



UPPER HUNTER MINING DIALOGUE

YEAR END REPORT 2011



**NEW SOUTH WALES
MINERALS COUNCIL LTD**
MININGENUITY™

The Upper Hunter Mining Dialogue

Progress in 2011

The Upper Hunter Mining Dialogue brings together the nine coal producers of the Upper Hunter, the NSW Minerals Council and the community to better understand and address the cumulative impacts of mining.

This report provides a summary of the activities of the Dialogue over 2011.

We began with a survey of stakeholders in the region and we published the results of the survey in April 2011. What those results told us about the community's areas of concern, the industry's reputation and social licence to operate has created a strong imperative for the industry to act. The community information evenings and face-to-face meetings with stakeholders validated the concerns identified through the survey.

In July 2011 we held a stakeholder workshop, which marked the progress of the Dialogue from listening to action. The workshop generated over 80 ideas and the stakeholders all prioritised the Top 10 issues for developing action plans. You can see all of the ideas generated on our website <http://www.nswmin.com.au/uhtm/asp>. Our progress on those Top 10 ideas, and a number of other ideas also identified for action in 2011, is the subject of section 2 of this report.

We know that the Dialogue is not a quick fix for the issues created by the growth of the industry; it will require real and sustained change in the way we operate and in how we work with the community.

Our achievements together in 2011 are a good start. We've made solid progress on the actions identified by stakeholders, gained a better understanding of the issues and started forming constructive relationships between the industry as a whole and the community.

In 2012, the Dialogue will need to go further, and we look forward to continuing work with the many stakeholders and individuals who have contributed their time, energy and ideas to the Dialogue over 2011.

2011 HIGHLIGHTS

- The results of a survey of over 90 stakeholder representatives were released.
- Community information evenings were held in Singleton, Muswellbrook and Denman to share the results of the survey and ask the community for their input.
- More than 20 face-to-face meetings were held between the NSW Minerals Council and industry and stakeholder groups and individuals to discuss their specific issues of concern.
- A workshop of more than 60 stakeholders was held in July to generate ideas for action on the main issues of concern: air quality and health; water; land use conflict; mine rehabilitation; and social impacts.
- An air quality monitoring information session was held in Muswellbrook where the relevant government agencies shared their activities and answered questions.
- A workshop with stakeholders was held to begin the development of a new plan to integrate mine rehabilitation.



Singleton Community Information Evening, May 2011

Progress on Top 10 ideas from the July 2011 Stakeholder Workshop

Idea 1 Synoptic Plan: Urgent development of a new synoptic plan: strong community and industry input - include land class - ensure plan is a living document

UPDATE ON ACTIONS

On 16 November 2011, a workshop was held to discuss the scope for a new plan to integrate mine rehabilitation in the Upper Hunter. It is important that the rehabilitation plans of the region's various mines are coordinated to provide the types of land that can contribute to the region's future social, economic and biodiversity needs.

The workshop was attended by over 40 representatives of stakeholder groups, government and industry. A report on the workshop including a list of the organisations that took part, can be found at <http://www.nswmin.com.au/u/md/asp>.

The workshop gathered views and ideas on the scope and development of the plan, including fundamental questions such as "What is a synoptic plan?" and practical questions, including "How will the plan be governed?"

There was a high level of agreement that the plan needs to sit under the Upper Hunter Strategic Regional Land Use Plan being developed by the NSW Government to ensure rehabilitation meets the values of the region's land use. There was general agreement that the development of the plan should be guided by a group including representatives of government, community and industry.



Participants at the workshop to scope a new plan for integrated mine rehabilitation, November 2011

A draft framework for the development of the plan will be made available for public and stakeholder comment. That framework will be implemented to develop the plan.

Idea 2 Water study for the Hunter Valley to understand aquifers and surface water

UPDATE ON ACTIONS

In order to develop this idea further, a Water Forum will be held to bring together the community, the NSW Office of Water, the Hunter-Central Rivers Catchment Management Authority, Hunter Water Users' Association, the Department of Planning and Infrastructure and the mining industry. There is already considerable information about water resources in the Hunter Valley.

We are gathering a comprehensive picture of the region's resources now to ensure that there can be an informed discussion at the Water Forum. It will take some time to prepare this background information. We hope to arrange a forum within the first half of 2012.

Progress on Top 10 ideas from the July 2011 Stakeholder Workshop

Idea 3 Independent and transparent water assessment of mining projects (funding and training for more water experts who can work independently of mining companies)

UPDATE ON ACTIONS

The industry supports independent and transparent assessment. The NSW Government is heavily involved in the assessment of water and a water assessment for a single project is often reviewed by up to three government agencies. The next step to progress this action is to get a better understanding of what the community feels are gaps in the current water assessment process, which we will do in early 2012.

