

Wyong Shire Council

ORDINARY MEETING

ENCLOSURES

Wednesday, 23 March, 2011



WYONG SHIRE COUNCIL
ENCLOSURES TO THE
ORDINARY MEETING
TO BE HELD IN THE COUNCIL CHAMBER,
WYONG CIVIC CENTRE, HELY STREET, WYONG
ON WEDNESDAY, 23 MARCH 2011,
COMMENCING AT 5:00:00 PM

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F 02 4973 0999

www.centennialcoal.com.au

21 February 2011

By PostMr Michael Whittaker
General Manager
Wyong Shire Council
PO Box 20
Wyong NSW 2259

Dear Mr Whittaker

**Re: Mandalong Southern Extension Project – Exploration Drilling Programme
Notice under Section 142 of the *Mining Act 1992***

This is a notice under Section 142 of the *Mining Act 1992* of Centennial Mandalong Pty Limited's (Centennial) intention to obtain an access arrangement in respect of land owned by the Wyong Shire Council to undertake exploration drilling of up to five exploration drill holes.

Background

The exploration drilling programme is currently being undertaken within exploration licence area EL6317 located south-west of the township of Morisset and west of the township of Wyee in the Lake Macquarie and Wyong Local Government Areas (see Attachment 1). Centennial received approval from Industry & Investment NSW on 18 December 2009 to undertake the proposed drilling activities following the submission of the Mandalong South Exploration Project Review of Environmental Factors (2009). A copy of the Review of Environmental Factors and the Industry & Investment NSW approval letter are enclosed for your information.

Centennial very much appreciates the communication over the last few months with Council officers regarding our initial request for access.

The decision by Council (ordinary meeting of 10 November 2010) not to allow access has prompted this correspondence.

Process

The proposed locations of the exploration drill sites on land owned by Wyong Shire Council are shown on the attached plan (see Attachment 2). There is flexibility in the location of the proposed holes, particularly in the Buttonderry Waste Management Facility, so that the Council's operations will not be impacted by our proposed works.

The Review of Environmental Factors details a process to locate all exploration drill sites in areas of minimal environmental impact. Each proposed drill site is inspected by a qualified ecologist and archaeologist prior to any surface disturbance occurring to identify any potential impacts on threatened species or items of Aboriginal or European Heritage. If any threatened species or items of Aboriginal or European Heritage are identified during the site inspections, the drill site is relocated to avoid the impacts.

Each drill site is limited to a maximum disturbance area of 25 metres by 25 metres and existing access tracks are used wherever possible. However, some tracks may require minor upgrades to ensure suitable and safe access for exploration equipment and personnel to the drill site. Each drill site and any access tracks created are rehabilitated at the completion of drilling activities. Each drill site takes approximately four (4) weeks to complete,

however, this is dependant on the depth of the drill hole, the geological conditions encountered and access constraints due to wet weather.

Prior to accessing any land for exploration drilling activities, Centennial is required to enter into an access agreement with the landholder. A copy of the Centennial standard Access Agreement for Exploration Activities has been enclosed for the consideration of the Wyong Shire Council. It is proposed that a site inspection with a representative of Wyong Shire Council be undertaken to identify the actual locations of drill sites and access routes. A plan detailing the agreed locations will then form part of the Access Agreement.

Legislation

Section 142 of the *Mining Act 1992* requires that the notice must contain the following information:

S#142(2)(a) – a plan and description of the area of land over which the access is sought sufficient to enable the ready identification of that area, and

S#142(2)(b) – a description of the prospecting methods intended to be used in that area.

That information is provided in this letter and the following attachments:

- Attachment 1 – Plan of the Exploration Licence area EL6317.
- Attachment 2 – Plan of proposed exploration drill sites within areas of land owned by Wyong Shire Council (PC3262).
- Review of Environmental Factors (2009).

Some additional information has also been provided to assist with your understanding of the Project:

- Exploration Licence EL6317.
- Industry & Investment NSW approval letter to undertake exploration drilling and associated works.
- Centennial standard Access Agreement for exploration activities.

Centennial understands that the proposal will need to go to a future Council meeting, if there is any additional information required, please do not hesitate to contact Peter Cook on (02) 49358903.

Yours sincerely
Centennial Mandalong Pty Ltd



Peter Cook
Project Manager

Attached:

- Attachment 1 – Plan of the Exploration Licence area EL6317.
- Attachment 2 - Plan of proposed exploration drill sites within areas of land owned by Wyong Shire Council (PC3262).

Enclosed:

- Exploration Licence EL6317.
- Industry & Investment NSW approval letter to undertake exploration drilling and associated works.
- Centennial standard Access Agreement for exploration activities.
- Review of Environmental Factors (2009).

Attachment 1 - Plan of the Exploration Licence area EL6317



Attachment 2 - Plan of proposed exploration drill sites within areas of land owned by Wyong Shire Council (PC3262)



Centennial Mandalong Pty Ltd Supporting Documents

- Exploration Licence EL6317
- Industry & Investment NSW letter of approval to undertake exploration drilling
- Centennial's standard Access Agreement for exploration activities
- Review of Environmental Factors (2009)



Industry &
Investment

Reference: 05/1939

Paul Duncan
Centennial Mandalong Pty Limited
PO Box 1000
TORONTO NSW 2283

Dear Sir

EXPLORATION LICENCE NO 6317

I refer to your application for renewal of this licence.

In accordance with the provisions of Section 114 (1) (a) of the *Mining Act 1992*, the Minister has now renewed the licence subject to the terms and conditions set out in the attached Instrument of Renewal.

Renewal of the licence took effect from and including **2 November 2009**.

The responsibility will rest with the licence holder to be aware of the expiry date of this licence, and if renewal is required, to lodge a renewal application within the period of no earlier than 2 months but no later than one month before the licence ceases to have effect. Renewals may be lodged by completing a 'Form 9 - Application for Renewal of an Exploration Licence'. This form is available on the Departmental website (<http://www.industry.nsw.gov.au>) and then to Minerals/Titles/Application Forms. Fees relating to applications are listed on the Department's website.

Your attention is invited to the "access arrangements" provisions of the Mining Act 1992. They provide, amongst other things, that the holder of a licence may not carry out prospecting operations on any **land** (as described in the Dictionary of the *Mining Act 1992* (Updated 1 August 2008), including land where native title exists), except in accordance with an access arrangement with each landholder or as determined by an arbitrator. An access arrangement may make provision for any matter mentioned in Section 141 (1).

In addition, compensation is payable to the **landholder** (as described in the Dictionary of the *Mining Act 1992*, updated August 1, 2008) of any land for any loss suffered, or likely to be suffered, as a result of the exercise of the rights conferred by the licence or by an access arrangement in respect of the licence. Section 263 of the Act relates to this matter.

The Environmental Sustainability Division's Guidelines regarding the sealing of boreholes on land or water may be downloaded from the Department's website,

Minerals - Titles 516 High Street Maitland NSW 2320
PO Box 544 Hunter Region Mail Centre NSW 2310
Email: webcoaltitles@industry.nsw.gov.au Fax: 02 4931 6776
ABN 72 189 919 072 - 002 www.industry.nsw.gov.au

www.dpi.nsw.gov.au Minerals and Petroleum/Environment/Policies/Guidelines for
Industry.

Yours faithfully



Melanie Brown
for Minister
20 November 2009

1

MINING ACT 1992

INSTRUMENT OF RENEWAL OF EXPLORATION LICENCE 6317
HELD BY CENTENNIAL MANDALONG PTY LIMITED

I, IAN MACDONALD, MLC, MINISTER FOR MINERAL RESOURCES for the State of New South Wales HEREBY RENEW THE LICENCE subject to the terms and conditions set out below:

1. The licence is renewed for a further term until **8 August 2014**.
2. The conditions of the licence are amended by deleting all the conditions contained in the licence prior to this renewal and by including the attached **Exploration Licence Conditions 2009** numbered:

1-4 (inclusive), 8, 10-24 (inclusive), 26-29 (inclusive), 32-34 (inclusive), 36, 38, 41, 42 and 44-48 (inclusive).
3. The licence is renewed over the land described hereunder and shown on the **Exploration Area** attached hereto.
4. Mineral Group covered by this licence: Group 9. (Coal & Oil Shale).

