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## TRANSCRIPT OF PROCEEDINGS

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TRANSCRIPT IN CONFIDENCE

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O/N H-1015432

### INDEPENDENT PLANNING COMMISSION

### MEETING WITH APPLICANT

### RE: BOGGABRI COAL MINE MOD 7

#### PANEL:

PROF SNOW BARLOW  
PROF ZADA LIPMAN  
DR IAN LAVERING

#### ASSISTING PANEL:

DIANA MITCHELL  
NAOMI MOSS

#### APPLICANT:

RAY BALKS  
PETER FORBES  
DAN MARTIN  
PAUL MARTINKUS  
CATHERINE PHILLIPS

#### LOCATION:

IPC OFFICES  
LEVEL 3, 201 ELIZABETH STREET  
SYDNEY, NEW SOUTH WALES

#### DATE:

12.09 PM, THURSDAY, 11 APRIL 2019

PROF S. BARLOW: Well, thank you. Look, let me begin, and we have a formal procedure that we – a statement we need to make on behalf of the IPC to begin with. Obviously, good morning to you all. Before we begin, I would like to acknowledge the traditional owners of the land on which we meet, the Gadigal people of the Eora Nation, and pay my respects to their elders past, present and emerging and to the elders from other communities who may be here today. Welcome to the meeting. Today is about Boggabri Coal. Obviously, you are the applicants seeking to modify the approval for Boggabri Coal Mine located in Narrabri and Gunnedah local government areas.

You are seeking to modify five aspects of the existing approval to secure biodiversity offsets through alternative mechanisms, use of an approved stockpile area for product coal, undertake exploration activities within the approved disturbance area, transport small tonnages of coal by road for testing and marketing purposes and to realign a small section of the project ..... my name is Professor Snow Barlow. My fellow commissioners as part of this panel are Professor Zada Lipman and Dr Ian Lavering here, and, of course, we have staff members here Naomi and Diana.

In the interests of transparency, the full – this meeting will be captured, and the full transcript of the meeting will be available on the IPC website. So – and, clearly, this is part of our determining your application for modification to your existing licence. I think that's all I need to say, thank you, and perhaps if you could begin – as there are three plus two, if you could identify who you are and what your role is and then you can make your presentation.

MR R. BALKS: Certainly.

PROF BARLOW: Thank you.

MR BALKS: Thank you. Look, we also would like to acknowledge the Aboriginal people or the traditional owners past and present, and we acknowledge that Gadigal of the Eora Nation as the traditional custodians of this place and the Kamilaroi people where the Boggabri Coal Mine is located. We would like to thank the IPC for the opportunity for us to be able to present. And presenting here today is myself, Ray Balks, most recently general manager operations for Boggabri Coal which is a position I held for almost five years, and my role is managing all aspects of the business. And specifically in relation to this discussion today, it was being involved in the development – this consultation with key stakeholders and through the modification 7 approval process.

Peter Forbes is our health, safety, environment and community manager at Boggabri Coal. His responsibility in relation to today was the management of the modification 7 process through the regulatory and consultation processes. And Daniel Martin is our environmental superintendent for Boggabri Coal. He's responsible for the development and carriage of the modification 7 through the regulatory consultation process. So between us, we have been – the majority of the work and the

background to get today has all been through ourselves. Also, we have linked in on telephone Paul Martinkus, who is a project manager working for our corporate group, and he helps support us in major developments and smaller changes. We also have Catherine Phillips, our legal counsel, who, again, helps us through this process.

5

PROF BARLOW: Thank you.

MR BALKS: If I may, I will just give a – a little bit of background and context to Boggabri Coal. Boggabri commenced as quite a small operation in 2006, as purely a thermal coal producer and, at the time, we only had a crushing plant on site and so our product range that we produced was very limited and was before the Gunnedah coal basin was quite a – a high ash product mix of 12 per cent and 14 per cent ash coals.

10

In 2015, we were able to establish an entirely new facility on site. So we – we built and – or we constructed and commissioned a coal handling and preparation facility, new rail spur coming into the mine and – and a number of other infrastructure projects, and we increased the size. It was otherwise known as The Boggabri Coal Expansion Project. As a consequence of that, what we were able to do is expand our product offering into the market quite substantially, going from a relatively high ash thermal coal producer into very, very low ash thermal products and also into coking coal, amongst semi-soft and PCI coking coals.

15

20

So we – that – that was a substantial change in the overall direction that the mine was taking. We also had, during that period, the establishment of the current consent and the current conditions under our project approval, and that's the – the discussion that we're here today. So that was – that project approval was established in 2012.

25

Throughout the life of Boggabri Coal, since its early inceptions, we have been very heavily integrated with our community and we take a – a lot of pride and we put a lot of effort into engagement, consultation, seeking to align with our neighbours, as best we can, considering we're a coal mining operation in an agricultural – otherwise agricultural area. We have a very active, very robust community consultative committee process that has representatives from our close neighbours, our – our shire council and also environmental representatives on that committee.

30

We have taken all of those stakeholders through the journey of this modification. We've had a special community consultative committee meeting specifically to take people through and the presentation that we go through today is basically the same presentation that we gave that committee and also the Narrabri Shire Council, and that was all part of the journey that we – that we had set up to enable us to have what we believe was a – a good, solid, robust consultative process. We took on board feedback through that process and we also addressed what were similar – somewhat similar concerns or issues that people had raised through that – that consultation process.

35

If I – if it's okay, we will just move to the presentation itself. As you've outlined, there are five elements to – to this and they're – secure the biodiversity offsets

through alternative mechanisms is number 1. Number 2 was the use of an approved stockpile area for Boggabri, rather than Tarrawonga Coal. The third item was include the approved exploration activities as part of the current project approval. The fourth was transport small tonnages of coal by road for testing and marketing.

- 5 And the fifth was clarifying the common approval boundary with Tarrawonga Coal mine. And we will just step through each of those as we go.

PROF BARLOW: Thank you.

