

GUIDING PRINCIPLES

FOR FUTURE LAND USE PLANNING AT ALCOA'S ANGLESEA POWER STATION & MINE SITE

Following community consultation, Alcoa has developed Guiding Principles to help inform the development of the revised Mine Closure Plan for the mine site, and the draft Masterplan for power station freehold land.

SEPTEMBER 2016

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INTRODUCTION

After 46 years of operation, Alcoa's Anglesea Power Station and Coal Mine was permanently shut down in August 2015. Planning for the remediation and closure of the mine site, and the decommissioning and remediation of the power station, inclusive of future land use planning, is underway.

To better understand the community's aspirations for future land uses, and in keeping with Alcoa's long term engagement with the community, Alcoa is conducting a broad consultation process. To date engagement activities have included listening posts, workshops, meetings, an online engagement forum and the opportunity for the community to provide written submissions to Alcoa.

The recorded feedback has guided the preparation of five Guiding Principles that the community and key stakeholders regard as important for Alcoa to consider in planning for future land uses. These Guiding Principles will help inform the development of the revised Mine Closure Plan and the Masterplan for power station freehold land.

Overall, the community has shared the view that the site's future land uses need to complement the future of the Anglesea region, the natural environment, and cultural and heritage values of the area. Importantly, the land should support a diverse range of future uses, underpinned by a safe and stable landform.

Alcoa will balance and consider multiple variables to develop the revised Mine Closure Plan, and draft Masterplan for powerstation freehold land, to ensure both plans make sense to Alcoa, the community and key stakeholders, and are also feasible and deliverable.

Alcoa expects to release the revised Mine Closure Plan early in 2017 and the draft Masterplan for powerstation freehold land, late in 2017 for community consultation.

Key Development Timeline

	-0	-0	-0	-0	
Inputs	Establish Guiding Principles	Undertake Technical Review & Develop Draft Plans	Review Draft Plans	Approve Plans	Implement
Mine Work Plan Departments/Statutory Alcoa Alcoa CCN Anglesea Futures	The community and key stakeholders contributed to the development of the Guiding Principles.	Alcoa to develop draft plans based on technical reviews and community input.	The community to provide feedback on the draft plans prepared by Alcoa.	The plans to be submitted for approval.	
	March 2016 to September 2016	Mine : Underway Power Station : Underway	<i>Mine:</i> Early 2017 <i>Power Station:</i> Late 2017	<i>Mine:</i> Mid 2017 <i>Power Station:</i> Late 2017	<i>Mine:</i> Late 2017 >> <i>Power Station:</i> 2018 >>

BACKGROUND

Following the permanent shut down of Alcoa's operations, a local Alcoa team, backed by the company's global project and asset management group with expertise in environmental remediation, facility decommissioning and project management, is working within regulatory frameworks to restore the power station and mine site to a land use that is safe and stable for future generations.

This is a complex process, expected to be undertaken over a period of three to five years. Final decommissioning, environmental and remediation requirements to meet long term land use objectives will be closely inter-related. Consultation and engagement with the community and key stakeholders will continue to be a priority.

Alcoa is developing a revised Mine Closure Plan to outline the rehabilitation and closure process of the mine site, and a draft Masterplan for powerstation freehold land detailing the proposed future land uses for power station freehold land. The revised Mine Closure Plan is an important planning tool to be used by Alcoa, State and Local Government regulators and the community to monitor remediation progress, against agreed timelines and measurable outcomes.

The plan will outline how the mine facilities will be decommissioned and the disturbed areas (mined areas, roads and mine infrastructure) remediated and returned to an agreed state. It is proposed that a lake be developed in some of the disturbed mine area.

Technical studies will provide critical information to inform the revised Mine Closure Plan and include geotechnical, hydrogeological and revegetation assessments, with key aspects also subject to a comprehensive risk assessment process and independent peer technical review.

The revised Mine Closure Plan and draft Masterplan for powerstation freehold land will be considered during strategic land use planning scheduled to be undertaken by the Department of Land, Water & Planning (DELWP) in 2017.

