

# MEETING MINUTES



## ILLAWARRA COAL COMMUNITY CONSULTATIVE COMMITTEE

MEETING: # 37

LOCATION: Douglas Park Community Hall

DATE: 9 October 2018

ATTENDEES:

Phillip Costa (PC - Chair)  
Sharyn Cullis (SC)  
Peter Chaffer (PCh)  
Barry Durham (BD)  
Noel Lowry (NL)  
Sam Davis (SD)  
Peter McMillan (PM – South32 Environment)  
Amanda Blunt (AB – South32 Community)  
Craig Manz (CM – South32 Appin General Manager)

APOLOGIES:

Michael McGrath (MM)  
Danny Stewart (DS)

ABSENT:

DRAFT

1	<b>PURPOSE</b>
	The purpose of the Community Consultative Committee is to facilitate and maintain two-way communication between Illawarra Metallurgical Coal, key stakeholders and local residents. It is to promote open discussion on the activities of Illawarra Coal's Bulli Seam Operations, including underground mining and surface operations of Appin; environmental performance and community relations; and to keep all stakeholders informed on these matters.
2	<b>AGENDA</b>
	<ul style="list-style-type: none"> <li>• Welcome / apologies</li> <li>• Declaration of Interests</li> <li>• Acceptance of Previous Meeting Minutes / Business Arising from previous Meeting Minutes</li> <li>• Questions of Notice Tracker</li> <li>• Update from South32 Illawarra Coal</li> <li>• LW901 End of Panel Report</li> <li>• General Business <ul style="list-style-type: none"> <li>○ Mountbatten Group visit, arrangements for November 2018</li> <li>○ CCC membership update</li> </ul> </li> <li>• Meeting close</li> </ul>
	<b>WELCOME / APOLOGIES</b>
	<ul style="list-style-type: none"> <li>• Phillip Costa Independent Chair welcomed all attendees to the meeting. Apologies received from MM and DS.</li> <li>• Noted CM, Appin General Manager, would be joining the meeting at approximately 5.15pm.</li> </ul>
4	<b>DECLARATION OF INTERESTS / CORRESPONDENCE</b>
	Phillip Costa declared he receives payment from South32 to fulfil the role of Independent Chair. It is a requirement of the Government CCC Guidelines that this be noted and stated in the minutes at every meeting.
5	<b>PREVIOUS MEETING MINUTES AND BUSINESS ARISING</b>

Previous meeting minutes (July 2018) were approved by NL and seconded by BD.

Actions from previous meeting (July 2018):

- PC advised Brad Staggs is no longer an employee of Wollondilly Shire Council and his position on the CCC remains open. Note Brad was a community representative.
- AB advised the action to investigate if the Tri-Cities Plan would impact Illawarra Coal's potential mining in the area remains outstanding. To remain as an action.
- AB advised there is no further update on the exploration licence covering the Mt Gilead area. To remain as an action.
- AB clarified the relationship between a Mine Subsidence District, exploration lease and mining lease. The process for determining a Mine Subsidence District generated discussion among committee members. A summary of how Mine Subsidence Districts are managed was discussed with members, including:
  - Mine Subsidence Districts are managed by the State Government and reviewed approximately every five years, with the next review due in early 2020. The State Government has the final decision on the Mine Subsidence District boundaries and conducts appropriate consultation processes. Mine proprietors can request a review of the boundaries to occur earlier, outside of the five-year review process.
  - Mine proprietors apply to the State Government for exploration lease, and the State Government has final decision. An exploration lease area can be approved outside an existing Mine Subsidence District, with some mine proprietors implementing suitable consultation processes. An exploration lease usually comes prior to any application for a mine lease.
  - Mine proprietors apply to the State Government for mine lease, and the State Government has final decision. Mine proprietors complete required consultation processes when submitting the application. A mine lease can be approved outside a Mine Subsidence District; however a mine proprietor will request the Mine Subsidence District boundary review occur prior to commencing operations.
- AB advised a map of the BioBanking sites was included in the previous meeting minutes.
- AB advised the scaling on the maps had been adjusted for this and future meetings.

