



WATERMARK COAL MINE COMMUNITY CONSULTATIVE COMMITTEE Meeting No 5

Date: Wednesday 11 December 2019
Time: 10.00am
Location: Shenhua Conference Room, Gunnedah

Attendance: Independent Chairperson
Garry West

Council Representative
Councillor Murray O'Keefe (Gunnedah Shire Council)
Councillor Ian Lobsey (Alternate - Liverpool Plains Shire Council)

Community Members
Mark Kesby (Environment Representative)
Patricia Duddy
Malcolm Heath
Ron Fuller

Shenhua Watermark Representatives
Cornelis Vlok (Project Manager)
Debbie Watson (Community Liaison Officer)
Gerry McDonald (Human Resources Manager)
John Trotter (Environment Manager)
Chris Walker (Property Manager)

Meeting Opened: 10.00am

1. Opening of Meeting by the Chairperson

The Chair declared the meeting open and thanked everyone for their attendance. He welcomed the new Project Manager, Cornelis Vlok and Property Manager, Chris Walker to the meeting.

2. Apologies

Councillor Andrew Hope (Liverpool Plains Shire Council)
Greg Griffiths (Indigenous Representative)

3. Declarations of Pecuniary or Other Interests

The Chair asked if there were any Pecuniary and Non-Pecuniary Interests to declare.
None were declared.

4. Business Arising from Previous Minutes – 8 May 2019

The Minutes of the previous meeting were circulated and any comments from the Committee were requested by the Chair.

- The Chair noted that it is a requirement to have the CCC members contact details on the website. At the previous meeting permission was sought from and agreed to by Cr Andrew Hope, Ron Fuller, Mark Kesby and Greg Griffith to have their details uploaded to the website. Approval was then sought from

Patricia Duddy, Cr Murray O'Keefe and Malcolm Heath. These Committee members agreed to have their phone and email included on the website.

- The Chair noted the action item regarding the CCC viewing the Management Plans that were related to the Rehabilitation Management Plan (RMP). The Company advised that they would not be distributing these Plans as they were still in draft and yet to be approved.
- P Duddy asked about the previous site visit from government. J Trotter advised that they were representatives from agencies that were reviewing the Biodiversity Management Plan (BMP) and the Rehabilitation Management Plans (RMP) and it gave them an opportunity to view the site so that they could become familiar with details mentioned in the plans.
- P Duddy asked who was awarded the EL renewal drilling tender. C Vlok advised that the Company is in the process of finalising a contract with a local business.
- P Duddy asked about the lapsing of the consent and is that why works have been commenced on site? C Vlok advised that the works that have commenced are related to Pre-Construction. These works were undertaken in accordance with the requirements and are now completed.
- P Duddy questioned the water allocation from Liverpool Plains Shire Council. J Trotter advised that this has not been progressed as yet.
- P Duddy questioned the use of the word "opponent" in the May minutes and that it was not appropriate usage. M Heath agreed with Patricia as can be divisive within the community. The Chair noted their comments.
- P Duddy asked if Shenhua would be attending the NSW Parliament Koala Enquiry. J Trotter advised that he would be representing the Company. It is a Committee enquiry and Shenhua will not be making a presentation.

5. Correspondence

- Nil

6. Shenhua Watermark Report

• Pre-Construction Activities

C Vlok advised that the Company have commenced Pre-Construction in accordance with the approved Pre-Construction Works Management Plan (PCWMP). Works commenced on-site on 4 November 2019 and concluded on 5 December 2019. The works included geotechnical, environmental and topographical surveys and were executed in accordance with the PCWMP and Interim Koala Habitat Plans (IKHP) that were approved on 2 October 2019 by DPIE. These Plans are on the company website.

Geotechnical work was soil sampling to determine the nature of sub soils to be able to develop a detail design for infrastructure. The depth varied from 1.1m to 2.8m. P Duddy asked if there were any surprises. C Vlok advised that rock refusal was at about 2.8 metres in certain locations. P Duddy asked who the contractor for the work was. C Vlok advised that the contractor was from the Hunter Valley who are experts in their field.