- 10 MR BALKS: In terms of the biodiversity offset security, because the current project approval was established in 2012, it – it accessed the mechanisms that were available at that point in time and, therefore, our view is that the current project approval limits the security mechanisms available to secure those offsets, because there has been new mechanisms and new ways of – of managing biodiversity offsets. As an  
15 example, since the project was approved, the Biodiversity Conservation Act in 2016 was enacted and that provided access to Biodiversity Stewardship Agreements and Conservation Agreements.

- 20 So it – it expands the – the mechanisms that are available to us. Strictly, under our project approval, as it is written and as it was developed in 2012, these options are not currently available to Boggabri Coal under that project under that project approval, and so that – that limits Boggabri Coal's ability to provide the most effective mechanisms to meet the future biodiversity offset requirements.

- 25 PROF Z. LIPMAN: Sir, can I just ask a question.

MR BALKS: Absolutely.

- 30 PROF LIPMAN: Yes ..... the National Parks and Wildlife Act that you previously were working under, in fact has a – made provision for conservation agreements and that was part of your condition at that stage. So you did have a conservation agreement. The Biodiversity Stewardship Agreements are new. And I notice there that you haven't put in the option for the National Park trade-off, if you wanted to hand it over the National Parks. So – yes, I don't know if you have any comments  
35 on that and whether you're interested in perhaps some of the offsets being given to National Parks?

- MR BALKS: Yes. Yes, we do. So, thank you, that – they are points that we do want to cover off as we move through.

40

PROF LIPMAN: So you're going to cover this as you go through?

MR BALKS: Yes. Yes

- 45 PROF LIPMAN: Okay.

MR BALKS: Yes.

PROF LIPMAN: So I just wanted to - - -

PROF BARLOW: Okay.

5 PROF LIPMAN: But I just wanted to clarify - - -

MR BALKS: Yes.

10 PROF LIPMAN: - - - the – these options were – the Conservation Agreement, in fact, was available at that particular stage under section 69B, which you were working under.

MR BALKS: Yes. We acknowledge that that was the case.

15 PROF LIPMAN: Okay.

MR BALKS: Yes.

20 PROF LIPMAN: Thanks.

MR BALKS: Okay. So we move through to – sorry. So the proposed modification is looking at amending biodiversity offset condition to include, as well as National Parks, the mechanisms that are now available since the 2016 Act was enacted. And over and above that, we're also looking at an extension to the date by which the offset security agreements is required to be finalised until February 2020. And that will enable us to put in place the arrangements for the alternative options to be explored.

30 PROF LIPMAN: Sir - - -

PROF BARLOW: Yes, go ahead.

35 PROF LIPMAN: Yes. I – I would just like to – two things. One is, it – OEH had agreed to December 2019 and, secondly, the delay from 2014 to 2020. Could you please elaborate on that?

40 MR P. FORBES: The – the delays have been spread across – it's been quite a complex issues, with a range of interactions with various government agencies and consultants and other mining operations. So that the cumulative effect of all of that has been to keep moving dates, so by proposing this date, we believe it's a realistic date to get these sorted by. In the past, it has just been the complex interaction, government agencies with other mining operations, consultants' reports and getting progress on all of those. And that is the reason we want to move it out to that date. We believe that's realistic.

45 PROF LIPMAN: Right.

PROF BARLOW: Just a question on that is, looking at your current offsets, do they impinge with Maules Creek and Tarrawonga or – or are they all quite separate?

MR FORBES: Do you want to answer that?

5

MR D. MARTIN: So when you mean impinge, Commissioner, you mean, overlap?

PROF BARLOW: If there's any common – are there any shared offsets?

10 MR MARTIN: Okay. There is. There is one area that – one area that is shared with us and Maules Creek.

PROF BARLOW: Yes.

15 MR MARTIN: And that's split on a fifty-fifty ratio. So the vegetation units there are split – or what's available is 50 per cent Maules Creek and 50 per cent are used for Boggabri Coal under - - -

20 PROF BARLOW: And that's the south – that's the south end, closer to Boggabri, is it, or - - -

MR MARTIN: That – that – that property itself is over near where the rail joins the main rail line between Mungindi and Newcastle.

25 PROF BARLOW: Yes.

MR MARTIN: That property location is - - -

30 PROF BARLOW: Yes, that's that one, is it?

MR MARTIN: Correct.

PROF BARLOW: Okay. Yes, go ahead.

35 PROF LIPMAN: I would just like to ask, if all of the property that's proposed as offsets is, in fact, owned by the mine or whether there's a certain amount of Crown land in the proposed offsets?

40 MR MARTIN: Okay. So one of the things that we've gone forward with with the Department of Planning is looking at offset package from the approval, there was a portion of land that was a TSR, a Travelling Stock Reserve, that was originally put forward under the first expansion program back in 2010 and approved in 2012. That parcel of land was not ..... able to be owned by us because it's a Travelling Stock Reserve, so we've had to find other land within our offset package that we currently own that has the same value to replace that area there. So the overall package of land  
45 that we have is of equivalent value to what was required under the state approval.

PROF LIPMAN: You haven't said whether it's all mine-owned land - - -

MR MARTIN: Yes - - -

5 PROF BARLOW: - - - apart from the ones that .....

MR MARTIN: No, sorry, I - - -

PROF LIPMAN: Yes.

10

MR MARTIN: Sorry. I – all the land that we're putting forward in our package is all mine-owned as of today.

PROF BARLOW: Yes. Yes. Okay.

15

PROF LIPMAN: As of today? So - - -

MR MARTIN: ..... as a period of time, not as of just now, but as - - -

20 PROF LIPMAN: Because when you look to 47(b) of the conditions, it deals with land not owned by the mine.

MR MARTIN: Correct. So under the approval, if you look a couple of conditions earlier, it talks about us securing further land.

25

PROF BARLOW: Yes.

PROF LIPMAN: Yes.

