



PHASE THREE COMMUNITY ENGAGEMENT REPORT

A summary report: What the community told Alcoa about the Anglesea Mine Rehabilitation and Closure Plan
PUBLISHED AUGUST 2017

INTRODUCTION

After 46 years of operation, Alcoa’s Anglesea Power Station and Coal Mine was permanently shut down in August 2015. The planning for the remediation and closure of the mine site, and the decommissioning and remediation of the power station, is progressing.

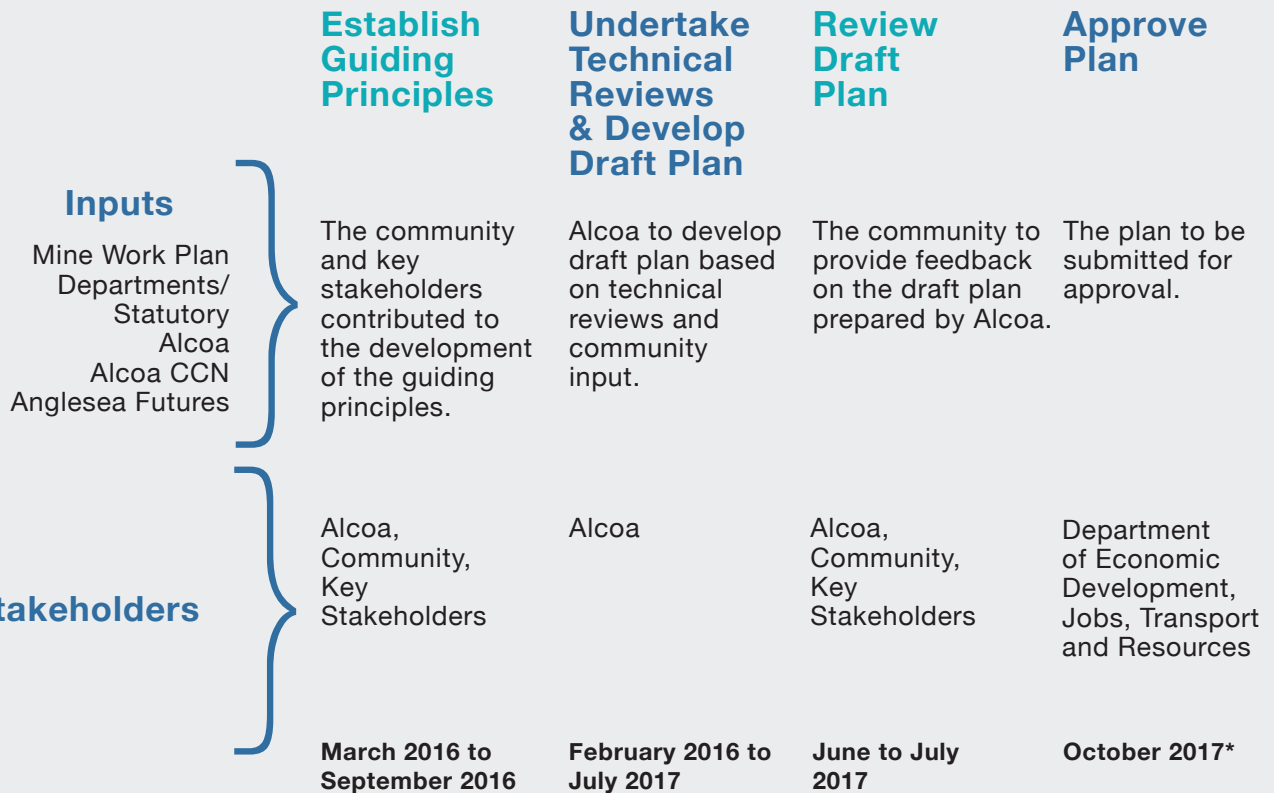
Alcoa understands the community’s interest in the Alcoa site, and has continued to actively engage with the Anglesea community and key stakeholders about the future of the leasehold and freehold areas.

Across 15 months Alcoa undertook a three-phase community engagement program inclusive of a range of activities and communication, in addition to the ongoing Alcoa Community Consultation Network.

In June 2017, Alcoa undertook phase three of its community engagement program to seek feedback from the Anglesea community and key stakeholders on the Mine Rehabilitation and Closure Plan, ahead of its submission to the State Government for approval.

This report outlines the feedback received by Alcoa during the engagement period.