Topographical survey work was undertaken to produce a digital terrain model of natural surface and man-made infrastructure. There were 10 control survey markers installed which enabled the establishment of a survey control network. These works were important information for Shenhua to be able to progress the detail design of infrastructure and mine planning.

M Kesby asked what environmental surveys were completed and whether it was biological in nature. C Vlok noted that it was geotechnical environmental work not biological survey work.

- **Project Update**

- Koala Corridor

J Trotter advised that the Company has commenced planting approximately 2,500 trees as part of Koala Corridor No 8 – an obligational requirement of the IKHP. The commencement of planting of the trees was required to be within 2 months of the plan being approved. The PCWMP and IKHP were approved on 2 October 2019 and are located on the Company website. The Corridor ranges from Long Mountain to the property 'Wattlevale'. It was noted that conditions are difficult at present due to the drought but the trees will be monitored. M Heath commented on the distances between the plantings and said that it would not be a problem if the trees did thin out as he has seen that the best habitat locations are where the boxwoods are about 50m apart. J Trotter noted that it is a complete ecosystem being created which includes overstorey, shrubs and groundcover. P Duddy asked about the watering locations for the Koalas. J Trotter advised that we are not up to that stage at present.

- Exploration Licence (EL) Drilling Program

C Vlok advised that the EL drilling program is proposed to be commenced next year. On 22 November 2019 approval was given to drill another series of exploration holes. Stakeholders will be advised once the date of commencement is determined.

P Duddy asked what the depth of these holes will be. C Vlok advised that the average depth will be 60 to 90m with two large holes to average 125m. P Duddy asked if all the holes will be filled immediately. C Vlok advised that it will depend on the conditions of the holes but all will be grouted at the end of the program. A total of 53 holes will be drilled.

- Environmental Management Plans (EMP)

J Trotter noted that the consent requires a series of EMP's to be completed of which half require external approval and the others are internal documents. The plans are written to an approval standard and then submitted to agencies for review and to provide comment. The comments are then addressed by the Company in the next revision and re-submitted. There can be multiple revisions until they obtain Department approval.

There are three Management Plans that require both Federal and State approval – Biodiversity, Rehabilitation and Water. Management Plans that require State approval are Noise, Air Quality, Blasting, Heritage, Traffic, Environment Management Strategy and the Koala Plan of Management (KPoM). All these Plans have had one to three revisions. Plans that are awaiting the next round of revisions are Noise, Air Quality, Blasting, Traffic and Water and these will be re-submitted this month.

The Heritage Management Plan (HMP) and RMP are currently with agencies and the Company is yet to receive comment back. The Water Management Plan (WMP) and BMP are in the process of receiving comment.

The target date for approvals of all the EMP's is 30 June 2020.

M Kesby asked what the difference between the IKHP and KPoM was? J Trotter advised that the KPoM is the overarching plan and IKHP provided an early start on establishing koala corridors. The preparation of the KPoM had some delays as it required approval of a consultant from the Department but the consultant that was approved withdrew their services. This required the Company to source an alternate suitably qualified consultant that had the required expertise. A specialist consultancy has been sourced and approved by the Department. There will be an independent peer review of the KPoM as required by the Department.

Questions

M Heath asked if there was a date for commencement of construction. C Vlok commented that at this stage it was proposed for early 2021. The plan is to have all EMP's approved by 30 June 2020, apply for a Mining Lease (ML) and to enter a planning phase to commence early 2021.

M Heath noted the political climate regarding coal and the non-approval of recent mine applications. How will Shenhua handle this? The Chair noted that Shenhua had all the relevant approvals and would not have to go through any further approval processes except for management plans. He stated that Shenhua has complied with all of its conditions and is just required to apply for an ML.

P Duddy noted the Modification and the granting of the EL renewal with the reduction in the EL boundary. She asked why Shenhua has not sold the land that was removed from the EL as in her understanding in the original EL Shenhua was to sell any land that was not part of the EL.