We, **Centennial Mandalong Pty Limited ACN 101 508 892**, hereby accept the renewal of this Exploration Licence and agree to be bound by the conditions specified.



.....
Centennial Mandalong Pty Limited
ACN 101 508 892

Renewed this *2nd* day of **NOVEMBER** 2009



A/ TEAM LEADER COAL & PETROLEUM TITLES
UNDER DELEGATION FROM THE MINISTER

EXPLORATION AREA

The exploration area embraces an area of about **4467 hectares**, as shown on the **Plan No E6317-02** hereunder exclusive of:-

- (a) land subject to any assessment lease, mining lease or mineral claim under the Mining Act, 1992, at the date this renewal has effect.
- (b) land subject to any pending application for a mining lease, mining purposes lease or claim under the Mining Act, 1973 or any application for a coal lease under the Coal Mining Act, 1973, made prior to **3:30pm** on the **twenty-fifth** day of **March, 1988**.
- (c) land subject to any pending application for an assessment lease, mining lease or mineral claim under the Mining Act, 1992, made prior to **3:30pm** on the **twenty-fifth** day of **March, 1988**.
- (d) land on which bona fide mining operations were being carried out at the date of grant of the licence by the owner of the mineral or some person with his consent and over which the exploration licence was not granted by virtue of the provisions of Section 23(4) of the Coal Mining Act 1973.
- (e) land on which mining operations were being carried out at the date of grant of the licence by the owner of the mineral or some person with his consent and over which an exploration licence may not be granted by virtue of the provisions of Section 20 of the Mining Act, 1992.
- (f) land vested in the Commonwealth of Australia.
- (g) land subject to any national park, regional park, historic site, nature reserve, karst conservation reserve or Aboriginal area at the date of grant of this licence.

Note: This exclusion includes national parks and Aboriginal areas contained within Community Conservation Area Zones 1 and 2 established under the *Brigalow and Nandewar Community Conservation Area Act 2005*.
- (h) any other land that was not subject to the licence immediately before this renewal.
- (i) land subject to any mining reserve that prohibits exploration.

PLAN No. E6317-02

DEPARTMENT OF PRIMARY INDUSTRIES

File: 04-4117

DIAGRAM OF EXPLORATION LICENCE No. 6317

HOLDER: CENTENNIAL MANDALONG PTY LIMITED

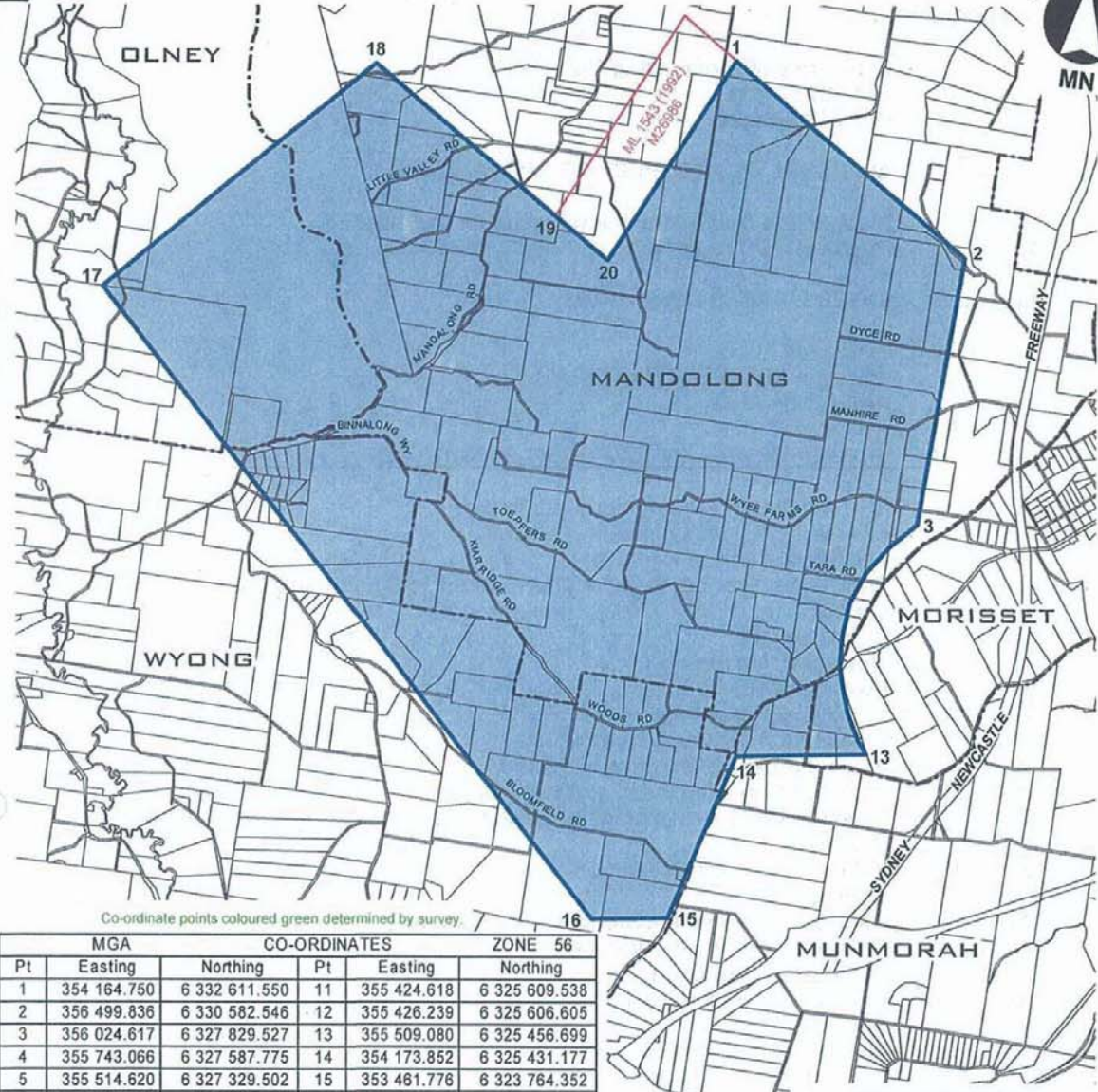
PARISHES: OLNEY, MANDOLONG, MORISSET, MUNMORAH & WYONG

COUNTY: NORTHUMBERLAND

SCALE 1: 60000

REF MAP: 9131-1-S

SUBJECT TO SURVEY



Co-ordinate points coloured green determined by survey.

Pt	MGA		CO-ORDINATES		ZONE 56	
	Easting	Northing	Pt	Easting	Northing	
1	354 164.750	6 332 611.550	11	355 424.618	6 325 609.538	
2	356 499.836	6 330 582.546	12	355 426.239	6 325 606.605	
3	356 024.617	6 327 829.527	13	355 509.080	6 325 456.699	
4	355 743.066	6 327 587.775	14	354 173.852	6 325 431.177	
5	355 514.620	6 327 329.502	15	353 461.776	6 323 764.352	
6	355 344.621	6 327 019.526	16	352 685.186	6 323 752.115	
7	355 264.620	6 326 669.532	17	347 651.830	6 330 280.724	
8	355 244.613	6 326 359.538	18	350 447.924	6 332 583.451	
9	355 264.619	6 326 189.538	19	352 304.680	6 331 009.550	
10	355 324.613	6 325 869.535	20	352 843.540	6 330 552.780	

Co-ordinate values for Pts 1, 19 & 20 from M26986

UNIVERSAL TRANSVERSE MERCATOR PROJECTION
HORIZONTAL DATUM: GDA84



NSW DEPARTMENT OF
PRIMARY INDUSTRIES
MINERAL RESOURCES



AREA: abt. 4467 ha

DEPTH RESTRICTION

Embraces the surface and soil below thereof to a depth of 900 metres below (AHD) Australian Height Datum.