30 MR MARTIN: And we've gone and secured that further land now under ownership and now we've put that into the package.

PROF LIPMAN: So that Crown land is part of the package?

35 MR MARTIN: No, no. That Crown land was replaced by other land at the same value.

PROF BARLOW: So you were ..... you know, quite – it was approved that you were using Crown there that was actually the Travelling Stock Route - - -

40

MR MARTIN: That - - -

PROF BARLOW: - - - which you weren't able to acquire?

45 MR MARTIN: Acquire. Correct.

PROF BARLOW: Yes.

MR MARTIN: That was put forward in the regional – yes.

PROF LIPMAN: Yes.

5 MR BALKS: And, to put that in context ..... just ..... explain what the approximate area of the Travelling Stock Route is relative to the other owned landholdings?

MR MARTIN: Look, I would have to look at the table, Ray, I wouldn't want to go on record and say how big it is. It's only a small portion - - -  
10

PROF LIPMAN: It's roughly about 1000 out of the 8000-odd .....

MR MARTIN: Yes.

15 PROF BARLOW: 1000 hectares is it? Yes.

PROF BARLOW: So you own - - -

PROF LIPMAN: Is that correct?  
20

PROF BARLOW: You have 10,000 hectares ..... don't you?

MR MARTIN: There – it's - - -

25 PROF BARLOW: The offsets.

MR MARTIN: The offsets is a bit better than 10,000 but we – we've also got a surplus available to us, as well. Under the properties that we own ..... about another 2300 hectares.  
30

PROF LIPMAN: And what part of these offsets were you proposing as a contribution to national parks under the biodiversity conservation?

MR MARTIN: Okay. So the – we've – through our consultants have engaged the  
35 OEH and National Parks to put forward what they would like to use as national parks and we're waiting for a decision to be made on those. So we haven't finalised that .....

PROF LIPMAN: But you may transfer ownership of that land?  
40

MR MARTIN: That may be an option if they wish to take it on. They might look at us and say, "Look, the work needs to be further done before we're accepting of that. We were in that part, at the moment, negotiation with - - -

45 PROF LIPMAN: And what's actually happening about the biodiversity corridor? Is that currently proposed for mining?



MR MARTIN: Look, I will take that on note unless Ray or - - -

MR BALKS: Could you just clarify. You're referring to the 500 metres - - -

5 PROF LIPMAN: ..... corridor - - -

MR BALKS: - - - 250 on either side of our northern lease area?

PROF LIPMAN: Yes. Yes.

10 PROF BARLOW: Yes.

MR BALKS: Yes. That forms part of our current project approval.

15 PROF LIPMAN: Right. Right.

MR BALKS: And is in that form.

PROF LIPMAN: Right. Thank you.

20 MS D. MITCHELL: Sorry about that.

MS .....: Shall I hang up?

25 MS MITCHELL: Just hang up. Yes.

MR MARTIN: Was there anything further you wanted to explore on the .....

PROF LIPMAN: Could I just - - -

30 MR MARTIN: Yes?

MR BALKS: Yes?

35 PROF LIPMAN: - - - a last question?

MR MARTIN: Yes. Certainly.

PROF LIPMAN: These proposals are identical to those originally proposed as  
40 offset areas, are they? And, also, are they currently being in the same condition as  
they were when they were proposed or have they – you know, have they been – have  
you been managing these areas in accordance?

MR MARTIN: Okay. The areas are being managed in accordance with the  
45 Biodiversity Management Plan.

PROF LIPMAN: Right.

MR MARTIN: So control of pest species have been undertaken. We complete surveys on these areas. We also – if a vegetation replanting has to occur, we’ve undertaken that – fencing, removal of rubbish. Those works are – have – already started and taken place across our full range of offset package that we’re currently  
5 undertaking to look after at the moment ..... you asked the question are they the same as the two thousand and .....

PROF LIPMAN: Yes.

10 MR MARTIN: Well, the – once again, the TSR issue that we just spoke about – it was put forward in 2012 but it had to be – it – because we couldn’t own it, we’ve put forward another package of land to - - -

PROF LIPMAN: Yes.

15 MR MARTIN: - - - sort that out.

PROF LIPMAN: Thank you.

20 PROF BARLOW: And has that been approved by whoever approves it – the - - -

PROF LIPMAN: OEH?

PROF BARLOW: - - - OEH?  
25

MR MARTIN: The – well, satisfaction of OEH by the Department of Planning.

PROF BARLOW: Yes.

30 MR MARTIN: Yes. So that’s in there.

PROF BARLOW: Thank you.

PROF LIPMAN: Thank you.  
35

PROF BARLOW: That’s - - -

MR MARTIN: Okay.

40 MR BALKS: One of the other things we just wanted to cover off as we move through – it’s on the next slide – is just the – our feedback on the Agency’s comments that were made and presented in the assessment report. So there has been a series of special interest group representations made in this process and our view and consistent with the interaction we’ve had with Planning is that this proposed  
45 change in the modification or the approval will not change, alter or diminish the offset obligations and that there will be change to the biodiversity impacts as a consequence of this modification.

PROF BARLOW: Will it – if as part of these negotiations, you move – are able to move some of your offsets into a national park, that would be an improvement in terms of the level of management, in terms of conservation?

5 MR BALKS: Our view is that the modification that we're proposing provides additional opportunities to improve from where we are today, including that - - -

PROF BARLOW: Yes.

10 MR BALKS: So it's a modification which brings us to a current – so currency - - -

PROF BARLOW: Yes.

15 MR BALKS: So we've got a change – things have changed since we – our original. We want to take advantage of those changes because it gives an improved position overall for our biodiversity management.

20 PROF BARLOW: And if I can ask a supplementary there, this proposed, you know, extension, you know, from December this year to early 2020, is the potential for moving it into a national park part of that reason for the extension?

MR MARTIN: Okay. So part of the reason for the extension was (1) with the property issue that we just discussed with the TSR.