The matter was partially taken on notice for clarification. The buying and selling arrangements were part of the Foreign Investment Review Board (FIRB) requirements for their approval of the land purchases by Shenhua, a foreign owned entity, in accordance with Federal Government requirements. This matter is not any part of the EL, DA or EPBC Approvals. The FIRB requirement was that the lands had to be sold by the Foreign Entity IF THE PROJECT DID NOT PROCEED. Consequently the FIRB provision does not become active at this point in time.

Not all the land relinquished to the State Government was owned by Shenhua and the land that was owned by Shenhua had property boundaries that were included in part of the revised EL boundary. Shenhua may also be required to purchase additional property that may be affected by noise and/or air quality, upon request of the owner.

R Fuller noted that Shenhua was given money back by the government. J Trotter clarified that the compensation was for lost opportunity to mine and sell the resource (within the surrendered area) due to the reduction in the EL boundary. G McDonald advised that it was based on a formula which was also used for payment for the BHP Caroonna licence.

M Kesby enquired on the decision of the Section 10 claim. G McDonald advised that the claim was resolved by a ministerial decision which declined the Claim. The claim is now resolved although the Group who initiated the Section 10 are now suing Minister Susan Ley on the basis of her decision.

M Kesby asked on the progress of the Heritage Management Plan. J Trotter advised that it has had multiple revisions and possible approval prior to Christmas.

7. General Business

- M Heath said that he had been researching company responses to global warming and there is a Singapore based environment research group that was ranking Chinese companies for their commitment to actions in terms of alternative energy sources. He noted that Shenhua Overseas Company was ranked sixth. He stated that in terms of local acceptance is there any response or company policies from Shenhua in regard to global warming that could be used in support of Shenhua. J Trotter advised that Shenhua has renewable energy resources with four wind farms owned in Tasmania. G McDonald noted that from a Company Group point of view there is a lot being done in this regard in China.
- R Fuller stated that with the Shenhua Project and Vickery Project moving to commencement the CCC should be pushing the government to building a two-line rail system. The Chair advised that it is not the role of the CCC and would be a Company decision. C Walker advised that there is a 10 year plan for the rail network and that there is currently sufficient capacity in the rail line.
- P Duddy expressed her opinion that even with the increased economic impact of mining to the town if it proceeds as planned it will be catastrophic for agriculture and she anticipates that there will be considerable and significant damage to water and farming that has not been predicted. She noted that there are examples of these impacts from Maules Creek and the Hunter Valley mines.
- M O'Keefe indicated his family farm in the Hunter Valley had co-existed with mining for many decades and still do.
- The Chair noted that this is not the forum for this discussion or to discuss pre-approval decisions. The role of the CCC at present is to ensure the community and stakeholder groups are kept informed of the status of the project and to monitor the performance of the Company's operations.
- G McDonald advised that this will be his last attendance at the CCC meeting as he was an alternate until a Project Manager was employed. The Chair noted that he will advise the Department and thanked Gerry for his advice and honesty throughout the last few meetings. G McDonald noted his appreciation of the courtesy of the CCC members and respected the different views of the members that have been expressed.
- M Heath raised the offset lands in the Tambar Springs area and would like to assist in their management. C Walker advised that those properties had been leased but the Company will be self managing these properties from 1 January 2020 and we are very conscious of the issues that have been previously raised including fencing and fire management. His assistance would be welcomed. J Trotter noted that these properties will be covered by the Management Plans currently being approved.

8. 2020 Proposed Meeting Schedule

The Chair proposed the following dates for the 2020 CCC meetings:

- Wednesday, 11 March 2020
- Wednesday, 10 June 2020
- Wednesday, 9 September 2020
- Wednesday, 9 December 2020

9. Next Meeting: Wednesday, 11 March 2020



Meeting Closed: 11.30am

Action Items

Item	Action	By Whom	Responsible Officer	Status
1	The Company to make a decision on the CCC viewing draft Plans that are linked to the RMP.	Committee	J Trotter	Completed
2	The Chair to contact the Department regarding the role of the CCC in the current environment and the viewing of Plans that are linked to the RMP.	Chairperson	Chairperson	Completed
3	Chair to advise the Department of the changed composition of the CCC membership	Chairperson		