Key Development Timeline



* Subject to statutory approval process

THE ANGLESEA MINE REHABILITATION AND CLOSURE PLAN

The Minerals Resources (Sustainable Development) Act 1990 provides the framework for rehabilitation and closure of the Anglesea mine site as it applies to the coal mine operation under the Mines (Aluminium Agreement) Act 1961 (MAAA). The Anglesea Mine Work Plan (Work Plan), approved September 2011, sets broad concepts for the mine rehabilitation and defines a process for the site closure inclusive of community engagement.

The Mine Rehabilitation and Closure Plan, prepared by Alcoa in 2017, is underpinned by key geotechnical, hydrological and vegetation technical studies undertaken by experienced consultants, with these being independently peer reviewed where appropriate.

It is also considerate of the five Guiding Principles developed during broad community consultation undertaken by Alcoa, and reflective of the community's aspirations for the site.

Features include safe and stable landforms, a water body, extensive rehabilitated areas, and proposed areas and access for potential future alternative uses. It is envisaged rehabilitation will be managed by Alcoa over about the next ten years.

The Mine Rehabilitation and Closure Plan will be submitted to the regulator, Earth Resources Regulation of the State Government's Department of Economic Development, Jobs, Transport and Resources (DEDJTR) for approval.



ALCOA'S COMMUNITY ENGAGEMENT

In keeping with Alcoa's long term engagement with the Anglesea community, Alcoa is undertaking a broad program to capture the community's views and aspirations for the future of the Anglesea site.

Alcoa's community engagement has been a three-phase strategy, commencing formally in March 2016 and inclusive of a range of engagement activities and communication.

In addition, the long-established Alcoa Community Consultation Network (CCN), provided further opportunities for the community to seek additional information, and provide input, on the development of the Mine Rehabilitation and Closure Plan.

PHASE ONE

From March to June 2016, Alcoa established the community's aspirations for the former power station and mine site. Alcoa initially collaborated with its Community Consultation Network (CCN), and Anglesea Futures, to develop five draft Guiding Principles to lay the foundation for broader community engagement:

- Provide a safe and stable landform for future use
- Support a diverse range of future uses and outcomes
- Complement the future of the Anglesea region
- Value and complement the natural environment
- Honour the various cultural and heritage values of the area

With these draft Guiding Principles, Alcoa then engaged broadly with the Anglesea community through community workshops, listening posts, CCN meetings, advertising and online to seek feedback.

PHASE TWO

In August 2016, Alcoa released expanded Guiding Principles to capture community feedback received in phase one. Engagement with the community via CCN meetings, an online discussion forum and submissions, tested the expanded guiding principles to ensure they accurately captured the community's aspirations for the future of the site.

The expanded Guiding Principles were then finalised and published in September 2016.

PHASE THREE

Alcoa's third phase of community engagement gathered the community's feedback specifically on the proposed Mine Rehabilitation and Closure Plan, ahead of its submission to Government.

Conducted in June 2017, activities included community drop-in sessions (two with technical study consultants participants), advertising and an online forum.

A summary of the feedback received by Alcoa is outlined in this report.

PHASE THREE: SNAPSHOT OF ENGAGEMENT

Engagement Activities



3
Community drop-in sessions



1,100
Letters to Anglesea residents



4
Advertisements in the Surf Coast Times and Echo



100s
Brochures distributed to the Anglesea Community

Engagement Response



157
People attended drop-in sessions



761
Visitors to project website



265
Plans downloaded from project website



323
Points of written feedback collected



95
Surveys completed



222
Registered participants on project website



120
Registered CCN participants on email database

SURVEY DEMOGRAPHICS

67% lived permanently in Anglesea

22% non-permanent residents



11% were classified "other" e.g visitors/workers

60% had participated in previous community engagement with Alcoa

33% represented various community organisations

WHAT WE HEARD: THE GUIDING PRINCIPLES

Respondents were asked if the five Guiding Principles, developed in previous phases of community engagement, had been appropriately applied in the plan by Alcoa:

DID ALCOA ADDRESS THE GUIDING PRINCIPLE?



PROVIDE A SAFE AND STABLE LANDFORM FOR FUTURE USE

- Ensure long term land stability
- Ensure the fire risk to Anglesea is not increased
- Long term lake water quality to meet or exceed adjacent water sources



85% OF ALL RESPONDENTS SAID YES.



VALUE AND COMPLEMENT THE NATURAL ENVIRONMENT

- Integrate the site's environmental attributes to facilitate future uses
- Consider and complement the sustainability of the Anglesea River
- Rehabilitation to complement surrounding flora and fauna



89% OF ALL RESPONDENTS SAID YES.