25 PROF BARLOW: Yes.

30 MR MARTIN: Also, there has been a lot of work done with the Government and there has been previous modification changes that required – with this project that required more offsets to be included because of the footprint as it slightly expanded in certain areas. So we were required to increase our offset footprint, as well, to offset that impact.

PROF BARLOW: Yes.

35 MR MARTIN: They've all gone through – along with working with our neighbours and the community – mining community around the Leard State Forest, there has been other documentation that has taken some time to get ..... time ..... development planning. So that has caused delays in us getting our final acceptance, to getting us on the way to getting these conservation agreements in place.

40

PROF LIPMAN: ..... December to February, as well?

MR MARTIN: Yes.

45 PROF LIPMAN: Right. Thank you.

MR BALKS: And to specifically answer that question, because we've got other mechanisms available - - -

PROF BARLOW: Yes.

5

MR BALKS: - - - on the basis this get approved, such as the national parks one that you mentioned, we need additional time to be able to consult on that, discuss it and then put it in place. So the answer is yes, it would be one of the mix that we've got.

10 MR MARTIN: Yes.

PROF LIPMAN: And - - -

PROF BARLOW: And you're confident that - - -

15

PROF LIPMAN: .....

PROF BARLOW: - - - you will get it done? Sorry, Zada. You're confident you're going to get it down by early 2000?

20

MR Forbes: We will work to do that. We believe we are at this stage. I mean, as with all these things, the devil is in the detail once you start to work ..... but there's a lot of work already been done, so we're confident the dates will - - -

25 PROF BARLOW: Do you have any more questions?

PROF LIPMAN: No .....

PROF BARLOW: Please proceed, Ray.

30

MR BALKS: Okay. Thank you. So we will just move on to the second item - - -

MR FORBES: Slide 8 - - -

35 MR BALKS: Sorry.

MR FORBES: Yes – yes – or that one?

MR BALKS: Yes. That one .....

40

MR FORBES: Sorry ..... where – what .....

MR BALKS: Sorry. I mentioned that we just take you through the Agency's feedback, as well, which is this slide - - -

45

MR FORBES: I will get it on the right slide in a minute. Sorry.

MR BALKS: The one before. That's it.

MR FORBES: Yes.

5 MR BALKS: Are you right?

MR FORBES: Yes.

10 MR BALKS: The OEH supports the modification, so OEH agreed that this extension to finalising the security up until February 2020 is a reasonable timeframe to secure the offsets through these additional security options. And the department and OEH considered that the additional security mechanism options would strengthen the statutory protection of the offsets - - -

15 PROF LIPMAN: Excuse me. Could I ask a question. It's just a technical one. But do you have a letter from OEH or any – to say that it's February to – because all I've got – 2020 – all I have is December 2019.

MR BALKS: No. This is the proposal and - - -  
20

PROF LIPMAN: And - - -

MR BALKS: - - - this is what is in the department's assessment report.

25 PROF BARLOW: Yes.

MR BALKS: So it's a recommendation at this point in time. We don't have anything other than that recommendation.

30 PROF LIPMAN: But there's no indication that – a written indication that OEH has agreed to February 2020 at this stage.

MR BALKS: No.

35 PROF LIPMAN: Right. Thank you.

MR BALKS: No. We would expect that subsequent to the approval of the modification, and we would work through that and get that approval.

40 PROF LIPMAN: The difficulty with that is OEH has indicated in the correspondence we have that it wants it by 2019. So, you know, the – anyhow, we will - - -

MR BALKS: Okay.  
45

PROF LIPMAN: We can back to them and find out that's in order.

PROF BARLOW: Yes.

MR BALKS: So the second item that we just wanted to discuss was the use of a coal stockpile area, and if you don't mind, I will just stand up. So Boggabri Coal has  
5 a coal preparation plant. On this side, the coal comes in from the mine and then is stockpiled prior to processing. We have a processing plant in the middle, and then the product coal is stockpiled on site at the area that's the black rectangle prior to it being put onto the train load out and sent to port for shipment. As part of our approval, we have two distinct stockpile areas. We have a black area, and we also  
10 have the purple area. The infrastructure that exists on-site at the moment allows us to stockpile on either the top area or the bottom area.

We have complete infrastructure in place to recover coal off the black area and take it through to the train load out. At this point in time, we haven't installed the reclaim  
15 infrastructure to be able to reclaim off this pad, but it is part of – the original approval is the area in purple going across. In the approval, the purple area is specifically referred as the Tarrawonga product coal stockpile, and we're seeking to have the option for Boggabri Coal to be able to utilise that stockpile which is already in place and already approved within the project approval; therefore, there are no  
20 additional impacts over and above what was previously considered. It's – it is the case that the project approval specifically refers to that as Tarrawonga because that was a commercial arrangement that was being put in place at the time the approval was put together.

25 PROF BARLOW: Yes. And if – you know, after the determination of this proposal, that would then become – now, we're assuming that's all fine – that would then become a Boggabri Coal Plant. So it would not be any longer a Tarrawonga coal mine.

30 MR BALKS: Yes, correct. Yes. The purpose of doing that is – is primarily twofold. One is – I mentioned earlier that during the – I will just go back – I mentioned earlier that we expanded the whole – all of this facility was new as part of the expansion project and as – as a result of the 2012 project approval. And you will notice that there's four distinct stockpiles, and that's because you can't see it but  
35 underneath the ground, in the middle of each one of these stockpiles, is a hole and a valve which releases the coal to go into the – into the ground, to an underground tunnel which goes all the way from this point through to here, and in that tunnel is a conveyer. So the coal goes down through the valve, onto the conveyer, and then the conveyer takes the coal to the train load out.

40 Because of the type of system that we have onsite, we are limited to four different types of coal, which limits us to four specific products. Despite the fact that our coal inherently, in the ground, is capable of making quite a large range of different products. So one of the benefits to Boggabri Coal of having access to this area is that  
45 we can set up additional stockpile locations to increase the number of products that we can produce and offer into the market.