**Action: AB to provide an update, if available, on the exploration licence covering the Mount Gilead area at the next meeting.**

**Action: AB to investigate if the Tri-Cities Plan would impact Illawarra Coal's potential mining in the area.**

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## **SOUTH32 UPDATES**

### South32 business update

- South32 is continuing to operate South Africa Energy Coal as a standalone business. It is moving out of thermal coal investments and it represents a swing toward base metals. Metallurgical coal remains a valuable commodity for the business.
- Recently South32 completed the acquisition of Arizona mining, adding the Hermosa Project and 60 employees to our growing portfolio of operations. We will focus on advancing studies to further optimise the design and development of the project and complete exploration decline to allow drilling that will test extensions to the existing high-grade resource.
- South32 also completed the acquisition of a metallurgical coal operation located in Queensland's Bowen Basin, Eagle Downs.

### Illawarra Metallurgical Coal business update

- South32 Chief Executive Officer, Graham Kerr, visited Illawarra Coal operations last month. During his visit Graham toured our logistics chain and legacy sites which included Mountbatten Group in Douglas Park.
- The Full Year 2018 results have been released and the company has performed well with an overall improvement in financial and operating results. There was an attempt to play the video of the results however there was no sound. Members can review the end of year results here:

<https://www.youtube.com/watch?v=fGVyYN9Cguw>.

- The Full Year 2018 results detail Illawarra Coal's performance. The extended outage at Appin had a significant impact on our performance for FY18, with coal production down 40 per cent on the previous year to 4.2 million clean tonnes.
- Against this backdrop, our future is positive. Our FY19 guidance has been provided to the market for the first time, with saleable coal production expected to increase by 44 per cent to 6.1 million tonnes, and a further increase to seven million tonnes in FY20.

#### Appin Area 9 Update

- 970 metres has been completed of Longwall 902 as at 3 October 2018. The longwall face is 815 metres from the Nepean River.
- Members commented that the longwall has made good progress since the July meeting. The longwall is expected to be complete by May 2019.

*CM joined the meeting.*

#### Appin Area 7 Update

- No further update on Longwall 708 was available as operations remain focused on Area 9 as teams work to embed new learning from gas management issues in the second half of the 2017 calendar year. It was noted there is no start date for Longwall 708 at this stage.
- PC questioned why a two-longwall configuration made it more difficult to manage gas. CM explained that the pressure on the mine ventilation systems increases with two longwalls as more machines are operating underground and putting pressure on existing systems. To improve airflow management, we are working on a 2-year project to install booster fans underground and improve the reliability of our two gas drainage plants.
- SD questioned if more air will come out from Ventilation Shaft 6 from the changes to mine ventilation. CM advised more air will not come from the ventilation shaft; the booster fans underground reduce the pressure underground and lessen the resistance in other areas. Ventilation Shaft 6 will operate more efficiently as it will be operating under less pressure with the changes to mine ventilation.
- CM advised Illawarra Coal's 2-year project has informed our FY19 guidance and intended ramp up time-frame posted with our Full Year 2018 result.

#### Impacts and Environment Update

- One new gas release identified since the meeting held late July 2018. 12 previously active zones are now active, and 14 previously identified zones remain inactive.
- Roads and Maritime Services is satisfied that monitoring of the Hume Highway is no longer required as mine subsidence impacts have ceased. This decision involved input from the technical committee – a panel of experts in mine subsidence, geotechnical and civil engineers.
- Roads and Maritime Services plans to fully rehabilitate a large area above Longwall 705 (about 400 metres) later this month.
- Committee members remained concerned that mine subsidence impacts would continue as some reported seeing new extra dips and bumps. PM acknowledged that monitoring would recommence when operations re-started in Area 7.
- Weekly monitoring remains on the rail line, with no new impacts to report.