Prepared by: P. Gorrel
Date: 26-08-2009
Approved by: P.Hord
Date: 27-08-2009
Maitland Regional Office

DISCLAIMER: The completion of information shown on this diagram is derived from plans and data, some of which has been produced and provided by third parties. Title boundaries have been adjusted to maintain their relationship with the digital cadastral database in some circumstances, thereby creating certain inaccuracies in the data. This information does not constitute part of the record required under Section 150 of the Mining Act 1992 or Section 95 of the Petroleum (Onshore) Act 1991. The Department of Primary Industries and the State of New South Wales make no statement, representation or warranty that the sites information shown on this diagram is complete, accurate or free from error. Users rely on the sites information supplied on this diagram at their own risk. The Department of Primary Industries and the State of New South Wales accept no responsibility for any person, acting on, or relying on, or upon any of the sites information shown on this diagram, and disclaims all liability for any loss, damage, cost, expense or injury (including death) incurred or arising by reason of any person using or relying on the sites information contained on this diagram by reason or by any error, omission, defect or misstatement (whether such error, omission or misstatement is caused by or arises from negligence, lack of care or otherwise). Users should always verify historical material by making and relying upon their own separate inquiries prior to making any important decisions or taking any action on the basis of this information.

EXPLORATION LICENCE CONDITIONS 2009

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Definitions

1 Categories of Prospecting Operations

Three categories of prospecting operations are defined under this licence, as follows:

Category 1: Reconnaissance and low intensity activities, including:

- (a) Geological mapping
- (b) Airborne surveys
- (c) Sampling and coring using hand held equipment
- (d) Geophysical surveys and downhole logging, but not seismic surveys
- (e) Shallow reconnaissance drilling involving no more than minimal site preparation
- (f) Minor clearing or cutting of native vegetation
- (g) Minor excavations excluding costeaning or bulk sampling
- (h) Vehicle access that does not require construction of new tracks

Category 2: Operations which have potential for moderate disturbance to the land surface, native vegetation or other environmental value, including:

- (a) Operations under Category 1 (c) to (h) within or adjacent to Sensitive Areas*
- (b) Operations under Category 1 (c) to (h) of a concentrated or cumulative nature
- (c) Seismic surveys
- (d) Excavating or bulk sampling not exceeding 60 cubic metres
- (e) Non-intensive drilling involving no more than moderate site preparation, excluding drilling holes exceeding 400 millimetre diameter
- (f) Camp construction
- (g) Access tracks, drill pads or line clearing involving no more than moderate native vegetation disturbance

Category 3: Operations which have potential to cause significant environmental impact involving, for example, considerable land surface disturbance or native vegetation clearing, including:

- (a) Operations under Category 2 (c) to (g) within or adjacent to Sensitive Areas*
- (b) Operations under Category 2 (c) to (g) of a concentrated or cumulative nature
- (c) Excavations or bulk sampling in excess of 60 cubic metres
- (d) Shaft sinking or tunnelling
- (e) Drilling holes in excess of 400 millimetre diameter
- (f) Intensive drilling, such as for resource definition purposes.
- (g) Access tracks involving formed construction

* see definition 2 for Sensitive Areas

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2 Sensitive Areas

For the purposes of the licence, **Sensitive Areas** include the following:

- (a) land reserved as a State Conservation Area under the *National Parks and Wildlife Act 1974*;
- (b) land declared as an Aboriginal place under the *National Parks and Wildlife Act 1974*;
- (c) land identified as wilderness under the *Wilderness Act 1987*;
- (d) land subject to a 'conservation agreement' under the *National Parks and Wildlife Act 1974*;
- (e) land acquired by the Minister for the Environment under Part 11 of the *National Parks and Wildlife Act 1974*;
- (f) land proposed to be reserved under the *National Parks and Wildlife Act 1974*.
- (g) land within State forests mapped as Forestry Management Zone 1, 2 or 3;
- (h) wetlands mapped under SEPP 14 - Coastal Wetlands;
- (i) wetlands listed under the Ramsar Wetlands Convention;
- (j) lands mapped under SEPP 26 - Littoral Rainforests;
- (k) areas listed on the Register of National Estate;
- (l) areas listed under the *Heritage Act 1977* for which a plan of management has been prepared;
- (m) land declared as critical habitat under the *Threatened Species Conservation Act 1995*;
- (n) land within a restricted area prescribed by a controlling water authority;
- (o) land reserved or dedicated under the *Crown Lands Act 1989* for the preservation of flora, fauna, geological formations or other environmental protection purpose; and
- (p) any other land identified as Sensitive Land by the Department

It should be noted that some of these areas are also "exempted areas" under the Act.

3 Other Definitions

"Act" means the *Mining Act 1992*

"Department" means the Department of Primary Industries

"Minister" means the Minister administering the *Mining Act 1992*

"Wetlands" means wetlands mapped as such under State Environmental Planning Policy No 14 - Coastal Wetlands;

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EXPLORATION LICENCE CONDITIONS 2009

Section A APPROVAL OF PROSPECTING OPERATIONS

1 Prospecting Operations Permitted under the Licence

The prospecting operations listed in Category 1 may be conducted on the licence area provided that:

- (a) the operations do not cause more than minimal impact on the environment, taking into account the sensitivity of the local environment to disturbance;
- (b) the operations do not cause harm to any threatened species, population or ecological community, or their habitats, including critical habitat;
- (c) the operations do not cause damage to Aboriginal objects or Aboriginal places;
- (d) the operations do not cause damage to the values and features listed in section 238 of the Act;
- (e) the requirements of section 30 of the Act are met, if relevant; and
- (f) the requirements of all State conservation, threatened species, environmental protection, heritage and related legislation are met.

2 Prospecting Operations Requiring Further Approval

All prospecting operations not covered by Condition 1 require additional approval. Such operations comprise:

- (a) prospecting operations listed in Category 1 where the provisos listed under Condition 1 cannot be satisfied;
- (b) prospecting operations listed in Category 2 or 3; and
- (c) surface disturbing prospecting operations not listed in Categories 1, 2 or 3.

All such prospecting operations require prior notification on a Surface Disturbance Notice form to the Department.

Approval by the Department requires assessment and determination under Part 5 of the *Environmental Planning and Assessment Act 1979 (EP&A Act)*.

In the case of prospecting operations listed in Category 3, a review of environmental factors (REF) must be prepared, and must accompany the Surface Disturbance Notice. In respect of prospecting operations not listed under Category 3, the Department, after consideration of the completed Surface Disturbance Notice form, will determine whether a REF must be prepared and notify the licence holder in writing. Any REF must be prepared in accordance with Departmental guidelines. If the impact of prospecting operations on the environment is determined as likely to be significant in terms of Part 5 of *the EP&A Act*, then the Department will require the licence holder to submit an Environmental Impact Statement (EIS).

The licence holder must not commence the operations without prior written approval from the Department.

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Section B SPECIAL AREA CONDITIONS

3 Exempted Areas

The licence holder must not commence prospecting operations in an exempted area under the Act without obtaining prior written consent from the Minister.

"Exempted areas" under the Act are lands set aside for public purposes. They include travelling stock reserves, road reserves, water supply reserves, State forests, and public reserves and permanent commons. Under Section 30 of the Act the "exercise of rights" under an exploration licence is subject to the consent of the Minister. The "exercise of rights" includes the right to conduct prospecting operations. The Minister's consent requires assessment and determination under Part 5 of the *EP&A Act*.