The second benefit that it provides, and the reason why we're seeking the – the modification, to the wording, is that, at points in time, we have to take out of service an entire stockpile area to be able to maintain this valve and underground equipment that is used to feed it. It has a – a limited life and has to be maintained and changed  
5 out. And what happens is that, if we take one of these out for maintenance, we can't use this stockpile area for a period of time and by having additional access – Boggabri Coal having additional access on this side, it enables us to plan and – and schedule our maintenance activities of the – the valves that have to be done on a – a regular basis.

10

PROF BARLOW: Are there chutes under the Tarrawonga – the old Tarrawonga site?

MR BALKS: No. Currently we don't have in place the – the infrastructure to be  
15 able to come across. There's – there are two different options. One of them is to replicate exactly the same type of equipment here, which is an underground conveyer. The other option is to put in place, effectively, what we call a – a feeder breaker, whereby the coal is – is pushed into the feeder break on the surface, and then you don't need that. So we're looking at both of those potential alternatives.

20

PROF BARLOW: Yes. Thank you.

MR BALKS: So as I said, the approved mine layout that was a part of the original assessment included the dedicated coal stockpiles, as they're currently established.  
25 The purple area is not, and is not contemplated to be used by Tarrawonga Coal Mine into the future. And that all of those activities have already been assessed, so this – this change does not represent any additional impact in terms of the – the operation. The other aspect of this is that we currently have a – a – a limit of 8.6 million tons to be handled through our infrastructure facilities, and we're not seeking any change in  
30 – in that production. It's just purely the ability to be able to access and use that area. And in response – an in the department's assessment report, they had no objections in terms of this change. So is there any questions on that?

PROF BARLOW: Not – not for me.

35

PROF LIPMAN: No.

MR BALKS: Ian?

40 DR I. LAVERING: No, I was just going to backtrack a little bit more, back to your geological side from – how much seam variation are you getting in – in terms of quality, for the various seams that you've got?

MR BALKS: It's – it's not dramatic. So over the strike length of the coal, it  
45 changes.

DR LAVERING: Yes.

MR BALKS: So our southern area is slightly higher ash on average.

DR LAVERING: Right.

5 MR BALKS: As we move into the – the middle third - - -

DR LAVERING: Yes.

10 MR BALKS: - - - it improves. By about the middle of the lease, it improves again.  
So we're fortunate from a coal mining perspective that we're one of the operations  
where the coal continuously gets better.

DR LAVERING: Gets better.

15 MR BALKS: So - - -

DR LAVERING: As opposed to the other way.

20 MR BALKS: Yes.

DR LAVERING: Yes.

25 MR BALKS: But – but our infrastructure and our coal processing plant has given us  
the ability to – to process the coal and therefore – instead of having what was a  
thermal operation only - - -

DR LAVERING: Yes.

30 MR BALKS: - - - we can now produce metalliferous coals.

DR LAVERING: Yes.

MR BALKS: And the very, very low ash thermal coal - - -

35 DR LAVERING: Yes,

MR BALKS: - - - which suits our markets.

40 DR LAVERING: And, of course, that has implications for the other – two of the  
other things that we're going to deal with today, with the sampling, marketing - - -

MR BALKS: Correct.

45 DR LAVERING: Yes.

MR BALKS: Yes, that's - - -



DR LAVERING: Also your exploration.

MR BALKS: It's a straight feed on to those, as well.

5 DR LAVERING: Okay. Thank you.

PROF BARLOW: Thank you both.

10 MR BALKS: If it's okay, we will move on to the - - -  
PROF BARLOW: Yes.

MR BALKS: - - - the next – the drilling and exploration activities. In discussions with the department, we – we already have approval to undertake drilling and  
15 exploration activities as part of the – the mine. It – it is not expressly clear in the project approval that we have that. It's built up in our other – other approvals, so in our – through our – our mines operations plan. Through the exploration that we previously had approved and it's not – and because it's not expressly nominated in the project approval, in discussion with the department they agreed with us – we  
20 wanted see more clarity and we wanted the clarity to be in one – one area of approval, which was the project approval.

So as a consequence of that, we've put this in as a proposed modification and it's expressly to include the exploration activities within our disturbance area that's  
25 already approved and within the current lease – the coal lease area that we have. It was incorporated in our environmental assessment as part of the arrangement. There are no net impacts in terms of this change and it's something that we already manage through our – both our environmental management plans that we have on site, but also through the – the exploration drilling guidelines that we operate under within  
30 New South Wales.

If you could just jump to another page. Just to explain in – to give you some scale context, we have our existing pit operations. It's an open cut mine, so we're removing overburden, which is the white material or waste, and we – we take that  
35 from the – the front edge of the mine. The mine is moving in this direction generally. We take that and we put that into our overburden dumps behind us, in advance of rehabilitation. We're exposing the coal. So they're – they're the operations that happen on a daily basis.

40 When we – before we started mining, we had done an exploration program which enabled us to see and have a – a view of what coal resource was there. It's done on what we call very wide spacing. So to give you a bit of an idea, it's roughly two kilometres from this side of the pit to this side of the pit, and our exploration drilling is at centres usually a minimum of 250 but they're up to 500 metres apart. So you  
45 can literally have a hole here, one hole in the middle, and one hole on the other side, in some areas.