REGULATORY FRAMEWORKS

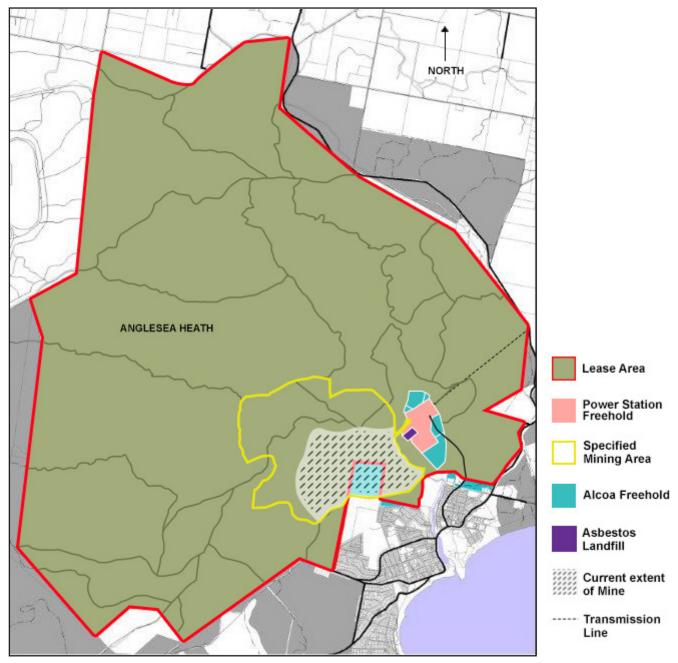
The Minerals Resources (Sustainable Development) Act 1990 provides the framework for remediation and closure of the mine site as it applies to the coal mine operations under the Mines (Aluminium Agreement) Act 1961 (MAAA).

The Anglesea Mine Work Plan, approved September 2011, sets broad concepts for the mine remediation and defines a process for the site closure, inclusive of community engagement.

Alcoa's obligation is to comply with the Work Plan requirements, including the remediation and closure process to the satisfaction of the regulator, the Earth Resources Regulation of the State Government's Department of Economic Development, Jobs, Transport and Resources (DEDJTR). The revised Mine Closure Plan will be submitted to DEDJTR for approval.

The Power Station decommissioning will be managed by Alcoa consistent with the National Environment Protection (Assessment of Site Contamination) Measure 1999 (as amended 2013) (NEPM). The Environmental Protection Authority (EPA) Victoria sets the regulatory standards for the activities undertaken by Alcoa through the statutory Clean Up Notice issued to Alcoa in October 2015.

THE SITE



*This map indicates approximate boundaries for informational purposes

Victorian coastal town of Anglesea.

Alcoa leases approximately 7,221 hectares of unreserved Crown Land, under provisions of the Mines (Aluminium Agreement) Act 1961. Additionally, Alcoa owns approximately 143 hectares of freehold land, some of which is external to the lease area outlined.

The lease document sets the area available for mining at 545 hectares (Specified Mining Area). Alcoa has mined approximately 325 hectares of the Specified Mining Area.

Alcoa's Anglesea site is located adjacent to the The site contains an asbestos landfill which is approximately 100 metres by 200 metres in size and is located near the power station. Alcoa has safely managed this landfill for approximately 20 years under an EPA Victoria license. Alcoa's continuing compliance with the license conditions ensures the asbestos material contained in the landfill is secure and properly managed. As part of the site closure plan, Alcoa expects that the EPA licensed landfill will remain. Asbestos deposited into a contained site is safe and an appropriate way for it to be managed into the future.

COMMUNITY ENGAGEMENT PROCESS

In keeping with Alcoa's long term engagement with the Anglesea community, Alcoa launched a process to capture the community's views and aspirations for the future land use of the Anglesea site. From March to September 2016 more than 2,300 interactions with the community produced 505 feedback comments. This feedback was used to help develop and ultimately finalise five Guiding Principles which will help inform the development of the revised Mine Closure Plan, and draft Masterplan for powerstation freehold land.

PHASE ONE (MARCH - JULY 2016)

In Phase One Alcoa asked the community for input on the relevance of the draft Guiding Principles.

During Phase One, undertaken between March and July, participants learnt more about the decommissioning and remediation process currently underway. They were asked to contribute their ideas and views for the future use of the site.

To kick start this process, in collaboration with the Alcoa Community Consultation Network (CCN), Anglesea Futures, the Victorian Government and Surf Coast Shire, Alcoa developed five draft Guiding Principles to form the basis of the 'Building the Shared Vision' conversation with the community. A range of activities were undertaken during Phase One including community workshops, listening posts, CCN meetings as well as an online engagement forum.

Feedback was collated and the five Guiding Principles were expanded to reflect the community's input.

The expanded Guiding Principles were published for further consultation in Phase Two.

PHASE TWO (AUGUST 2016)

In Phase Two Alcoa tested the expanded Guiding Principles developed in Phase One with the community.

In August, Alcoa launched Phase Two of its community engagement process, where the community and key stakeholders were asked to provide feedback regarding the expanded Guiding Principles to ensure they accurately captured the community's aspirations for the future use of the site.

This process began with a presentation of the expanded Guiding Principles at the Alcoa CCN meeting on 8 August 2016.

Feedback from that meeting was collated, along with the ideas submitted via the online discussion forum and email.

As a result the expanded Guiding Principles were further developed and are outlined on page nine.