#### Community Complaints

- No new complaints have been recorded since the last meeting. AB noted that this may appear positive, however it does raise a concern that people are not contacting the mine directly with concerns.

#### Community Support

- AB outlined Illawarra Coal supported projects in the area:
  - i98FM Illawarra Convoy, 18 November. Lead trucks will be departing our Appin North operations as in previous years.

- Dilly Drought Drive, \$20,000. In September we donated \$20,000 to the local drought drive supporting primary produces in the Wollondilly Shire Council. Our employees also raised \$6,400 during the month of September for other not for profit groups supporting drought.
  - UNSW, four scholarships. Scholarships have been provided to four women studying mining engineering. The students will also take part in a mentoring program with Illawarra Coal employees.
  - AB shared an update on projects supported by the Community Partnerships Program.
    - Cawdor Public School was awarded \$20,000 toward a nature play space which would be open to the broader community during holiday periods.
    - Menangle Fire Brigade was provided \$13,117 to support its work on a new headstand driveway to increase the safety of volunteers entering and leaving the station.
    - Committee members and representatives from Illawarra Coal attended the Appin Men's Shed opening in September. The Community Partnership Program provided seed funding of more than \$70,000 toward this project four years ago.
  - The Community Partnership Program recently reviewed the Wollondilly Council Master Plans (for Douglas Park, Wilton and Menangle) to enable it to make informed decisions on supporting funding applications.
  - New members for the Community Partnership Program are being sought and it was suggested by PC that a committee member from our group should be a part of the Program. Members agreed to review information about the Program.
  - AB provided an update on the progress of the Social Baseline Study, with four focus group sessions held last month. The consultants are now reviewing all the information collected through the online survey, focus groups and desktop research to provide a report to us. We will share the results at our January 2019 meeting. The results will assist to guide us on our future community investment and community engagement activities.
- Action: AB to circulate details about the Community Partnership Program.**

**7** *ANNUAL REVIEW AND ANNUAL ENVIRONMENTAL MANAGEMENT REVIEW*

- PM provided an overview to the Annual Review and Annual Environmental Management Review (AEMR). The Annual Review has been prepared to meet the requirements of Schedule 6, Condition 4 of the Bulli Seam Operations Development Consent, and the requirement to submit an AEMR under the mining lease for the Bulli Seam Operations.
  - A copy of the documents are available on the South32 website here: <https://www.south32.net/what-we-do/places-we-work/illawarra-metallurgical-coal/documents>
  - PM noted the Longwall 901 End of Panel Report does contain some of the same information, and given we are reporting back on the End of Panel report shortly we will hold presentation of the Annual Review over to the next meeting. The Committee supported this action.
  - SC requested an update on the commissioning of the water filtration plant at Appin West. PM advised the final commissioning has been delayed to the end of 2018. Some faults were found during the initial commissioning which has resulted in the delay.
  - PCh enquired about stockpile management during the period of the Prohibition Notice last year, and how contracts were maintained. CM advised that the revised tonnage shared with the market did assist with managing expectations of suppliers. Stockpiles were relied on to some degree during the Prohibition Notice period, and impacts were also felt at our sister mine Dendrobium as the coal from Appin and Dendrobium is blended to make our final product.
- Action: PM to present on the Annual Review and AEMR at the next meeting.**