- At an operational level, that is far too widely spaced for you to know what is coming up in front of you and so, on an annual basis, we go and do what we call infill drilling and each one of these little dots is a drill hole that were drilled in 2017 and that enables us to be able to identify very accurately what our coal quality is to – it gives us quantity. It gives us the quantity of waste material we're going to move, the quantity of coal we're going to intersect, the quality of the coal and that then enables us to put in place our marketing plans and develop our sales plans with our customers.
- 10 The other thing that this drilling does, it provides a view of what we call structure. And the structure is things like how the coal seams roll, whether there's any major faults which – the coal seams form by moving and there is also volcanic activity in this area, so there's a – a whole range of dykes and sills. All of those faults and folds and volcanic dykes and sills all create potential safety hazards for the mine, in terms of high wall stability, stability inside the mine. And so we utilise a whole range of exploration activities, including drilling, to be able to have a – a view inside the forward position of the rock and the – the coal seams and so we can have a – what we call a geological model which enables us to understand what we're going to encounter moving forward.
- 20 And that's the background to seeking to ensure that there's absolute clarity, that – between now and the – you know, and the end of the project, that the project approval has that level of clarity in it, that they're the sorts of activities that we do do.
- 25 PROF BARLOW: And, in effect, all the areas that you would be undertaking exploration activities in will be mined at some point?
- MR BALKS: Correct.
- 30 PROF BARLOW: Yes.
- MR BALKS: Yes. Yes. So that – exactly. That area – I will just demonstrate on the board again that if we were to take this picture forward two years, what this line with the coal being exposed will be sitting here and the tree clearing and the additional holes will have been planned out for that next phase. We're typically looking to have these drill holes cover up to about two years in advance and that enables us to do all of our planning and scheduling operationally and at the marketing level. So we've got a full and comprehensive understanding of what we've got coming up in the future. But all of those would be mined out as the mine moves forward. Just to give you some scale, the mine moves forward approximately – if we go back here – about one of these blocks to one and a half of those blocks per year. So that's approximately the two year mark that you've got on that slide.
- 45 PROF BARLOW: Thank you. It's clear.

MR BALKS: I will move on to the next item, which is the transportation of the coal samples by road. To give you some history, if I can just utilise your diagram that you have - - -

5 PROF BARLOW: This one?

MR BALKS: This one – yes – that one. You pointed out a block - - -

10 PROF BARLOW: Down here – is that the one? The joint offset block?

MR BALKS: The joint offset block.

PROF BARLOW: Yes.

15 MR BALKS: That was – prior to 2015, that was our rail terminal. So we transported coal by road from Boggabri Coal along a private access haul road down to the railhead and the trains come in off the main line and then took the coal. As part of the expansion that I explained earlier, that was commissioned in 2015, we extended the rail spur through – directly into the mine and that earlier photo – I  
20 pointed out the rail is directly adjacent to our coal handling facilities. At that point in time, there was a change in the trigger – a trigger change in the project approval that said once you have that coal spur – sorry, that rail spur commissioned and operating, that there would be no further transport of coal by road, which was previously a condition that we could do because of - - -

25

PROF BARLOW: Yes.

MR BALKS: - - - the transport ..... unwittingly, that then – and we rail all of our product coal to port, to have it shipped overseas. That change in that trigger  
30 unwittingly could lead people to believe that it also includes things like our coal sampling and our coal that we produce for marketing purposes. So, from time to time, and this gets back to the point about the coal product and the coal quality. As an example, in the last couple of years, we've had to send what we call bulk samples of our coking coal off to Germany because that's the only location in the world that  
35 has large enough sampling facilities to do full coke oven testing of coking coal at a level that meets our customers' requirements. And so to do that, we put that coal into 44 gallon drums. We put it in a container. It's all sealed and airtight. It goes on a truck and then it goes down to the port.

40 To do that for one container or for one 44 gallon drum, in the current approval, it contemplates it and we have to go through a process of getting approval from RMS and Narrabri Shire Council and that in itself hasn't been an issue. The other aspect of it is that we've got an onsite laboratory where we do all of our operational testing. Our onsite laboratory has a certain scope and we have people trained up to be able to  
45 sample it. There's other tests that we need to do on our coal that are outside the scope of what our laboratory can do, so we need to send coal off in to – samples off

in to Gunnedah and off in to Newcastle laboratories because they have a much broader scope of the ability to do the sampling.

5 Now, we can't do that other by road and we're seeking for that. In terms of discussions with the department, we've acknowledged that we don't want to have a significant amount of scope to be able to do that and we've noted that the department has come up with 200 tonnes per year or 10 heavy vehicles per year, and that is more than enough to meet the forward requirements that we have. Have you got a – the most frequent - - -

10 MR FORBES: Is that what you're looking for?

MR BALKS: Yes. The most frequent way in which we would take coal offsite is in 20 litre containers to go into the laboratory and that's for coal sampling, as in to determine the properties of the coal. We also send in – or have a requirement from time to time to send in what we call 44 gallon drums and this is for what we call sizing.

20 So we establish how large the coal is at one end and how small it is because that's part of our customer requirements is they have a certain band that we can operate in and we need to get that tested in an accredited facility. So that is literally – that is typical of what we would want to do moving forward. This doesn't happen as often. That's occasional. And if you look at the amount of weight, there's literally 20 kilograms per bucket and this one is about 200 kilograms, so we're talking about a one tonne ute that would go in and out.

30 The estimates that we've put in our application are based on if we did this over and above what currently happens on the site. The reality is those utes are driven in and out by the laboratory technicians every day so that the incremental traffic that would actually be on the road is much smaller than what we estimated. But, for the purposes of having the information as clear as possible, we established what we felt was the right frequency and we've done our calculation on that and that's what we presented in the report.

35 PROF BARLOW: Thank you. Any – Ian?

DR LAVERING: No, there's nothing more from me .....

40 PROF BARLOW: No.

MR BALKS: The next item that we've got is a project boundary adjustment. And I will come back to the slide if that's okay. I will first explain what it is on the graphic that we've got. So this graphic is showing the Boggabri Coal Mine, which is the brown, Tarrawonga Coal Mine, the area to the south and where they have a common boundary. Over time, the lease boundaries have changed between Tarrawonga and Boggabri Coal. And, most recently, there has been a change from a lease boundary, which is the blue line, and that lease boundary ..... the red line. Our project boundary

is currently still sitting at the blue line and our proposal is that we move that project boundary up to coincide with our now current lease boundary and therefore it would pick up this green area.