SUPPORT A DIVERSE RANGE OF FUTURE USES AND OUTCOMES

- Facilitate a range of recreational options
- Consider tourism opportunities
- Ensure the appropriate integration of a lake



82% OF ALL RESPONDENTS SAID YES.

DID ALCOA ADDRESS THE GUIDING PRINCIPLE?



COMPLEMENT THE FUTURE OF THE ANGLESEA REGION

- Build upon the strengths of the Anglesea community and lifestyle
- Be consistent with local and regional planning processes
- Support sustainable economic outcomes



80% OF ALL RESPONDENTS SAID YES.



HONOUR THE VARIOUS CULTURAL AND HERITAGE VALUES OF THE AREA

- Respect the indigenous, environmental, social and industrial history of the site
- Consider re-purposing site infrastructure

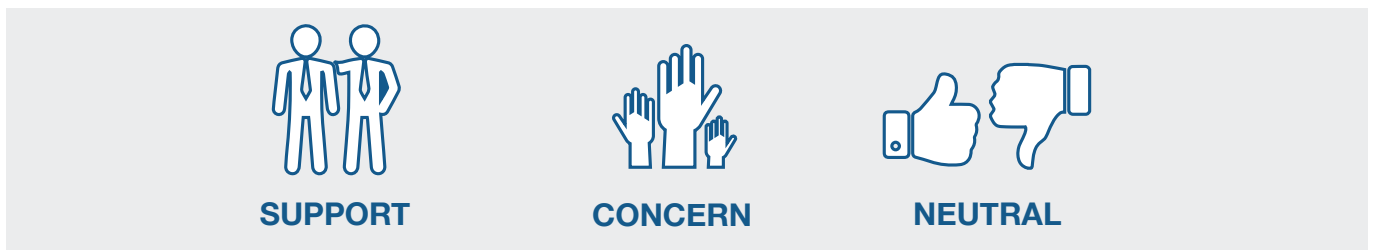


77% OF ALL RESPONDENTS SAID YES.



WHAT WE HEARD: FEEDBACK THEMES

In addition to making comment about the application of the Guiding Principles in the plan, respondents were asked what they liked about the plan, what could be improved in the plan and any further feedback they wanted to share. Comments received were very constructive and have been presented in three feedback categories, namely:



SUPPORT

The overwhelming response received from the community was supportive of Alcoa’s plan with 82 per cent of respondents providing positive feedback.

The most common themes of support were related to the environmental features of the plan. Respondents said that the plan complements and is consistent with the surrounding environment, and protects and restores natural vegetation.

The combination of the waterbody and Alcoa’s plans to revegetate most of the surrounding land was well received. Respondents said that the plan was visually appealing and paves the way for a variety of future land uses ranging from community to eco-tourism activities.

The waterbody was popular and respondents supported Alcoa’s plan to actively manage the water quality with the aim of helping to support the ongoing health of the Anglesea River. Some added the waterbody would have the potential to assist future fire response.

Respondents also spoke positively about the technical studies that underpin the plan, and the opportunity to meet the technical consultants at the drop-in sessions.

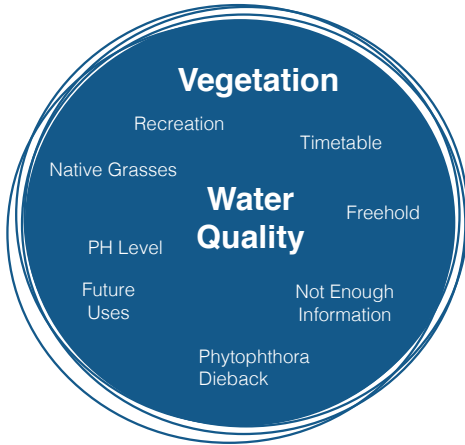
Respondents were also complimentary of Alcoa’s ongoing engagement process, calling the drop-in sessions “inclusive”, and “transparent” and many respondents commended Alcoa for effectively incorporating community sentiment into the plan.

There was an underlying theme that Alcoa is not walking away from its obligations and that the plan is creating a new community asset for the benefit of future generations.



WHAT WE HEARD: FEEDBACK THEMES

CONCERN



Concerns relating to the plan totaled nine per cent. Alcoa believes it is important to recognise these concerns and has included the appropriate responses on pages 11 to 13 of this report.

The overall positive support for the waterbody contrasted with a few respondents who had concerns about the waterbody's future water quality. Others raised concerns about Alcoa's rehabilitation activities including the impact of the plan on surrounding vegetation, the type of vegetation proposed in the plan, and the ten year timeframe being too long.

