

WATERMARK

**Report of a Public Meeting
held on 26 March 2009
at Breeza Community Hall**

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SUMMARY

Shenhua Watermark Coal Pty Ltd has obtained an Exploration Lease over an area of approximately 195 km², south of Gunnedah in NSW.

This document reports the process and outcomes of a public meeting that was held on 26th March 2009, at Breeza, close to the area of the lease. Approximately 180 people attended the meeting, including many who own or manage land inside the lease area, and others from neighbouring or surrounding areas.

Independent facilitators were engaged to help achieve the meeting's two main purposes:

- Provide participants with information about the project
- Identify participants' needs for further information.

Eight members of the project team were present to share information and answer participants' questions. Presentations were given by the following team members, followed by extensive questions from the participants:

- Project overview – Watermark Project Director, Mr Joe Clayton
- Water studies – Dr Jurgen Schaeffer
- Approvals processes (exploration and mining) – Mr David Chubb
- Environmental field studies for the Review of Environmental Factors – Ms Jemma Sargent

The questions from the participants ranged over the following topic areas (details of the questions are included in this report):

- Project overview
- Timing
- Exploration
- Mining
- Environmental (general)
- Soil
- Water
- Flora and fauna
- Interactions with landholders
- Impacts on people and the community

The presenters answered all the questions for which they had information. Most questions fell into this category. For the remaining questions, the project team committed to finding the answers and publishing them on the project website: www.bangthetable.com/watermark. In some cases, the answers are not yet available because they require data that will be collected during exploration; the project team committed to making public these answers when they become available, on the website and at on-going meetings with the community as the project progresses.

BACKGROUND

Shenhua Watermark Coal Pty Ltd has obtained an Exploration Lease over an area of approximately 195 km², south of Gunnedah in NSW.

A public meeting was held from 3 – 6 pm on 26th March 2009, at the Breeza Community Hall, close to the area of the lease. Approximately 180 people attended the meeting. Many of these participants own or manage land inside the lease area, and others were from neighbouring or surrounding areas.

As well, eight members of the project team were present:

- Watermark Technical Director – Mr Chen Gang
- Watermark Project Director – Mr Joe Clayton
- Community Relations – Ms Melanie Layton
- Approvals – Mr David Chubb
- Environment – Ms Jemma Sargent
- Infrastructure – Mr Peter Steele
- Geology and Mine Design – Mr Ted Waghorne
- Ground Water Specialist – Dr Jürgen Schaeffer

The meeting was run by independent facilitators, Phillip Hart and Fiona Hollier. They are the authors of this report on the process and outcomes of the meeting.

PURPOSE AND PROCESS

The overall goal was to ensure that all those who are interested in or affected by the project have as much information about it as possible. To achieve this, the public meeting's two main purposes were to:

- Provide participants with information about the project
- Find out what more participants would like to know.

Participants were provided with information in a number of ways:

- A kit of fact sheets and map was provided for each person attending
- Large maps of the lease area were displayed on the walls
- All the members of the project team present were introduced, so that participants knew the range of specialist experience that was available to respond to their questions
- Four members of the project team addressed the audience. (The slides of their presentations and a recording of the whole meeting is available on the project website: www.bangthetable.com/watermark):
 - Project Overview – Mr Joe Clayton
 - Water Studies – Dr Jürgen Schaeffer
 - Approvals Processes – Mr David Chubb
 - Review of Environmental Factors – Ms Jemma Sargent

After each of these presentations, participants were invited to reflect on what they had heard and formulate and to ask any questions. At the end of the meeting, they were further invited to:

- Present additional questions to the facilitators or project team members (in writing or orally)
- Put their questions to any of the project team members at the sausage sizzle that followed the meeting
- Submit further questions through the project website.

Role of the independent facilitators

Very near the outset of the public meeting, the facilitators* explained their role this way:

"We are independent facilitators. We help people have productive conversations about complex and difficult issues they are facing. We do that in a number of ways: we are Nationally Accredited Mediators, we also work in facilitation, community engagement and we teach skills in conflict resolution and negotiation.

We are not employees of Watermark. We are 'independent', engaged by the project to help you all get the most out of being here together today. Of course, Watermark are paying our fees. Our instructions are to make today work as well for you as we can."

* Fiona Hollier and Phillip Hart, Principals of Hollier and Hart, have many years experience designing and facilitating workshops and processes to support constructive discussion and decision making in a wide range of contexts in the private, public and non-government sectors.

Agenda

1. Welcome
 - Welcome to Country
 - Introductions
 - Role of the facilitators
 - Purpose of meeting
2. Topic Areas
 - Project overview – Mr Joe Clayton
 - Exploration
 - Mining, project phases and timelines
 - Water studies – Dr Jürgen Schaeffer
 - Approvals processes (exploration and mining) – Mr David Chubb
 - Environmental field studies for the Review of Environmental Factors – Ms Jemma Sargent
3. Next Steps
 - Bang the Table (the project website)
 - Future community activities

After the meeting, approximately forty participants stayed for a sausage sizzle, which provided a further opportunity to speak with the project team.

Guidelines

So that everyone had a fair chance to have their say, participants agreed to adopt the following Guidelines:

- Listen to each other
- Let each other finish
- Use respectful language
- Be truthful and complete

Acknowledgements

We are grateful to the Aboriginal community for their Welcome to Country, and to the Breeza Progress Association for their hospitality and catering.