5 So this is a phasing or a timing adjustment between the different positions that the lease boundary has held and where we've moved it. And the reason that we've this up, particularly from the blue line to the red line, is that there's a major fault that sits pretty much in about the middle of this area and we – our limit of mining was down to this point. Tarrawonga are operating on the other side of the fault and they have a  
10 different sequence of coal that they're mining and a different ..... of mine plan and they're able to mine through and come up into this area productively and cost effectively. So that's why we made the change that we did in terms of the lease boundaries and now we want to align the project boundaries, as well.

15 PROF BARLOW: Okay. Thank you. That's - - -

PROF LIPMAN: And that has all been approved and - - -

MR BALKS: Yes. All – the leases have all gone through. They're finalised. That's  
20 now – we're now sharing those – that common boundary. And we're now working our way through with planning in terms of ensuring that we've got good rehabilitation plans and everything is in place.

PROF BARLOW: So the change in the boundary would mean that Tarrawonga  
25 would assume responsibility for rehabilitation up to the new boundary?

MR BALKS: Correct.

PROF LIPMAN: Yes.

30 DR LAVERING: You recognised when you were mining through that area that that fault was there and just said, "Well, you know, it's makes no sense in rejigging everything and – just for this tiny little sliver"?

35 MR BALKS: Correct.

DR LAVERING: Yes. Okay.

MR BALKS: Yes. Because it was such a dominant fault the seam sequence on our  
40 side is different to the seam sequence on the other side of that fault. And Tarrawonga were already mining that sequence - - -

DR LAVERING: Okay.

45 MR BALKS: - - - and we weren't.

DR LAVERING: Yes.

MR BALKS: So it didn't make any operational sense or economic sense because we would have had to - - -

DR LAVERING: That's right.

5

MR BALKS: - - - totally change what we were doing - - -

DR LAVERING: The whole operation.

10 MR BALKS: - - - for a very, very small window of coal.

DR LAVERING: Yes. Yes.

PROF BARLOW: Okay.

15

MR BALKS: And the - just go on to the next slide, Pete - - -

MR FORBES: The next one or the last one?

20 MR BALKS: The last one.

MR FORBES: That one there? Is that the one?

MR BALKS: So there's - just to summarise, there's no impacts from this change.  
25 It doesn't change anything that's happening at the site and it does mean that there is absolute clarity about who is responsible for which parcels of land, both mining and the rehabilitation. The only agency feedback that we've had on that was that the EP noted that Boggabri Coal would need to apply for a change in its environmental protection licence to, again, align those areas - - -

30

PROF BARLOW: The area.

MR BALKS: - - - which we will do.

35 PROF LIPMAN: Right.

PROF BARLOW: So - but it's not an expansion, it's actually a retraction.

PROF LIPMAN: Yes.

40

MR BALKS: Yes. Yes.

PROF BARLOW: Good. So that's it, is it? Or is there more? That's - no that's fine.

45

MR BALKS: No, look, what we - we just wanted to cover off two other things, and I won't spend a lot of time on this.

PROF BARLOW: Yes.

MR BALKS: We've nominated what the modification item, numbers 1 to 5 are, on the left.

5

PROF BARLOW: Yes.

MR BALKS: And then we've put in the DPEs evaluation of those impacts, which is the information that has been extracted out of the – the Department of Planning's assessment report. I've already mentioned those on the way through. It's – if you would like us to provide any further comment or if – if you've got any other questions, just to clarify our view, we align with and agree with the department's evaluation of the impacts and we also align with and agree with the recommendations that they have in their assessment report.

10  
15

PROF BARLOW: Yes, we – we've noted – that's good. We've noted that, yes.

MR BALKS: And the last thing that we wanted to cover off is to have or to provide a view of the – some of the responses to representations. So we note that there's a – a range of responses that came in. There were some particular themes, if I can call it that, and we've just comment – we're just going to provide comment on the themes, not specific response that came in at an individual level, if that's okay.

20

PROF BARLOW: Yes.

25

MR BALKS: So there was a general concern in relation to the biodiversity offset changes that we've noted. Our view was that that would, at a minimum, maintain what we already have or, in fact, improve it. And our view is that that – that – that is the way that we see that moving forward. So whilst we appreciate that other people have other views and other concerns, we – we believe that we – we satisfy all of the requirements and that it puts us in a better position to manage that, moving forward. Our obligations - - -

30

PROF BARLOW: Just - - -

35

MR BALKS: Yes?

PROF BARLOW: Just a question on that. As this modification didn't go on exhibition, where is – what's the source of information from those that are expressing concerns about that? Is that from the public consultations? Because where would they be getting their information?

40

MR BALKS: I – I don't – I can't answer where they get their information from.

45

PROF BARLOW: I know - - -

MR BALKS: Where – where I’ve got that – or where we’ve got that view from is  
- - -

5 PROF BARLOW: But I – I’m really saying the official channels that you, as the  
company, might have put forward some of the – as it didn’t go on exhibition, it’s - - -

MR BALKS: Okay.

10 PROF BARLOW: - - - I’m just sort of saying, how did it get into the public arena?

MR BALKS: Yes.

MR FORBES: We consulted with our community consultative committee.

15 PROF BARLOW: Yes.

MR FORBES: So we believe, through the community consultative committee,  
people have then shared that with the community.

20 PROF BARLOW: Yes.

MR FORBES: So the information has become available through that process, which  
we think is fair and reasonable. And that’s quite – what we would expect our CCC  
members to do, to talk to their community about that, so that’s the answer to that.

25 PROF BARLOW: Yes, that’s what I guessed.

MR BALKS: We – yes, we also consulted Narrabri Shire Council and we also  
consulted our near neighbours. We’re – we have a community and business progress  
30 association in Boggabri who represent the people in the near field, Maules Creek,  
Boggabri and – and the surrounds, and we’ve consulted all of those groups quite  
heavily through this process. So does that answer the question okay?