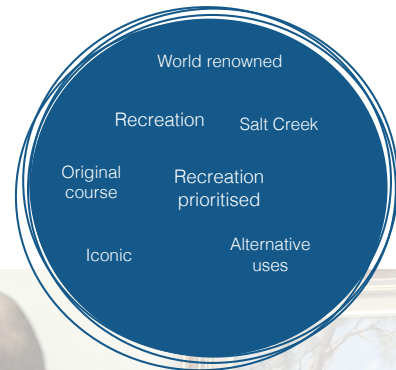
Five respondents remarked that there was not enough information available during the engagement period about the plan or Guiding Principles to adequately assess the plan, inclusive of a number that had an expectation that the full technical reports would be available.

Some respondents were concerned about what future uses may eventuate on Alcoa's freehold land, and this will be addressed in the next phase of community engagement.

NEUTRAL



A total of nine per cent of responses expressed neither positive or negative feedback about the plan. Respondents largely asked questions or made comments about the future land use, or made neutral observations about the features of the plan or the local area.



WHAT WE HEARD: OTHER FEEDBACK RECEIVED

When analysing the comments received, there were a number of questions asked about the plan, comments not related to the plan, and a range of future land uses for the mine site were suggested.



QUESTIONS

Alcoa received 57 written questions, in addition to many that were asked and answered during the face to face engagement sessions. The top questions received and Alcoa's responses are on pages 11 to 13.

COMMENTS NOT RELATED TO THE PLAN

A small number of comments and questions received did not specifically relate to the Mine Rehabilitation and Closure Plan. These included interest in future road access around Anglesea, references to the Anglesea Futures forum, and comments about the future of Alcoa's power station area. Alcoa has addressed some of these comments on page 11 to 13 of this report, and relayed any relevant matters to the Anglesea Futures team.



FUTURE LAND USE IDEAS

Alcoa received 43 ideas for future use of the site's features including the waterbody, areas for potential future use and the revegetated areas. Alcoa understands the level of interest in what the area will be used for and has passed on these suggestions to the Anglesea Futures team.



FREQUENTLY ASKED QUESTIONS

There were a number of questions that Alcoa received in person and through written feedback. Alcoa has provided answers to those frequently asked questions below:

How long will the rehabilitation take? When can we access the site?

It is envisaged rehabilitation will be managed by Alcoa over about the next ten years. Alcoa expects that it will take approximately five years to fill the water body based on historical average Salt Creek flows. Following that, Alcoa expects to be managing, monitoring and maintaining for about a further five years prior to return to the State Government.

How we do know the slopes will be safe and stable into the future?

The slopes have been geotechnically designed to ensure they meet long-term stability requirements and minimise the potential for surface erosion. The geotechnical engineering design is based on conservative design parameters being utilised in the geotechnical modelling, and this design has been independently peer reviewed by another technical consultant. Slope erosion control will be achieved by planting native grassland vegetation on the steeper slopes and vegetation will be generated from topsoil/subsoil on the gentler slopes, in line with past practice. Wave erosion control will be achieved by placing wetland vegetation and rock armouring where appropriate.

What is the future of Coalmine Road?

For Alcoa to ensure a safe and stable outcome, the south wall of the mine must be “laid back”, therefore a section of the closed Coalmine Rd will be removed and rerouted via Messmate Track. Coalmine Road is not a gazetted road and its future use will be determined by the State Government. It is understood by Alcoa that the Department of Environment, Land, Water and Planning (DELWP) requires future access between the former mine and the township for emergency services.

How long will it take to fill in the waterbody?

Alcoa’s broad timeline is that it will take approximately five years to fill the waterbody based on historical average Salt Creek flows. Salt Creek will be re-diverted into the waterbody to enable it to be filled in this timeframe. Following that, Alcoa expects to be managing, monitoring and maintaining the waterbody for about a further five years.

What will the water quality be in the future?

Alcoa will actively manage the water quality while the waterbody is filling with an aspiration of providing a waterbody with water quality that is better than that which occurs naturally in Salt Creek. Alcoa is targeting a water quality level of approximately pH 5, which will be higher than the background source (Salt Creek), but as with the existing Anglesea River this will be dependent on many factors and can only be confirmed over time.

Will we be able to swim in the water?

This is not a decision for Alcoa. The use of the waterbody will be determined by the Department of Environment, Land, Water and Planning (DELWP) and only after the longer-term water quality has been established over time.

Will there be access to the waterbody?