It will also be important to take account of potential changes to water regulation at the Federal level. The Federal Government recently announced its intention to establish an Independent Scientific Expert Committee to review water assessments for coal seam gas and significant coal projects throughout Australia. The outcome of this proposal will affect how the Dialogue moves forward on this action.

Idea 4 2005 Department of Infrastructure, Planning and Natural Resources Stream/Aquifer Guideline – Implement the aquifer standards outlined in the Guideline (150m from edge of alluvium)

UPDATE ON ACTIONS

The NSW Government is looking to release an Aquifer Interference Policy in 2012. To avoid duplication, the industry will continue to provide input to the process already underway as a member of the NSW Government Stakeholder Reference Group. The Stakeholder Reference Group also includes representatives from the agriculture, environment and community sectors. We will keep stakeholders of the Dialogue informed of the progress of this policy, as it is developed and implemented.

Progress on Top 10 ideas from the July 2011 Stakeholder Workshop

Idea 5 Health Risk Assessments to go into Director General requirements, looking particularly at long term health issues as well as short term, intense exposure. Assessment to be done at exploration stage

UPDATE ON ACTIONS

The NSW Minerals Council has held discussions with NSW Health about health guidelines for mining assessments. There are a number of health impact assessment guidelines that exist in NSW and elsewhere and these are regularly used by NSW Health to guide assessments where required by the Director General of the Department of Planning and Infrastructure.

The next step in 2012 is for the industry to consult with stakeholders of the Dialogue about the existing guidelines and to clarify what the community is seeking to have addressed through a Health Risk Assessment.

Idea 6 Strategic Land Use Plan linked to CMA management plan and local government area and used to guide ability to explore

UPDATE ON ACTIONS

The NSW Government is developing a Strategic Regional Land Use Plan for the Upper Hunter that will aim to address land use conflicts and provide more certainty about future land use. While it makes sense not to duplicate the work being done, there are actions we can undertake through the Dialogue to complement it.

Letter to Minister Hazzard – At the July stakeholder workshop the industry committed to supporting and encouraging direct community consultation on the Strategic Regional Land Use Plan. We wrote to the Minister for Planning and Infrastructure, Brad Hazzard, and encouraged other members of the stakeholder reference group to do likewise. We understand that direct public consultation will take place after the release of the draft Strategic Regional Land Use Plan.

Workshop to discuss land use planning ideas – This was planned to take place alongside the scoping for a new plan to integrate mine rehabilitation lands (see Idea 1). However, as the draft Strategic Regional Land Use Plan is not available yet, we now aim to hold this workshop after the release of the draft plan in 2012.

Progress on Top 10 ideas from the July 2011 Stakeholder Workshop

- Idea 7** Hunter Communities Network four suggestions:
1. Cover all coal trains through to the Port of Newcastle
 2. Use improved and uniform blasting product to eliminate toxic orange brown emissions
 3. Support a comprehensive regional study on the impacts of current operations on surface and groundwater systems in the Hunter
 4. Rehabilitate mine sites at the same rate of disturbance by mining

UPDATE ON ACTIONS

Coal trains - The Australian Rail Track Corporation is monitoring particulate emissions from coal trains in consultation with the Environment Protection Agency. We will monitor these results and keep stakeholders and the community advised through the Dialogue.

Blasting - A Blast Fumes Fact Sheet will be released to the community in early 2012. The industry is also discussing with NSW Health the potential for further research into blast fumes. The Department of Planning and Infrastructure and the Office of Environment and Heritage will also be engaged to assist in determining the scope of further research.

Water study - See Idea 2.

Rehabilitation - It is not always possible for disturbance and rehabilitation to occur at the same rate. During the earlier stages of a project, disturbance will outweigh rehabilitation, but this gap closes as the mine progresses and rehabilitation will eventually overtake disturbance. The industry in the Upper Hunter has committed to commencing rehabilitation as soon as is practicable after land becomes available for rehabilitation. In 2012, we'll investigate other ways that the industry can improve performance on rehabilitation. We will also conduct mine tours so that stakeholders can get a better understanding of the rehabilitation that is already underway.

Progress on Top 10 ideas from the July 2011 Stakeholder Workshop

Idea 8 Regionally significant infrastructure fast tracked by government – more advocacy by the NSW Minerals Council, local government and Regional Development Australia to get funding

UPDATE ON ACTIONS

The NSW Minerals Council continues to support State and Federal Government funding to address the overarching community concerns related to inadequate and substandard infrastructure.