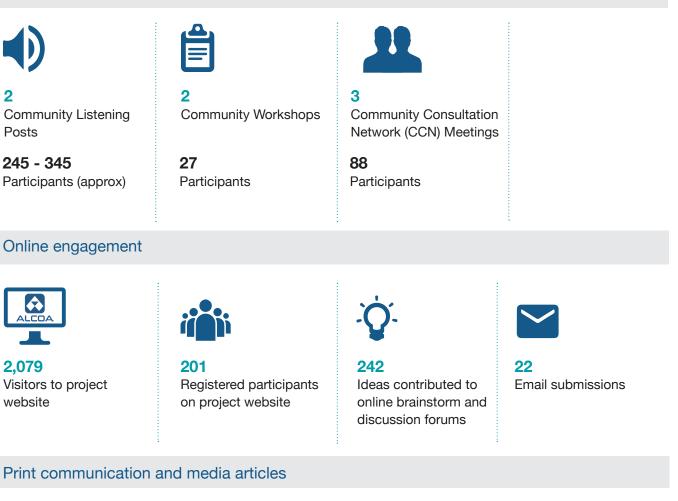
PHASE THREE AND FOUR (2017)

Alcoa will be seeking community feedback on the revised Mine Closure Plan in early 2017 (Phase Three) and feedback on the draft Masterplan for powerstation freehold land in late 2017 (Phase Four).

A range of activities will be scheduled to ensure the community and key stakeholders can review the draft plans and have the opportunity to provide further feedback.

SNAPSHOT OF ENGAGEMENT

Face to face engagement





FACT SHEETS AND POSTCARDS

Distributed at Launch, CCN Meetings, Listening Posts and Community Workshops



ADVERTISEMENTS

Advertisements for community workshops in the Surf Coast Times, Echo, Newsangle and Otway Life



NEWS ARTICLES ABC TV Surf Coast Times Echo



LETTER DROP Distributed to 1,100

households and businesses via Australia Post



2,365 + Engagement interactions with the community



505 Feedback comments recorded



EXPANDED GUIDING PRINCIPLES

The following expanded Guiding Principles, will help to inform the development of the revised Mine Closure Plan for the Anglesea mine site, and the draft Masterplan for powerstation freehold land.



SUPPORT A DIVERSE RANGE OF FUTURE USES AND OUTCOMES

- Consider environmental, recreational, lifestyle, tourism and economic opportunities
- Ensure the appropriate integration of a lake



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



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



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



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

EXPANDED GUIDING PRINCIPLES SUMMARY



SUPPORT A DIVERSE RANGE OF FUTURE USES AND OUTCOMES

Consider environmental, recreational, lifestyle, tourism and economic opportunities

Ensure the appropriate integration of a lake

The future landform should support a diverse range of options, where possible, that seek to benefit the Anglesea community's lifestyle, including recreation, tourism, education, environment and economic opportunities. Recreational activities that harness and complement the environment should be a focus, with feedback indicating that activities such as bike riding, bushwalking and camping are popular. The integration of eco-tourism, adventure-tourism or environmental education facilities to capitalise on the site's environmental attributes should also be considered. The proposed lake in the mine could be used for activities such as boating or fishing *(note: this will be dependent on water quality which is still to be determined)*. Active activities should occur in the disturbed areas of the site, with the undisturbed areas of the site open to passive recreational activities.



- 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

Any future land use should build upon the existing strengths, assets and lifestyle of the Anglesea community. Land use options should maintain the town's atmosphere, by limiting intense residential development, but also support economic growth. This could include eco-tourism, adventure-tourism, recreational and educational activities or renewable energy as a future industry for the site. A key focus should be on accessibility for the community and visitors, with activities that link to those already on offer in Anglesea. All future land uses should link in with local and state strategic planning for the region.



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

The future uses of the site should incorporate and take advantage of its natural surrounds, unique flora and fauna and open spaces. Alcoa has a recognised commitment to undertake a comprehensive rehabilitation process for the disturbed areas of the site that complements the surrounding environment. It will be important to consider the impact of any rehabilitation strategy on the Anglesea River. There is community support to incorporate the undisturbed lease area into the Great Otway National Park.





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

A safe and stable landform is necessary to underpin any potential future land use of the site. Long term land stability should be informed by adequate technical studies. The community's health and safety during the remediation process and in the future should be a priority, with the steepness of the mine walls a key focus. Any future land uses should ensure adequate fire safety measures remain in place. Long term water quality in the proposed lake should be used to guide proposed future uses.





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

The social, environmental, indigenous and mining histories of the site and of the wider Anglesea community should be recognised in future land uses. This recognition could be in the form of a building for historical interpretation, a historical bush trail network or education or tourism facilities. This could also involve repurposing existing buildings or infrastructure to be retained for restoration or reuse.





Alcoa thanks all the participants that helped shape the Guiding Principles and for ongoing interest in Alcoa.

Next Steps

It is expected that the revised Mine Closure Plan and the draft Masterplan for power station freehold land will be released for community consultation in 2017.

STAY INFORMED AND INVOLVED

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