



<b>LDO Workplace:</b>	<b>Chain Valley Colliery</b>		
<b>Venue:</b>	<b>Newcastle Mines Rescue Station – Argenton NSW</b>		
<b>Date:</b>	<b>24 / 02 / 2015</b>	<b>Time:</b>	<b>10:06am</b>
<b>Meeting Topic:</b>	<b>Community Consultative Committee</b>		
<b>Participants:</b>	<p><b>Margaret MacDonald-Hill (MM) – Chair</b></p> <p><b>John Oakes (JO) – Community</b></p> <p><b>Andrew Whitbourne (AW) – Community</b></p> <p><b>Ian Carr (IC) – Community</b></p> <p><b>Paul Maky (PM) – Community</b></p> <p><b>Peter Cripps (PCR) – Community</b></p> <p><b>Daniel Wallace (DW) – Lake Macquarie City Council</b></p> <p><b>Tanya O’Brien (TOB) – Wyong Shire Council</b></p> <p><b>Ben Johnston (BJ) – LakeCoal</b></p> <p><b>Peter Campbell (PC) – LakeCoal</b></p> <p><b>Chris Ellis (CE) – LakeCoal</b></p> <p><b>Grant Polwarth (GP) – LakeCoal</b></p> <p><b>Darren Parker (BP) – Newcastle Mines Rescue</b></p> <p><b>Apologies: Bart Vanderzee, Bob Corbett, Emma Graham, Jason Pauling, Bob Brooks</b></p>		

**Agenda Items**

<b>No</b>	<b>Item</b>	<b>Action Whom</b>	<b>By When</b>
1.	Note: Participants were taken on a tour of the Newcastle Mines Rescue Station at Argenton from 9:00am, including use of the 3D virtual reality simulator at the Mines Rescue Station. Both pillar extraction methods and longwall mining methods were viewed in the 3D simulator.  Thanks to the Newcastle Mines Rescue Station, specifically our host, Darren Parker, for the tour and their hospitality.	Note	
2.	MM opened meeting at 10:06am.	Note	
3.	Grant Polwarth (GP), LakeCoal’s Managing Director, thanked the CCC for	Note	

	<p>their time, advising he had been LakeCoal's Managing Director since around mid 2014 and apologised for not having been able to attend any prior CCC meetings.</p>		
4.	<p>MM advised GP that as the Managing Director he should be aware that the CCC has been running very well, which was a reflection of the current LakeCoal representatives having done a great job in their involvement in the committee.</p>	Note	
5.	<p>GP addressed the CCC regarding the proposed sale of Chain Valley Colliery. GP noted the sale agreement was entered into on the 13/2/15 with Lake Macquarie Coal Pty Ltd. It was further noted that;</p> <ul style="list-style-type: none"> <li>• Lake Macquarie Coal is a wholly owned subsidiary company of China's Jining Taizhong Trade Co. Ltd ("Taizhong").</li> <li>• The sale would be expected to complete in around 10-12 weeks provided the necessary approvals and conditions were met (including Foreign Investment Review Board approval among others)</li> <li>• LakeCoal employees would be offered the same positions on the same terms with Lake Macquarie Coal.</li> <li>• Taizhong were pleased to become involved with a mine of such long operational history and were committed to the long-term prosperity of the Colliery and wider community.</li> </ul> <p>Grant emphasised there would be a 'business as usual' approach, which has been echoed by Lake Macquarie Coal.</p> <p>Note: additional details regarding the proposed sale are available on the Chain Valley Colliery website:  <a href="http://www.chainvalleymine.com.au/2015/02/agreement-for-sale-of-chain-valley-colliery-to-lake-macquarie-coal/">http://www.chainvalleymine.com.au/2015/02/agreement-for-sale-of-chain-valley-colliery-to-lake-macquarie-coal/</a></p> <p>Questions from the CCC regarding the sale agreement were welcomed.</p>	Note	
6.	<p>PM asked if the product coal destinations would change due to the change in ownership.</p> <p>GP advised that the intent is to assign existing coal supply contracts, so in effect there would be no change to the current contracts associated with domestic and export coal in the foreseeable future.</p>	Note	
7.	<p>DW enquired as to whether LDO would still retain any ownership.</p> <p>GP replied that they would not, the sale agreement is for 100% ownership and all existing owners, including LDO, would have no remaining equity interest.</p>	Note	
8.	<p>IC enquired if Mannering would also be sold.</p> <p>GP advised that while LakeCoal had no ownership of Mannering, it is proposed that the agreements entered into, which enabled LakeCoal to operate Mannering are proposed to be assigned to Lake Macquarie Coal also, which would enable Mannering to be operated by Lake Macquarie Coal.</p>	Note	
9.	<p>DW enquired if Lake Macquarie Coal or Taizhong have any ownership interests in other mines in Australia.</p> <p>GP advised it was his understanding that they did not.</p>	Note	
10.	<p>TOB enquired as to effect the agreement might have on the VPA.</p> <p>GP expected no impact, CE further advised that LakeCoal's lawyers had considered this and advised that there should be no impact, if the transaction closes prior to execution then the name can be changed, otherwise it would be assigned under the relevant clause as per the draft agreement.</p>	Note	