There are many stakeholders engaged in this issue, including the NSW Government which is currently undertaking an economic assessment of mining affected communities. When completed, this assessment will guide the NSW Government in determining long term infrastructure decisions.

The NSW Minerals Council will continue to actively engage with these existing activities, and advocate for adequate infrastructure investment.

Idea 9 Industry with local community to meet and advocate to government for mining free zones

UPDATE ON ACTIONS

As for *Idea 6*, issues that relate to land use planning are currently being addressed by the NSW Government through the development of a Strategic Regional Land Use Plan. We are aiming to organise a workshop on the broad land use issues after the draft Strategic Regional Land Use Plan for the region is released.

Progress on Top 10 ideas from the July 2011 Stakeholder Workshop

Idea 10 Local employment must be the focus for contractors and mining companies. There needs to be a focus on training local people for jobs and apprenticeships for local people

UPDATE ON ACTIONS

The NSW Minerals Council has conducted a survey of mining operators and training providers to establish the current demand for, and provision of, local employment and training in the Upper Hunter. The preliminary data indicates that a significant amount of apprenticeships, traineeships and other training is being undertaken locally with plans to increase that effort across all areas for 2012. However, the data also demonstrates that the demand for these roles is significant.

The industry will host a forum in early 2012 where industry and education providers will present these results to stakeholders and discuss other employment and education issues. The community, industry and education providers will then identify any gaps and explore opportunities that will facilitate further local employment and training opportunities.

Progress on other ideas generated at the Stakeholder Workshop

Dust, air quality and health ideas

The workshop generated another 20 ideas - aside from those in the Top 10 - in relation to dust and air quality. Generally, these ideas were focused on:

- Increased air quality and speciation monitoring and research
- Better engagement between government and community
- Greater industry contribution to research
- Expansion of the Upper Hunter Air Quality Monitoring Network.

UPDATE ON ACTIONS

An air quality information session suggested by stakeholders was held in Muswellbrook on 15 November. This session brought together NSW Health, the Office of Environment and Heritage and the Department of Planning and Infrastructure to update the community on activities, regulation and new monitoring programs. The multi-agency approach was welcomed by the attendees and we'll aim to host more multi-agency information sessions in 2012.

There are a number of air quality initiatives well underway. The Upper Hunter Air Quality Monitoring Network is due for completion in 2011 and the Office of Environment and Heritage and NSW Health will undertake speciation monitoring in 2012 to provide an understanding of what dust particles comprise of in various locations.

Coal mines in NSW are also undertaking Best Practice Reviews of dust management at their sites as part of the NSW Government's 'Dust Stop' Program to find ways to reduce dust emissions from mine sites.

Rehabilitation and land management and land use ideas

The workshop generated a number of ideas on rehabilitation. These include ideas about better sharing of information about rehabilitation with the community and better coordination of research efforts by the industry.

UPDATE ON ACTIONS

Rehabilitation tour - This idea came directly from stakeholders at the July workshop. We aimed to hold the first tour on 9 December with stakeholders, but unfortunately wet weather meant the tour had to be postponed. We're very keen to share what we've achieved on rehabilitation and the challenges of this work and we are looking to reschedule the tour in early 2012.

Sharing research - In 2012, we'll be investigating ways to better coordinate, fund and share research on the rehabilitation topics that are priorities for the Upper Hunter.

Progress on other ideas generated at the Stakeholder Workshop

Social impact ideas

In addition to the Top 10 ideas relating to social impacts, the industry's Community Working Group will examine the other 16 social impact ideas generated at the Stakeholder Workshop, including accommodation shortages and prices, the impact of shift work on families and the community, preservation of Aboriginal and European heritage, and a range of infrastructure matters.

UPDATE ON ACTIONS

The range of social impacts issues are complex, and therefore require all levels of government and a broad range of stakeholders, including communities and industries, to be actively involved in facilitating and driving a better understanding of the issues and mapping the various pathways forward. Social research undertaken by individual companies will contribute to the understanding of these issues.

Water ideas

While three of the Top 10 ideas were water related, there were also ideas outside the Top 10 that related to water.

UPDATE ON ACTIONS

Many of the ideas will be addressed through the proposed Water Forum (see *Idea 2*). At the workshop, NSW Minerals Council committed to work through all of the 85 ideas generated to see which ones can be developed into actions, which will include giving greater scrutiny to ideas on water that fell outside the Top 10.