Applications for the Minister's consent to exercise rights under the licence may address Category 1 prospecting operations only, or may also address prospecting operations requiring further approval under Condition 2. If an application for the Minister's consent is submitted in terms of Category 1 prospecting operations only, then if granted it will contain a condition requiring approval of further prospecting operations under Condition 2. If the application also addresses prospecting operations requiring further approval under Condition 2, then it will satisfy the requirements of Condition 2 for prior notification to and approval by the Department of those operations. The Minister's consent may be granted subject to conditions.

Applications for the Minister's consent to exercise rights under the licence are to be submitted to the Titles Program, accompanied by any necessary Surface Disturbance Notice form, REF or EIS (see Condition 2). Inclusion of the views and requirements of the agency or council controlling the exempted area will speed up the consent process.

4 State Conservation Areas (SCAs)

The licence holder must not commence prospecting operations in a State Conservation Area without obtaining prior written consent from the Minister and subject to any conditions that may be stipulated.

State Conservation Areas are exempted areas under the Act and, pursuant to the requirements of section 30 of the Act and section 47J(7) of the *National Parks and Wildlife Act 1974*, the licence holder may not exercise rights under the licence except with the consent of the Minister given with the approval of the Minister for the Environment.

A Review of Environmental Factors (REF) must be prepared and submitted according to Department guidelines at least 6 weeks prior to planned commencement of any prospecting operations.

The REF must be prepared in accordance with the Department's guidelines for completing a review of environmental factors covering exploration in state conservation areas.

8 Native Title Areas

The licence holder must not prospect on any land or waters on which native title exists without the prior written consent of the Minister.

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Section C ENVIRONMENTAL MANAGEMENT OF PROSPECTING OPERATIONS.

10 Environmental Management Conditions

- (a) Conditions attached to any consent or approval given pursuant to the Act or this licence are taken to be conditions of this licence and are enforceable under the Act as such.
- (b) Without limiting the generality of paragraph (a) conditions attached to the following approvals and consents are taken to be conditions of this licence and are enforceable as such:
 - i) Approvals under conditions 2, 6, 9, 16(a), 17, 20(b) and 21(a) (if included in the licence); and
 - ii) Consents under conditions 3 and 4 (if included in the licence).
- (c) For the purposes of Sections 125(3) and 374A(1) of the Act, Conditions 1 to 6 and 9 to 32 (if included in the licence) are identified as being related to environmental management.
- (d) For the purposes of Division 3 of Part 11 of the Act, Conditions 1 to 6 and 9 to 28 (if included in the licence) are identified as being imposed under Division 2 of Part 11 of the Act, as well as being imposed under Section 26(1), 114(4) or 121(3) of the Act as the case may be.

11 Environmental Management – General

- (a) Environmental management of operations must be carried out according to current best environmental practice* or, alternately, it must conform to a specific Environmental Management Plan prepared by the licence holder which is acceptable to the Department.

*As a guide see "Onshore Minerals and Petroleum Exploration", 1996 Commonwealth Department of the Environment and Heritage or "Guidelines for Environmentally Responsible Mineral Exploration in NSW" 1998 NSW Minerals Council.
- (b) Approval of Category 3 prospecting operations may be subject to a requirement to prepare an Environmental Management Plan (EMP). When directed in writing by the Department, the licence holder must prepare an EMP for the operations or for a specific aspect of the operations. The EMP must be prepared in a format and with content as specified and to a timetable specified by the Department.

12 Aboriginal Cultural Heritage

- (a) Prior to carrying out any prospecting operations the licence holder must consider potential impacts on Aboriginal Heritage according to Guidelines for Aboriginal Heritage Impact Assessment in the Exploration and Mining Industries (NPWS, October 1997).
- (b) Aboriginal Cultural Heritage issues must be satisfactorily addressed in any notification under Condition 2 of this licence.
- (c) The licence holder must not knowingly destroy, deface or damage any Aboriginal object or Aboriginal place within the area except in accordance with a consent issued under the *National Parks and Wildlife Act 1974*. The licence holder must take all necessary precautions in drilling, excavating or disturbing the land against any such destruction, defacement or damage.

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13 Threatened Species, Populations, Ecological Communities and their Habitats, and Critical Habitat

- (a) Prior to carrying out any prospecting operations the licence holder must consider potential impacts on threatened species (of plants, animals and fish), populations and ecological communities and their habitats, and critical habitat, and plan the activities to minimise any such impacts.
- (b) Threatened species populations and ecological communities and their habitats, and critical habitat, must be satisfactorily addressed in any notification under Condition 2 of this licence.
- (c) The licence holder must comply with legislation relating to threatened species, populations, ecological communities and their habitat, and critical habitat. Should prospecting operations require a licence under the *National Parks and Wildlife Act 1974* or the *Threatened Species Conservation Act 1995* then the licence holder must obtain such a licence.

14 Heritage Items

- (a) Prior to carrying out any prospecting operations the licence holder must consider potential impacts on items of heritage significance including old mine relics and workings. The licence holder must take all necessary precautions in drilling, excavating or disturbing the land against causing any damage to or destruction of items of heritage significance.
- (b) Heritage items must be satisfactorily addressed in any notification under Condition 2 of this licence.
- (c) The licence holder must not disturb any item of heritage significance within the area except in accordance with an approval issued under the *Heritage Act 1977*.

15 Trees and Vegetation

- (a) The licence holder must not fell trees, strip bark or cut timber on any land subject of this licence without the consent of the landholder who is entitled to the use of the timber, or if such a landholder refuses consent or attaches unreasonable conditions to the consent, without the approval of the Mining Warden.
- (b) The licence holder must not cut, destroy, ringbark or remove any timber or other vegetative cover on any land the subject of this licence other than in accordance with the conditions of this licence and any approval granted thereunder. Any clearing not authorised under the Act must comply with the provisions of the *Native Vegetation Act 2003*.
- (c) The licence holder must have any necessary licence from the Department's State Forests Division before using timber from any Crown land within the licence area.

16 Roads and Tracks

- (a) Operations must not affect the public's normal use of any road or track unless with the prior written approval of the Department.
- (b) Operations must not affect the availability of existing roads on any land for use for fire fighting.

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- (c) The licence holder must pay to the designated authority in control of the road or track (generally the local council or the Roads and Traffic Authority) the reasonable costs incurred by the designated authority in fixing any damage to roads caused by operations carried out under the licence.
- (d) During wet weather the use of any road or track must be restricted so as to prevent damage to the road or track.
- (e) Existing access tracks should be used for all operations where possible. New access tracks must be kept to a minimum and be positioned so that they do not cause any unnecessary damage to the land, watercourses or vegetation.
- (f) The design, construction, repair and rehabilitation of constructed access tracks must be in accordance with specifications given in any Review of Environmental Factors required (Condition 2) or an Environmental Management Plan (Condition 11) which has been accepted by the Department.
- (g) As soon as possible after they are no longer required for prospecting operations temporary access tracks must be rehabilitated and revegetated to the satisfaction of the Department.
- (h) Rehabilitation activities undertaken in regard to this Condition must be included in reports prepared in accordance with Condition 28 (a).

17 Streams and Watercourses

The licence holder must not interfere with the flow of water in any stream or watercourse without the prior written approval of the Department, and subject to any conditions that may be stipulated.

18 Erosion and Sediment Controls

- (a) All operations must be planned and carried out in a manner that minimises erosion and controls sediment movement. The licence holder must observe and perform any instructions given by the Department in this regard.
- (b) For operations requiring approval under Condition 2 the licence holder must document in any Review of Environmental Factors required a plan setting out the proposed methods for minimising erosion and controlling sediment movement.
- (c) The procedures undertaken to minimise erosion and control of sediment movement must be included in reports prepared in accordance with Condition 28 (a).