**8** *APPIN AREA 9 LONGWALL 901 END OF PANEL REPORT*

- PM presented the Area 9 Longwall 901 End of Panel Report. Overall the report highlighted that majority of impacts were within prediction however there were some higher than predicated movement in areas however there have been no negative impacts due to these results.
- Horizontal movements to the rail were shown and discussed. These movements are a result of gravity and regional stresses pulling the rail toward the river, and given the low magnitude, would not have negative effects on properties or other surface infrastructure.
- The measured subsidence on the rail line showed lower than predicted vertical subsidence from mining Longwall 901 which is not uncommon for a first longwall block in a new area (models are generally conservative). PCh queried where remediation was required and was advised that the impact occurred a long area so was not pronounced on the surface. SD asked if subsidence would increase in the area with Longwall 902 or if movement was complete. PM advised the subsidence would be reactivated with Longwall 902 and we would expect to see the movement to be closer to the predicted levels.
- There were two impact locations observed on the railway. The repairs were undertaken and did not cause any delays to rail operations.
- Far-field ground movement monitoring was shared and it aligned with predictions. The majority of impacts occur in the immediate vicinity of the longwall, with far-field effects at Razorback seen due to geology. PCh and SC questioned whether the far-field movements would be a result of mining – this was taken as a question on notice. SC questioned what movement was likely when mining occurs in the area if we are already seeing movements now. NL commented that the area sees slippages quite often, now and prior to mining approaching the area. PM noted slope stability assessments are completed prior to mining. BD commented that given there are far-field effects in Razorback now, it must be possible to lodge subsidence damage claims when the mine is 2kms away.
- The absolute horizontal movements at Nepean Twin Bridges was discussed, with no negative impacts occurring or predicted to occur from mining. The monitoring locations are positioned on the bridge and are visible from the road passing Harris Creek. A question on notice regarding the exact location of the monitoring was taken. A question on notice was also noted regarding clarity of the information presented on the horizontal movement and closure.
- Surface water quality, aquatic ecology and terrestrial ecology was not impacted by subsidence.
- The Appin Area 9 Longwall 901 End of Panel Report is available on the South32 Illawarra Coal website: <https://www.south32.net/what-we-do/places-we-work/illawarra-metallurgical-coal/documents>

**Action: AB to circulate the website link to the Appin Area 9 Longwall 901 End of Panel Report with the minutes.**

- SC asked if Illawarra Coal BioBank sites relate to the recently established Wollondilly Council Wilton link. NL advised it was in a different area however there may be future opportunities to include the areas. NL advised the Council is working to establish a group to create a Koala Park in the area with the assistance of the Wilton developers. A Deed has been agreed with the developers at this stage.
- SC requested the possibility of including BioBanking sites to the Link be noted on the Questions on Notice Tracker.
- AB advised the Appin Deputies Enterprise Agreement has progressed. We reached an agreement on the terms of the Enterprise Agreement and the Deputies returned a majority vote in support of it. The Agreement will be lodged with the Fair Work Commission for approval, and will commence seven days after the approval is obtained.
- PC noted his retirement as the Independent Chair from 10 October 2018. The Department of Planning and Environment has an established pool of approved Chairpersons and one will be appointed to the Committee. PC thanked everyone for their input since he started in the role 2012 and wished all the best. AB presented a gift thanking PC for his contribution on behalf of the Committee.

10	<b>ACTIONS</b>
	<ul style="list-style-type: none"> <li>• Action: PC (new Chairperson) to continue to contact Campbelltown Shire Council for a representative on the Committee.</li> <li>• Action: AB to investigate if the Tri-Cities Plan would impact Illawarra Coal's potential mining in the area.</li> <li>• Action: AB to provide update (if available) on exploration licence covering the Mount Gilead area.</li> <li>• Action: AB to circulate details about the Community Partnership Program.</li> <li>• Action: PM to present on the Annual Review and AEMR at the next meeting.</li> <li>• Action: AB to circulate the website link to the Appin Area 9 Longwall 901 End of Panel Report with the minutes.</li> </ul>
11	<b>CLOSE OF MEETING</b>
	<p>Close of meeting at 6.30pm.</p> <p>Next meeting: Tuesday 27 November, 4.00pm – 6.30pm at Douglas Park Community Hall.</p> <p>Visit to Mountbatten Group will occur first with the meeting to follow. Interested community members to be considered for invitation to join the tour.</p>