35 PROF BARLOW: Yes, that’s good. Thank you.

MR BALKS: So just in summary, we see that this modification is addressing some  
changes in the law. It’s – there are some administrative changes that are involved.  
There’s no new environmental impacts associated with any of the items. We believe,  
overall, it provides a greater certainty than the current approval, in respect of  
40 biodiversity offset security moving forward. It clarifies the regulation in relation to  
exploration activities and it delineates the responsibilities between Boggabri Coal  
Mine and Tarrawonga Coal Mine in relation to the project boundaries. And it also  
removes unnecessary operational constraints, particularly in relation to the road  
transport of coal samples, is – is what that point is – is referring to. And – and we  
45 would – we’re open for any further questions.

PROF BARLOW: Well, thank you, Ray. Ian, do you have any more questions?



DR LAVERING: Just going backwards slightly, and I apologise for this, the maximum size sample you take for road transport, particularly, say, for Germany, with your bulk testing there. What would be the largest size, you reckon?

5 MR BALKS: We – our containers are usually 20 ton containers and we would expect that the maximum would be three containers at any point in time, which would be 60 - - -

10 DR LAVERING: So you've still got scope for another seven if you needed in the year.

MR BALKS: Yes, yes.

15 DR LAVERING: Yes, okay. But you – that – that's an oddity, not a – not - - -

MR BALKS: I can – I can advise that we've done that once to Germany in that scale in the last two years, and we haven't had any others at – at that scale. They've been more the ute size - - -

20 DR LAVERING: You've sent it there because that's the laboratory, or whatever, the results that the market - - -

MR BALKS: Correct.

25 DR LAVERING: - - - counts to give them a good idea of what they're buying.

MR BALKS: Yes.

30 DR LAVERING: Okay.

PROF BARLOW: Zada?

PROF LIPMAN: No.

35 PROF BARLOW: Well, I think we just have to thank you for a very comprehensive presentation which has helped us a lot to – you know, clearly we've read all the material but it helps to have this interaction so that we understand it and – and we will go forward to this public meeting tomorrow morning, and then we expect that we will make a determination, I think, through this process today. I don't think  
40 we've asked you for any more information that you've given us, so – so I don't think there will be any follow-up. I suppose, our only – only concerns with this is the delay in the biodiversity – the deadline. That – that is the concern we have and – and how we deal with it, just to be perfectly honest, where we are – seemingly, the other four modifications do seem to be rather straightforward.

45

MR BALKS: Yes. Okay. All right. No, that's good feedback. Is there anything further that we can provide in relation to that timeframe, with the biodiversity, that may assist you in the process – the assessment process?

5 PROF BARLOW: Zada, you have knowledge in these areas.

PROF LIPMAN: Maybe – perhaps if you just gave us a history of the events. You know, it was rather difficult to understand exactly what had delayed it for four years. If you could just set out a history and what stage you're at at present - - -

10

MR BALKS: Yes.

PROF LIPMAN: - - - what still remains to be done and, in particular, why you want to go from – also from December to – to February. That would be very useful.

15

MR BALKS: Okay.

PROF BARLOW: That would be a way that we could gauge progress. I know it's hard.

20

MR BALKS: No, that's okay.

PROF LIPMAN: Also, sorry, the – the transfer of ownership of the Crown land that you're talking about, as well. That would be useful to know that that has actually gone through.

25

MR BALKS: The travelling stock route?

PROF LIPMAN: Yes.

30

MR MARTIN: No, it didn't go through.

MR BALKS: Didn't go through.

35 PROF LIPMAN: Well, the – well, the alternatives to that. That didn't go through, sorry.

MR BALKS: Yes.

40 PROF BARLOW: The offsets that came when the - - -

PROF LIPMAN: The offsets that came from that.

PROF BARLOW: - - - when you were able to secure the travelling stock route.

45

PROF LIPMAN: So that – that – that an explanation on that would help a lot.

MR BALKS: And if we were to clarify the – the areas of land that are associated with that - - -

PROF LIPMAN: Yes.

5

MR BALKS: - - - TSR that we talked about earlier, as well, so that we – you’ve got that level of clarity.

PROF LIPMAN: Absolutely.

10

MR BALKS: Okay. All right. We will do that. Have – is there a particular timeframe that you would like us to respond by?

PROF BARLOW: I think – well, I guess, in your interests and our interests, we would like to finish this determination as soon as possible, but, you know, would a week be enough – you need?

15

MR BALKS: Yes.

PROF LIPMAN: So we’ve got the public meeting tomorrow, and then we’ve got to wait a week for submissions to come in on that.

20

PROF BARLOW: Yes.

PROF LIPMAN: So if you could do it in that time period - - -

25

MR BALKS: Okay.

PROF LIPMAN: - - - it would be excellent.

30

PROF BARLOW: That’s what I was thinking.

MR BALKS: Yes, certainly.

MR FORBES: By the end of next week?

35

PROF BARLOW: Yes. End of next week would be fine, thank you.

MR BALKS: Yes, we don’t see any issues in responding by the end of next week.

40

MR FORBES: No.

PROF BARLOW: Yes. Okay. That’s good. I know it’s quite quick but it’s in everyone’s interests to get this finished.

45

MR FORBES: Relatively straightforward. We just need to check some details.

DR LAVERING: That – that really helps us in our understanding of why the situation has come about - - -

MR BALKS: Yes.

5

DR LAVERING: - - - particularly when you're probably doing things ahead of what the ones who have to respond to you can accommodate.

MR BALKS: Yes.

10

DR LAVERING: So – yes, that – that helps us understand.

PROF BARLOW: Well, thank you very much for your time and coming in here to talk to us today. It has been very useful for us, Ray, Peter and David – and, of course, Paul and Catherine online. So we look forward to receiving the – what we've just talked about and we will proceed.

15

MR BALKS: Thanks for your time and your consideration. It's appreciated.

20

PROF LIPMAN: Yes. Thank you.

MR FORBES: Thank you.

MR BALKS: Thank you.

25

MR P. MARTINKUS: Thank you.

PROF LIPMAN: Thank you.

30

PROF BARLOW: Thank you.

**RECORDING CONCLUDED**

**[1.09 pm]**