19 Prevention and Monitoring of Pollution

- (a) Operations must be planned and carried out in a manner that does not cause or aggravate air pollution, water pollution (including sedimentation) or soil contamination. For the purpose of this condition, water shall be taken to include any watercourse, waterbody or groundwaters. The licence holder must observe and perform any instructions given by the Department in this regard.
- (b) For operations requiring approval under Condition 2 the licence holder must document in any Review of Environmental Factors required the proposed methods for minimising air pollution, water pollution and soil contamination.

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- (c) The licence holder must carry out environmental monitoring as directed by the Department to assess environmental performance in relation to prevention of pollution and rehabilitation of affected areas.
- (d) The procedures and results of monitoring of the activities undertaken to minimise air pollution, water pollution and soil contamination must be included in reports prepared in accordance with Condition 28 (a).

20 Refuse, Chemicals, Fuels and Waste Materials

- (a) The licence holder must maintain operations areas in a clean and tidy condition at all times.
- (b) All refuse and waste materials must be collected, segregated and deposited in properly constructed containers and removed to an approved landfill or buried in an approved manner at an approved location.
- (c) Sanitation collection should be in accordance with the requirements of the local authority, or the licence holder must make such provisions for sanitation as may be directed by the Department.
- (d) Precautions must be taken to prevent spills and soil contamination. All chemicals, fuels and oils must be stored in sound containers and kept spill trays or in a bunded area. A supply of appropriate spill and dust prevention and oil absorbent materials must be maintained at drill sites.
- (e) All drill cuttings and fluids must be contained in above-ground tanks or in-ground sumps. To prevent contamination of the groundwater or soils in-ground sumps must be plastic lined whenever toxic or non-biodegradable drilling fluids are used or when drilling into rock potentially containing high concentrations of toxic metals or metalloids.
- (f) Any soil contaminated by chemicals, oils and fuels, or drilling mud or drill core containing toxic metals must be collected and remediated or disposed of in an approved manner, and the site rehabilitated with clean soil.
- (g) Activities undertaken in regard to this Condition must be included in reports prepared in accordance with Condition 28 (a).

21 Transmission Lines, Communication Lines, Pipelines and other Public Utilities

- (a) Operations must not interfere with or impair the stability or efficiency of any transmission line, communication line, pipeline or any other public utility without the prior written approval of the Department and subject to any conditions that may be stipulated.
- (b) If the operation in any way impacts on the utility the licence holder must inform the authority in control of the utility and provide sufficient information for the authority to assess the proposal or its impacts. The licence holder must pay costs for remediation or repair of damage to utilities caused by prospecting operations and associated activities.

22 Public and Private Property

The licence holder must observe any instructions given by the Department in connection with minimising or preventing public inconvenience or damage to public or private property.

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23 Drilling

- (a) At least 28 days prior to commencement of drilling operations other than Category 1 drilling the licence holder must notify the relevant Department of Water and Energy regional Hydrologist of the intention to drill exploratory drill holes together with information on the nature and location of the proposed holes.
- (b) If the licence holder drills exploratory drill holes he must satisfy the Department that during and after the activity:
- i) all holes cored or otherwise are constructed and/or sealed to prevent the collapse of the surrounding surface;
 - ii) if any drill hole meets natural or noxious gases it is plugged or sealed to prevent their escape;
 - iii) if any drill hole meets an artesian or sub-artesian flow it is effectively sealed to prevent contamination or cross-contamination of aquifers, and is permanently sealed with cement plugs to prevent surface discharge of groundwater;
 - iv) potentially hazardous tools or logging equipment dropped in holes and unable to be recovered must be reported to the Regional Inspector of Mines and if directed to do so the licence holder must recover the equipment;
 - v) waters flowing from any drill holes must be managed and contained. Disposal of any such waters must be in accordance with the ANZECC 2000 "Australian and New Zealand Guidelines for Fresh and Marine Water Quality Guidelines" so as to meet the environmental values of the receiving Climate
 - vi) once any drill hole ceases to be used the land and its immediate vicinity is to be rehabilitated to its former condition;
 - vii) activities undertaken in regard to this Condition must be included in reports prepared in accordance with Condition 28(a).

24 Drilling (Additional for Group 8 and 9 Minerals)

- (a) Before commencing drilling within the licence area, the licence holder must carry out an assessment of the risk of gas blowouts to the satisfaction of the Department. If this assessment indicates that there is potential for a gas blowout to occur in any particular drillhole, that drillhole is to be drilled using a drilling rig fitted with gas blowout prevention equipment according to the Schedule of Onshore Petroleum Exploration and Production Safety Requirements.
- (b) The licence holder must report orally and forthwith to the Department all over-pressure gas occurrences that occur during drilling. Written notification of the occurrence is to be given to the Inspector within 24 hours of the occurrence.
- (c) The Department may direct the licence holder to undertake analyses and tests on any or all coal seams intersected in drill holes which in the opinion of the Department are likely to be economically mineable.
- (d) once any drill hole ceases to be used the hole must be sealed, surveyed and marked in accordance with Departmental Guidelines for Borehole Sealing on Land: Coal Exploration. Alternatively, the hole must be sealed as instructed by the Department.

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26 Maintenance of Open Drillholes

Where the licence holder wishes to temporarily maintain a drillhole in an open condition for monitoring purposes, or where a landholder requests that a drillhole be left open for water supply purposes, the licence holder shall inform the Department and provide reasons for leaving the hole open. If leaving the drillhole open at the request of a landholder, the licence holder must produce a signed copy of a document transferring the responsibility of that drillhole and its licencing requirements to the landholder. All drillholes which are maintained in an open condition must be cased to prevent collapse and fitted with a removable cap to ensure the safety of persons and stock.

27 Rehabilitation of land

- (a) Land disturbed must be rehabilitated to a stable and permanent form suitable for a subsequent land use acceptable to the Department so that:-
- i) there is no adverse environmental effect outside the disturbed area and the land is properly drained and protected from soil erosion;
 - ii) the state of the land is compatible with the surrounding land and land use requirements;
 - iii) the landforms, soils, hydrology and flora require no greater maintenance than that in or on the surrounding land;
 - iv) in cases where native vegetation has been removed or damaged, and where vegetation is required, species endemic to the area must be re-established. If the previous vegetation was not native, any re-established vegetation must be appropriate to the area or to the satisfaction of the landholder. Any re-established vegetation must be at an acceptable density and diversity; and
 - v) the land does not pose a threat to public safety.
- (b) Any topsoil that is temporarily removed from an area of prospecting operations must be stored, maintained and returned as soon as possible in a manner acceptable to the Department.
- (c) Any shafts, drill holes and excavations, that remain abandoned from previous mining or exploration, which are opened up or used by the licence holder must be filled in or otherwise rehabilitated to a standard acceptable to the Department.
- (d) All rehabilitation of disturbed areas should be completed before the expiry of the licence or immediately following termination of the licence.
- (e) Activities undertaken in regard to this Condition must be included in reports prepared in accordance with Condition 28(a).

28 Environmental Reporting

- (a) An **Environmental and Rehabilitation Report** must be submitted to the Department as follows:
- i) The reports must be prepared according to Departmental Guidelines for environmental and rehabilitation reporting on exploration licences.
 - ii) The reports must be lodged within one month of expiry or earlier termination of the licence or whenever part of the licence ceases to have effect.