QUESTIONS ASKED BY THE PARTICIPANTS

Participants took the opportunity provided by the meeting to ask a large number of questions across a wide range of topic areas. The facilitators wrote these questions onto flip-chart paper at the front of the hall. All of the questions that were written are shown below, grouped into topic areas. (The project website, www.bangthetable.com/watermark, has written answers and the recording of the answers that were given verbally at the meeting to these and other questions.)

The presenters answered all the questions for which they had information. Most questions fell into this category. For the remaining questions, the project team committed to finding the answers and publishing them on the project website. In some cases, the answers are not yet available because they require data that will be collected during exploration; the project team committed to publishing these answers when they become available.

Project overview

- Why has this area been released for an exploration license?
- Once it becomes apparent that an area is not needed for exploration or mining, can it be excised from the lease area?
- What plans does the project have for mining the Breeza State Forrest?
- Can we find out about other Shenhua projects?
- What was the last project that (Project Director) Joe Clayton was involved in?
- Is the possibility of a power station part of the lease?
- Can the project be re-named? (A property in the area is called "The Watermark".)

Timing

- Is Watermark currently buying properties?
- When will the project be able to make public which are the areas that will be targeted for exploration? And the areas targeted for mining?

Exploration

- Is it really "exploration" or is it "proving the resource"?
- Exactly how many DPI drill holes are there already?
- Will the project's exploration drilling go to a depth greater than 100 m?
- How will Watermark control what actually happens during the drilling?
- Is the project going to leave the drill holes?

Mining

- How will the mining be done: open cut or long wall?
- What is the size of the hole during mining?

Environmental (general)

- Does Watermark subscribe to a philosophy of ecological sustainability?
- Can the company commit to "zero harm"?
- What guarantees can Watermark give about rehabilitation of the land?
- What are the base figures for methane in the air and in the water? What limits will be set?

- How certain can Watermark be that there won't be long term damage to water quality and soil water?
- What guarantees can Watermark give that pollution won't happen?
- What guarantees can Watermark give that problems that have occurred on the Fitzroy River won't occur here? (What problems occurred there?)
- How many coal mines have been stopped from going ahead, because of the impacts they would have had on the environment?
- What independent third party process is there for reviewing the environmental studies? What kind of scrutiny is there over the process and results?

Soil

- Will the project mine the black soil plains?
- The mining will occur on the ridge areas. How good is your information about the effects that this will have on the black soil plains? What level of certainty does the project need?
- What is the benchmark for soil?
- Will the project wreck the soil?
- How will Watermark ensure that the mine does not poison the black soil?

Water

- When will the Namoi Water Study be released?
- What are the impacts of building sediment dams? What are the effects of stopping or diverting the run-off water?
- If sediment dams are built, how can we know that they are safe?
- How big would the sediment dam(s) be?
- Do mines buy back licenses for water stored in sediment dams?
- What will Watermark do to manage acid mine drainage?

Flora and fauna

- What will the project do to protect the animals?
- In the studies of flora and fauna, will seasonality be taken into account?

Interactions with landholders

- Can there be a field trip to another Watermark project for people affected?
- Will the project post the relevant legislation on the website?
- Wouldn't it be better to make a standing \$ offer worked out on a formula?
- How much is the coal worth? How much has the company paid for the lease? Can we know what the coal is worth, before we accept offers?
- Will Watermark consider dealing with the community collectively?
- Can Watermark explain how other companies have dealt with people affected by those companies' projects?
- How will the project take into account aboriginal culture?
- Will the aboriginal community be involved in this?
- If someone refuses to sell, and it goes to arbitration and the Land and Environment Court, and the landholder still refuses, what action would be taken against the landowner?

Impacts on people and the community

- What damage will be done to farming communities? Where will the community stand if damage is done?

A quick poll of the participants attending

At the end of the meeting, one audience member asked if there could be a show of hands, so participants could indicate their response to the following question:

From what you have heard [in this meeting], how confident are you that the project will be taking your concerns into account?

The results of the show of hands were as follows:

- A couple of participants indicated that they were confident
- A couple indicated that they were fairly confident (“on the borderline”)
- Most indicated that they were not confident.

NEXT STEPS

At the end of the meeting, Ms Melanie Layton, Community Relations, told participants about these next steps for this project:

- She and the Project Director, Mr Joe Clayton, will continue to meet with each of the people whose land lies within the lease area
- As it becomes available, all information will be made publicly available on the project website: www.bandthetable.com/watermark. In particular, this includes:
 - specific maps of the lease area that were requested by participants at the meeting
 - the Review of Environmental Factors
 - the presentation used in this public meeting
 - the independent report of the meeting (this document).
- There will be on-going meetings with the community as the project progresses, so people can hear more information as it comes to hand and ask further questions.

EVALUATION OF THE WORKSHOP PROCESS

The participants appeared to be attentive and engaged during the whole period of the meeting.

The number and range of the questions asked by participants underlined the importance of the issues to them.

Near the end of the meeting, participants were asked: “How would you like today to have been run differently?” The only response was from one person who expressed dissatisfaction that not all the questions had been answered.

In future meetings, it is important to arrange for better sound quality: the placement of the loudspeakers made it difficult for people sitting in the side area of the hall to hear the presentations or discussion. (Participants sitting in this area were invited to move to the body of the hall where there were seats available or to the outside area adjoining the hall where loudspeakers had been set up.)