11.	<p>A question was raised regarding the potential management team following the sale, i.e. would Taizhong be sending key management over to run Lake Macquarie Coal.</p> <p>GP stated that he understood that Lake Macquarie Coal would likely comprise a local management team, specifically, it is known that one of the proposed Directors of Lake Macquarie Coal, has previously been a Director of LakeCoal some time ago.</p>	Note	
12.	<p>IC questioned if there was any plan to bring Chinese workers to Chain Valley.</p> <p>GP advised that there was no intent to his knowledge and that the agreement ensured that all current LakeCoal employees would be offered the same positions on the same terms with Lake Macquarie Coal.</p>	Note	
13.	<p>GP advised that senior management of Lake Macquarie Coal have expressed interest in addressing the CCC, likely at the next CCC meeting. GP also advised that should the Councils require further information or a meeting regarding the sale agreement, that this could be arranged between LakeCoal and the relevant Council.</p>	Note	
14.	<p>There were no further questions regarding the sale agreement and GP excused himself from the remainder of the meeting.</p>	Note	
15.	<p>MM declared interests were unchanged, with the exception of being a member of the Ministers' Arbitration Panel, MM advised she had not sought nomination to the Panel during late 2014 and would therefore not be a member from 2015. MM advised other interests unchanged, i.e. appointment as Independent Chair of the committee and a member of Mine Subsidence Board.</p>	Note	
16.	<p>DW declared that as the Secretary of Hunter Unions, he has an interest in the affiliate unions, which includes affiliates in the coal industry.</p>	Note	
17.	<p>MM asked for confirmation of previous minutes from last meeting (18/11/14).</p> <p>The minutes were moved by PM seconded by JO.</p> <p>CE to upload final minutes to website.</p>	CE	6/3/15
18.	<p>MM enquired to the CCC if there were any other items to be raised.</p> <p>None raised by the CCC.</p>	Note	
19.	<p>CE covered business arising from previous minutes, which related to the draft VPA.</p> <p>Details in the correspondence previously distributed, relating to significant changes to the VPA, were again covered in some detail.</p> <p>Specific questions about the draft VPA which were received prior to the meeting were individually addressed in detail, including if payments would be made to members of the Advisory Panel and how the contributions made under the VPA can be spent.</p> <p>Specific clauses in the draft agreements were shown and discussed with respect to questions asked and answers provided.</p>	Note	
20.	<p>DW raised a query concerning nomination of Chairperson of the Community Advisory Panel, i.e. can a community member be the Chairperson or will they be the Chairperson.</p> <p>CE likely included incorrect wording in presentation, and confirmed the draft agreement wording reflects that a community member will be nominated as the Chairperson</p>	Note	