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- iii) The reports must be prepared to the satisfaction of the Department and include information on all surface disturbing prospecting operations and rehabilitation carried out in the licence area or in the part of the licence that has ceased to have effect. They should include sufficient information to demonstrate that the requirements of Conditions 1 to 6 and 9 to 27 or those of them included in the licence have been satisfied.
- (b) An **Incident and Complaints Report** must be submitted to the Department as follows:
 - i) The report is to be submitted within 24 hours of confirmation of any serious environmental incident, breach of Conditions 1 to 27 or those of them included in the licence or breach of other environmental regulations, or a serious complaint from landholders or the public.
 - ii) The report must include the details of the exploration licence, contact details for the exploration manager, complainant and landholder, a map showing the area of concern, the nature of the incident or complaint, likely causes and consequences, and a timetable showing actions taken or planned to fix the problem.
 - iii) Details of all incidents or complaints occurring whilst the licence is in force must be included in reports prepared in accordance with Condition 28 (a).
- (c) Additional environmental reports may be required on specific surface disturbing operations or environmental incidents from time to time as directed in writing by the Department and must be lodged as instructed.

29 Security

- (a) A security in the sum of \$20,000 must be given and maintained with the Minister by the licence holder for the purpose of ensuring the fulfilment by the licence holder of obligations under this licence. If the licence holder fails to fulfil any one or more of such obligations, the said sum may be applied at the discretion of the Minister towards the cost of fulfilling such obligations.
- (b) The licence holder must provide the security required by paragraph (a) in one of the following forms:
 - i) cash, or
 - ii) a security certificate in a form approved by the Minister and issued by an authorised deposit-taking institution.

32 Failure to Fulfil Obligations

For the purposes of Condition 29, the licence holder shall be deemed to have failed to fulfil the obligations of this licence if the licence holder fails to comply with:

- (a) any condition or provision of the licence;
- (b) any condition of a consent or approval given pursuant to the Act or the licence;
- (c) any provision of the Act or regulations made thereunder; or
- (d) any direction or other instruction given by the Department pursuant to paragraphs (a) – (c) above.

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Section D GENERAL CONDITIONS**33 Control of Operations**

- (a) If the Department believes that the licence holder is not complying with any provision of the Act or Regulations, or any condition or provision of this licence, the Department may direct the licence holder to:
- i) cease all prospecting operations and other activities authorised by the licence; or
 - ii) cease those prospecting operations and other activities not complying; until in the opinion of the Department the situation has been corrected.
- (b) The licence holder must comply with any direction given under this Condition.

34 Landholder Liaison Program (Group 9 Minerals)

The licence holder must establish a Landholder Liaison Program. This program must have procedures for addressing all landholder inquiries or complaints.

Notification of the program is to be given to all landholders within the licence area and to the Department.

36 Safety of Operations

- (a) The licence holder must give notification to the Department at the Department's nearest regional office at least 7 days before commencement of any field exploration activity involving drilling, blasting or other potentially hazardous operation.
- (b) Operations must be carried out in a manner that ensures the safety of landholders and members of the public, stock and wildlife in the vicinity of the operations.
- (c) The measures put in place to control hazards must comply with the *Mine Health and Safety Act 2004* and *Mine Health and Safety Regulation 2007*. These measures include, but are not limited to, the development of a Safety Management Plan prepared according to Departmental guidelines.
- (d) Operations must be carried out and supervised in a manner that ensures the safety of all employees and contractors.

38 Core Samples (For Group 8 and 9 Minerals)

- (a) Where a person obtains a core in the course of drilling any borehole, the core (except any material used for analysis) and any samples obtained there from shall be labelled and properly stored by the person on the completion of the borehole.
- (b) The licence holder must, if using non core drilling methods, retain representative cuttings of every three (3) metres of formation drilled, or change of formation and such samples must be at least 100 grams in weight, dried, bagged and securely labelled with depth limits.
- (c) Cores and samples labelled and stored as required under subsection (a) or (b) shall at all times be available for examination by the Manager Coal Advice of the Department.

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- (d) Portions of cores or samples labelled and stored as required under subsection (a) or (b) may be taken by the Manager Coal Advice referred to in subsection (c) for the purpose of analysis or other examination.
- (e) Any information obtained by any person as the result of any action taken under subsection (c) shall not be made public without the consent of the person carrying out the drilling from which the cores or samples were obtained unless the Manager Coal Advice directs otherwise.
- (f) If a person who has obtained cores or samples in the course of drilling any borehole proposes to dispose of the cores or samples:
 - (i) the person shall advise the Manager Coal Advice in writing, and
 - (ii) the Manager Coal Advice may take possession of the cores and samples within 28 days after being given that notice.
- (g) This section does not apply to boreholes or sections of boreholes sunk in surface gravel or alluvial ground.

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Section E EXPLORATION PERFORMANCE AND REPORTING CONDITIONS

41 Completion of Exploration Program

The licence holder must satisfactorily complete the work program nominated in the application for this licence or for renewal of this licence. Any change to the proposed program must be approved by the Department.

42 Technical Management of Exploration

Prospecting operations are to be conducted, or directly supervised, by the Technical Manager nominated in the application for this licence. The nominated technical manager must prepare or supervise and approve all exploration reports. Any change to the Technical Manager must be approved by the Department.

44 Exploration Reports (For Group 8 and 9 Minerals)

The licence holder must lodge reports to the satisfaction of the Department detailing the operations conducted. The reports must comply with Departmental guidelines and be lodged, as specified in this condition, and include all maps, plans and data necessary to satisfactorily interpret and evaluate the reports. Approval by the Department is required if the holder wishes to lodge reports at times other than those specified.

- (a) Summary Reports must be lodged within twenty eight (28) days after the expiry of each 6 months during the currency of the licence and must contain:
 - i) a brief summary of prospecting operations carried out, including expenditure thereon, during the 6 month period; and
 - ii) the results and conclusions of all surveys and other operations; and
 - iii) the proposed exploration to be conducted during the following 6 month period.
- (b) Application for Renewal Report must accompany any application for renewal of the licence and contain a comprehensive report of:
 - i) prospecting operations carried out, including expenditure thereon, during the current term of the licence; and
 - ii) the results of prospecting operations and the conclusions reached as to the coal resources potential of the licence area.
- (c) Airborne Geophysical Survey Results must be lodged within 6 calendar months of the completion of any airborne geophysical survey. The results must be in digital form and comply with Departmental Guidelines for the Submission of Digital Coal & Petroleum Exploration Data.
- (d) A Final Report must be lodged on the expiry or earlier termination of the licence and must contain:
 - i) details of all surveys and other operations (including details of the expenditure incurred) carried out by or on behalf of the licence holder during the full term of the licence from grant to termination; and
 - ii) the results of the surveys and operations and the conclusions reached by the licence holder as to the coal resources potential of the licence area; and
 - iii) if detailed data has been included in previous reports the Final Report may consist of a summary of all work conducted, and the main results and conclusions of each phase of operations.

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- (e) Additional Reports on surveys and other operations may be required from time to time and must be lodged as instructed.

45 Confidentiality of Reports

- (a) All exploration reports lodged in accordance with the conditions of this licence will be kept confidential while the licence is in force, except in cases where:
- i) the licence holder has agreed that specified reports may be made non-confidential.
 - ii) reports deal with exploration conducted exclusively on areas that have ceased to be part of the licence.
- (b) Confidentiality will be continued beyond the termination of a licence where an application for a flow-on title was lodged during the currency of the licence. The confidentiality will last until that flow-on title or any subsequent flow-on title, has terminated.
- (c) Continued confidentiality is subject to the licence holder lodging a report that covers all exploration conducted on the areas not covered by the flow-on title. This report will be made public.
- (d) The Department may extend the period of confidentiality.

46 Licence to Use Reports

- (a) The licence holder grants to the Minister, by way of a non-exclusive licence, the right in copyright to publish, print, adapt and reproduce all exploration reports lodged in any form and for the full duration of copyright.
- (b) The non-exclusive licence will operate as consent for the purposes of section 365 of the Act.