To ensure safe and stable, the primary need is for wetland vegetation and rocks around the waterbody shoreline to manage wave erosion which will naturally preclude water access. The use of the waterbody and any access points will be determined in the future by the Department of Environment, Land, Water and Planning (DELWP) and only after longer-term water quality has been established over time.

FREQUENTLY ASKED QUESTIONS

Will the waterbody be connected to the Anglesea River and estuary?

After the waterbody has filled, and the water quality has been deemed acceptable, the waterbody will be connected to the Anglesea River via an engineered outlet allowing the potential for discharge.

How big is the final waterbody?

It is expected to be approximately 100 hectares of surface area and at its widest point the waterbody will be approximately 1.6 kilometres.

Will any native vegetation be removed?

Some adjacent native vegetation will be removed to make way for the re-sloped (laid back) south wall to ensure long term safe and stable outcomes. A further adjacent section of native vegetation on the west wall will also need to be removed to ensure the remaining exposed coal on the west wall can be suitably covered with soil and then revegetated.

The topsoil beneath any cleared native vegetation will be reused to provide the necessary topsoil/subsoil to help revegetate a number of disturbed areas within and around the mine pit.

This practice, as used successfully in the past by Alcoa, will help achieve the desired species richness to produce similar high value rehabilitated vegetation.

What vegetation is going to be used for the rehabilitation?

Local native grassland species, potentially wallaby grass, will be used to provide erosion control on the re-sloped south wall. Reuse of topsoil where possible will ensure re-vegetation consists of species native to the surrounding area as per past revegetation practices. The wetland vegetation around the waterbody will also be native species local to the area.

Why are land uses not described in the Mine Rehabilitation and Closure Plan? Where are the bikes path/bbq areas/camping grounds etc?

Alcoa is the leaseholder, not the landowner, for the large majority of land and as such it is not appropriate for Alcoa to determine the final actual land uses. The land is Crown Land and is owned by the Victorian Government.

Alcoa's responsibility is to return the land to a safe and stable landform.

DELWP, together with Parks Victoria and Surf Coast Shire, has been undertaking a specific community engagement program (Anglesea Futures Community Conversations) which includes discussions about future land uses. Any land use feedback received in Alcoa's consultative activities is passed onto the Anglesea Futures team. Alcoa has however developed a plan that is mindful of this feedback, and as such attempts not to preclude potential future uses.

Alcoa will be engaging the community later in the year to gather input on future uses for its freehold land, including the 43 hectares of freehold land in the mine.

Could there be a bypass road in the future?

This is not a decision for Alcoa. Road access into/around Anglesea is primarily a matter for Transport for Victoria and Surf Coast Shire and can be discussed at the Anglesea Futures Community Conversations forum.

FREQUENTLY ASKED QUESTIONS

What is the Alcoa of Australia freehold block in the mine?

There is approximately 43 hectares of freehold land in the disturbed mine area, as shown on the illustrated Mine Rehabilitation and Closure Plan. The future of this block will be determined in a process Alcoa will undertake later this year when a concept master plan is prepared for all of Alcoa's freehold land.

Will the document that Alcoa is preparing for the government, inclusive of technical studies, be available for the community to review?

The key aspects of the document and technical studies have been presented and discussed at a broad range of forums including Alcoa's Community Consultation Network meetings (ongoing), community drop-in sessions and a dedicated engagement website.

Alcoa is preparing the document for the regulator (Department of Economic Development, Jobs, Transport and Resources - Earth Resources Regulation) as is required under the Mineral Resources (Sustainable Development) Act 1990. Only after regulator review will a decision be made about releasing the document publicly.

*** Further "Questions and Answers" are listed on the FAQ section on engage-anglesea.alcoa.com.au which is regularly updated.**

What is next?

Now that the third and final round of community engagement about the Mine Rehabilitation and Closure Plan has concluded, Alcoa has reviewed all feedback received.

Alcoa thanks all participants who provided feedback during this phase.

Considerate of this feedback, Alcoa is working to finalise the Mine Rehabilitation and Closure Plan for submission to the regulator being the Department of Economic Development, Jobs, Transport and Resources - Earth Resources Regulation.

Alcoa CCN meetings are continuing with the next meeting scheduled for 6pm, Monday 14 August 2017 at the Anglesea Senior Citizens Club on McMillan Street.

In the later part of 2017, Alcoa will commence community engagement specific to the future of its freehold land. To register for updates, visit engage-anglesea.alcoa.com.au.

STAY INFORMED AND INVOLVED

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