21.	TOB provided an update to the CCC advising that the draft agreements would now be tabled at the Council meeting on the 11 March 2015, as opposed to the 25/2/15 as originally planned.	Note	
22.	DW queried if the contributions made under the VPA would be held in "restricted reserves" at Wyong Council or if they would be treated as general revenue.  TOB expected that they would be held as restricted reserves given the specific requirements for expenditure in the agreements.	Note	
23.	AW identified he had been unsuccessful in obtaining details of expenditure of prior contributions made to Wyong Council (associated with Mannering Colliery) and that this was an ongoing concern.  Matter to be discussed in Mannering CCC, however it was noted that no VPA or other agreement was governing these contributions or expenditure.	Note	
24.	DW commented that it would be desirable to ensure that administration costs were not taken from the contributions made under the VPA. As this may have the potential to consume a significant amount of the contributions.  CE and TOB considered that due to the specific wording of the draft agreements, that no administration costs would be taken from the contributions made.	Note	
25.	MM covered correspondence since the previous meeting which included;  Out 8/12/14 - email to CCC advising of DP&E approval of linkage project 10/2/15 - email to CCC update on VPA 17/2/5 - forward email from CE on sale announcement to CCC  In 17/2/15 - email from CE on Sale Announcement	Note	
26.	CE provided presentation on recent mining activities, showing location of mining since last CCC meeting.	Note	
27.	DW enquired as to the reasoning behind limit proposed mining areas, e.g. seagrass protection.  CE replied primarily the limits of the miniwall panels are due to both the high water mark subsidence barrier and seagrass protection barrier.	Note	
28.	CE covered the proposed mining to end of 2015, indicating that a projected fault may impact the maximum extent of extraction approved under the Mining Operations Plan, i.e. result in some miniwall panels being shorter than originally anticipated.	Note	
29.	CE provided full year (2014) coal haulage records broken down by destination, noting records are also available on the Chain Valley website.	Note	
30.	PM, DW discussed reasons for overseas interests in Australian coal.	Note	
31.	AW enquired if 1.5 million tonne annual limit could be reached.  CE confirmed that this is likely and budget production for 2015 is just shy of 1.5 million tonnes. Potential future increase also discussed, which is covered in more detail later in the presentation.	Note	
32.	CE continued with presentation of environmental data to the CCC. Including;	Note	

	<ul style="list-style-type: none"> <li>• water quality results – no issues since last CCC</li> <li>• air quality results (depositional dust) – full year data, no issues</li> <li>• air quality results (PM10) – full year data, no issues</li> </ul>		
33.	<p>AW enquired if CVC was required to measure PM2.5 also.</p> <p>CE replied that CVC was not required, MM also advised that currently no specific limits on PM2.5 have been developed, only an advisory reporting standard currently exists.</p>	Note	
34.	<p>CE continued presentation covering community complaints received since the last CCC meeting.</p>	Note	
35.	<p>CE gave approvals update for CVC.</p> <p>AW asked for an update on the Chain Valley/Mannering linkage project.</p> <p>CE explained that to date LakeCoal had not yet been successful in obtaining finance to permit the project to commence. As such there is no set date for commencement, however it is possible the project would commence in the 2<sup>nd</sup> half of 2015. Following commencement it would take approximately 12 months to complete.</p>	Note	
36.	<p>CE discussed shorter term approvals that would be sought, which included;</p> <ul style="list-style-type: none"> <li>• amendments to panel layout under Lake in northern area</li> <li>• increased ROM coal production from CVC, with no change to maximum road coal haulage limits</li> <li>• Mannering modifications to align with an increase throughput to Vales Point Power Station and an extension of the Mannering approval life to enable longer term planning and approvals to be obtained</li> <li>• creation of an asset protection zone around the ventilation fan site at Summerland Point, as a result of 2013 bushfires in the surrounding area.</li> </ul> <p>CE also reiterated longer term plans that are unchanged, i.e. rail loading facilities and LOM planning for the Centennial sublease areas and the exploration lease area being sought over the prior Moonee lease area.</p>	Note	
37.	<p>CE reiterated a couple of the key points regarding the sale agreement and invited any further questions regarding the change of ownership, which he would take on notice and get answers back to the CCC as required.</p>	Note	
38.	<p>MM asked all members if they had any other general business.</p> <p>None matters raised.</p>	Note	
39.	<p>Date for next meeting agreed, 10am on 19/5/15 at Chain Valley Colliery.</p>	Note	
40.	<p>MM thanked both the company and Newcastle Mines Rescue on behalf of the committee for the opportunity to attend, be shown around, and experience the training facilities at the Mines Rescue Station.</p>	Note	
41.	<p>MM closed the meeting at 11:00am.</p>	Note	