47 Terms of the non-exclusive licence

The terms of the non-exclusive copyright licence granted under Condition 46(a) are:

- (a) the Minister may sub-license others to publish, print, adapt and reproduce but not on-licence reports.
- (b) the Minister and any sub-licensee will acknowledge the licence holder's and any identifiable consultant's ownership of copyright in any reproduction of the reports, including storage of reports onto an electronic database.
- (c) the licence holder does not warrant ownership of all copyright works in any report and, the licence holder will use best endeavours to identify those parts of the report for which the licence holder owns the copyright.
- (d) there is no royalty payable by the Minister for the licence.
- (e) if the licence holder has reasonable grounds to believe that the Minister has exercised his rights under the non-exclusive copyright licence in a manner which adversely affects the operations of the licence holder, that licence is revocable on the giving of a period of not less than three months notice.

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48 Cooperation Agreement

The licence holder must make every reasonable attempt, and be able to demonstrate their attempts, to enter into a cooperation agreement with the holder(s) of any overlapping petroleum title(s). The cooperation agreement should address but not be limited to issues such as:

- access arrangements
- operational interaction procedures
- dispute resolution
- information exchange
- well location
- timing of drilling
- potential resource extraction conflicts and
- rehabilitation issues.

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Industry &
Investment

Mr James Wearne
Environmental Coordinator - Projects
Centennial Mandalong Pty Limited
PO Box 1000
TORONTO NSW 2283

Dear Mr Wearne,

EL6317: Approval to undertake exploration drilling and associated works

In accordance with condition 2 of EL6317 granted under the *Mining Act 1992*, the titleholder is granted approval to conduct exploration drilling and associated works, subject to the conditions set out below. These conditions relate specifically to this approval and are in addition to those attached to EL6317. A breach of conditions is an offence under the *Mining Act 1992*.

CONDITIONS

General

1. The activity must be carried out generally in accordance with the:
 - a) Mandalong South Exploration Project – Review of Environmental Factors (including all appendices) dated October 2009; and
 - b) conditions of this approval.

If there is any inconsistency between the above documents, the most recent document prevails to the extent of the inconsistency.

Other (add as necessary)

2. Prior to the commencement of activities on each site, the title holder must make reasonable efforts to provide notice of disturbing activities, to immediate neighbours of the land on which the activities are to take place. The titleholder must accommodate reasonable requests by landholders for limited rescheduling of activities, and must have procedures for addressing landholder inquiries or complaints as per condition 34 of the respective EL title conditions.

An additional security is required to be lodged to cover the rehabilitation liabilities associated with the activities under this approval. You will be contacted by the Department's Titles Branch regarding this requirement.

Minerals & Energy Division
PO Box 344 Hunter Region Mail Centre NSW 2310
516 High Street Maitland NSW 2320
Tel: 02 4931 6666 Fax: 02 4931 6790
ABN 51 734 124 190
www.industry.nsw.gov.au

If you have any questions about this approval, please contact Michael Lloyd directly on (02) 6571 8788.

Yours sincerely



Michael McFadyen
Manager Environmental Operations

DATE: 18 DEC 09

Environmental Sustainability Branch
516 High Street Maitland NSW 2320
PO Box 344
Hunter Region Mail Centre NSW 2310

www.dpi.nsw.gov.au
Tel: 02 4931 6666
Fax: 02 4931 6790

Agreement for Access and
Exploration Activities

[Insert Authority Holder]

[Insert Landholder]

For the property described as:

[provide legal description of property in question -
either Lot/DP OR Street Address OR Property name]

Parties	The Landholder and the Authority Holder
Recitals	
A	The Authority Holder is the registered holder of the Authority.
B	The Landholder is the owner or occupier of the Property.
C	The Authority Holder proposes to carry out the Exploration Activities on the Property subject to the conditions contained in the Authority and the terms of this Agreement.
D	The Landholder grants access to the Authority Holder to carry out the Exploration Activities on the Exploration Area subject to the terms and conditions set out in this Agreement.
E	The parties enter into this Agreement: <ul style="list-style-type: none"> • to confer upon the Authority Holder the rights to access the Property and the conditions on which that access will be exercised; and • as an access arrangement as required by the Mining Act and to discharge all matters required to be addressed by Part 13 of the Mining Act.

It is agreed as follows:

1. Definitions and Interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

Agreement means the agreement set out in this document and any annexure or schedule to it.

Authority means the authority set out in Item 5 of Schedule 1.

Authority Holder means the company set out in Item 3 of Schedule 1.

Commencement Date means the date set out in Item 8 of Schedule 1.

Compensable Loss has the meaning given to that term in Section 262 of the Mining Act.

Compensation means the consideration set out in Item 7 of Schedule 1.

Exploration Activities means the drilling, inspection and other activities as detailed in Item 6 of Schedule 1.

Exploration Area means the area shown in Schedule 2.

Landholder means the person(s) set out in Item 2 of Schedule 1.

Law means any requirement of any statute, regulation, regulatory instrument, proclamation or common law present or future, whether state, federal or otherwise.

Mining Act means the *Mining Act 1992* (NSW).

People of an entity means employees, contractors and agents of that entity and persons authorised by that entity.

Property means the land set out in Item 1 of Schedule 1.

Supervisor means the person set out in Item 4 of Schedule 1.

Term means the period set out in clause 2.

Terminating Date means the date set out in Item 9 of Schedule 1 as extended by agreement between the parties.

1.2 Interpretation

The following rules apply unless the context requires otherwise:

- (a) The singular includes the plural, and the converse also applies.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) A gender includes all genders.
- (d) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (e) A reference to a person includes a natural person, corporation, statutory corporation, the Crown, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (f) A reference to a clause, schedule or annexure is a reference to a clause of, schedule or annexure to, this Agreement.
- (g) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document.
- (h) A reference to a party to this Agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) Mentioning anything after includes, including, for example, or similar expressions does not limit what else might be included.
- (k) A reference to a right or obligation of any two or more people comprising a single party confers that right, or imposes that obligation, as the case may be, on each of them severally and each two or more of them jointly. A reference to that party is a reference to each of those people separately (so that, for example, a representation or warranty by that party is given by each of them separately).

2. Term

This Agreement commences on the Commencement Date and ends on the Terminating Date.

3. Access to the Property

The Landholder grants the Authority Holder access to the Exploration Area for the Term to carry out the Exploration Activities.

4. Access Periods

Unless otherwise agreed by the Landholder, the Authority Holder must:

- (a) only carry out the Exploration Activities between:
 - (i) 7am and 6pm from Monday to Friday; and
 - (ii) 8am and 1pm on a Saturday;
- (b) not carry out Exploration Activities on:
 - (i) Sundays; and
 - (ii) days that are gazetted as public holidays in New South Wales.

5. Notice of entry

- 5.1 The Authority Holder will consult with the Landholder regarding the Landholder's work schedule, with the view to organising the Exploration Activities around any harvesting, mustering and other relevant farm management activities.
- 5.2 The Authority Holder will give the Landholder a minimum of:
 - (a) 5 days notice prior to any intended access that will involve the use of drill rigs or other machinery; and
 - (b) 48 hours notice prior to any intended access for all other Exploration Activities.

6. Access Conditions

- 6.1 The Authority Holder must:
 - (a) only carry out Exploration Activities in areas permitted under the Authority;
 - (b) only access the Property via the access routes identified in Schedule 2;
 - (c) only bring onto the Property such equipment, vehicles, employees and contractors as may reasonably be required to conduct the Exploration Activities;
 - (d) comply with all Laws relating to the Exploration Activities;
 - (e) take reasonable steps to minimise introduction of weeds and disease to the Property;
 - (f) place any of its refuse, garbage, waste or empty containers in suitable receptacles to be removed from the Property;
 - (g) not move heavy equipment on the Property during or immediately after wet weather, unless by agreement with the Landholder;
 - (h) not interfere with or prevent the access of stock to any watering places on the Property;

- (i) not cut fences without the consent of the Landholder and promptly repair any fences or other improvements damaged in the course of the Exploration Activities;
 - (j) leave all gates as found, whether open or shut;
 - (k) not light any fires on the Property and take all practical fire precautions; and
 - (l) not bring any dogs or firearms onto the Property.
- 6.2 The Authority Holder must conduct the Exploration Activities in such a manner so as to cause minimum interference to:
- (a) the surface of the Property;
 - (b) crops, trees, pastures, grasses or other vegetation on the Property;
 - (c) stock or other animals on the Property; and
 - (d) improvements on the Property.
- 6.3 The Authority Holder must not use water or timber from the Property without the permission of the Landholder.

