding to the DPE as they would like to have this document completed by mid-2015.

8. General Business

ACTION 3: Col to invite Monique Meyer from the Division of Resources to speak to the CCC about Community Consultation in relation to Exploration Licences.

Donna advised that Chris Knight is the new DPE Compliance Officer for MAC.

9. Date & Time of next CCC & Joint Rail Meeting

At Drayton South

Wednesday 8th of June – 1.30 p.m.

ACTIONS ARISING FROM THIS MEETING

Action	Page Ref	Description	Who
1	3	MAC to provide an update on the Rehabilitation Strategy, that is to be submitted to the DPE on 30 April 2016, at a future CCC Meeting.	Donna
2	6	Col to contact John Milsom to see if he wishes to remain on the MAC CCC or if the group should advertise for another Community Member.	Col
3	7	Col to invite Monique Myer from the Division of Resources to speak to the CCC about Community Consultation in relation to Exploration Licences.	Col

Long Term / Ongoing Actions

Description	Who
MAC CCC to keep Sheppard Avenue as an Agenda Item in relation to providing updates on progress of DPE's recommendations to; seal this road and/or potentially relocate the Dust Monitor.	Andrew
MAC to provide Environmental Management, Environmental Performance and Community Complaints one week prior to the next Meeting.	Donna and Deirdra