7. Drilling

- 7.1 The Authority Holder will ensure that:
- (a) drilling sumps are of sufficient capacity to retain any drilling fluids during operations for disposal or re-use;
 - (b) all drill holes are constructed in a manner that will prevent erosion or collapse of the surrounding surface; and
 - (c) drilling sumps or pits that will be left uncapped and unattended for more than 24 hours will be managed to limit access.
- 7.2 Where there Authority Holder is reasonably likely to encounter risks associated with gases or liquids contained within the earth during drilling it must apply appropriate controls to effectively manage these risks.
- 7.3 The Authority Holder will ensure that all bore holes are filled appropriately or capped (safe for stock and farm machinery operation) immediately after they are no longer in use.

8. Supervisor

- 8.1 The Authority Holder has appointed the Supervisor to oversee the Exploration Activities and will advise the Landholder if any of the Supervisor's details change.
- 8.2 The Authority Holder will ensure the Supervisor is available to consult with the Landholder at all reasonable times.

9. Rehabilitation

- 9.1 The Authority Holder will rehabilitate any part of the Exploration Area disturbed by the Exploration Activities as soon as practicable including:

- (a) removing all plant and equipment brought onto the Property by the Authority Holder;
- (b) repairing any damage to the Property caused by the Exploration Activities to as near as practicable to its original state;
- (c) replacing any soil removed in the order that it was removed;
- (d) if required, re-contouring excavations and earthworks affected on the Property in such a manner that soil erosion will be minimised; and
- (e) rehabilitating any cleared areas with local native species.

9.2 The Authority Holder will inform the Landholder of completion of the rehabilitation activities on the Exploration Area.

9.3 The Authority Holder will use all reasonable endeavours to arrange for the Landholder to inspect the rehabilitation and advise the Authority Holder of any reasonable concerns with the rehabilitation which the Authority Holder will rectify.

10. Landholder Agreement

The Landholder agrees that:

- (a) for so long as the Authority Holder observes and performs the terms and conditions contained in this Agreement, the Landholder will:
 - (i) not impede, restrict or interfere with the carrying out of Exploration Activities by the Authority Holder; and
 - (ii) ensure any person using the Property with the Landholders consent does not impede, restrict or interfere with the carrying out of Exploration Activities by the Authority Holder, and
- (b) any infrastructure or equipment placed on or in the Property by the Authority Holder under this Agreement remains the property of the Authority Holder.

11. Notice to Mortgagee

Within 14 days of the date of this Agreement the Authority Holder will notify any person who is identified in any register or record kept by the Registrar-General as a person having an interest in the Property as mortgagee in accordance with clause 142A of the Mining Act.

12. Compensation

12.1 The Authority Holder will pay the Landholder the Compensation for any Compensable Loss suffered, or likely to be suffered, by the Landholder as a result of the Authority Holder exercising the rights conferred by the Authority.

12.2 The Compensation is the total amount of compensation payable under the Mining Act for any Compensable Loss suffered or likely to be suffered by the Landholder as a result of the exercise of rights conferred by the Authority.

13. Costs

The Authority Holder will pay:

- (a) the Landholder an amount of \$1000.00 plus GST for the Landholders costs of obtaining legal or other professional advice on this Agreement; and
- (b) any stamp duty payable on this Agreement.

14. Risk & Indemnity

- 14.1 The Authority Holder and its People enter on and use the Property entirely at their own risk.
- 14.2 The Authority Holder must ensure its People strictly comply with the Authority Holder's obligations under this Agreement.
- 14.3 The Authority Holder will indemnify and keep indemnified the Landholder for all loss and damage caused by Exploration Activities on the Property but this indemnity does not apply to claims arising from or in connection with the acts, omission, negligence or default of the Landholder or its People.

15. Insurance

The Authority Holder must maintain and comply with the following insurance policies at all times:

- (a) public risk insurance in at least the amount of twenty million dollars; and
- (b) workers compensation insurance for all employees engaged by the Authority Holder from time to time.

16. Notices

Any notice given in relation to this Agreement must be given by telephone, facsimile or email to:

- (a) for the Authority Holder, the Supervisor; and
- (b) the Landholder,

or as otherwise notified by either party from time to time.

17. Notification of new Landholders

The Landholder must immediately notify the Authority Holder of the details of any person who the Landholder is going to grant a registered interest in the Property to, such details to include:

- (a) the full name of that person; and
- (b) the contact details for that person.

18. General

- 18.1 No modification, variation or amendment of this Agreement shall be of any effect unless made in writing and signed by the Authority Holder and the Landholder.
- 18.2 This Agreement must be interpreted according to the laws of the State of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of that state.
- 18.3 This Agreement contains the entire agreement between the parties with respect to its *subject matter*. It sets out the *only conduct* relied on by the parties and supersedes all earlier conduct and prior agreements and understandings between the parties in connection with its subject matter.
- 18.4 Each party must do anything necessary or desirable (including executing agreements and documents) to give full effect to this Agreement and the transactions contemplated by it.
- 18.5 This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument

[Note: A confidentiality clause can be included in this Agreement if requested by the Landholder]

Schedule 1

Item 1**Property Details**

Location of Property:

Lot Number:

Deposited plan:

Local Gov Area:

Item 2**Landholder's Details**

Name:

Contact:

Phone:

Email:

Item 3**Authority Holder's Details**

Company Name:

Company Contact:

Phone:

Email:

Item 4**Supervisor Details**

Supervisor Name:

Phone:

Email:

Item 5**Authority**

Authority Number:

Date Granted:

Expiry Date:

Item 6**Exploration Activities**

The Exploration Activities to be carried out on the Property are:

➤ Drilling Activities:

- Preparation or upgrades of access track

- Preparation of drill site
 - Excavation of drilling sumps
 - Installation of environmental controls
 - Exploration drilling
 - Costeaming
 - Trenching
 - Down hole Geophysical logging and testing
 - Drill site rehabilitation activities (not including periods for regrowth of vegetation after rehabilitation activities are completed).
- Non-Drilling Activities:
- Inspections
 - Surveys including geological surveys, geophysical surveys
 - Regrowth monitoring
 - Geological mapping

NB: The Exploration Activities need to be reviewed and specified for each Agreement.

Item 7

Compensation Details

- Compensation for Drilling Activities will be:
- \$550 per week or part thereof for the duration of the Drilling Activities on the Property. The period of Drilling Activities commences from the preparation or upgrades of access tracks until completion of drill site rehabilitation activities (not including periods for regrowth of vegetation after rehabilitation activities are completed).
 - A minimum compensation of \$2000 will be payable.
- Compensation for Non-Drilling Activities will be:
- \$100 per 24 hours in which Inspection Activities will take place.
- Compensation will be paid within 14 days of the last day of each month for the Exploration Activities carried out in the previous month.

Item 8

Commencement Date:

Item 9

Terminating Date:

Schedule 2

[Insert locality plan showing drilling location and proposed access route]

Executed as an Agreement.

Executed for and on behalf of the **Authority Holder** in the presence of:

Signature of Witness

Signature of the Authorised Officer

Print Name of Witness

Print Name of the Authorised Officer

Executed by the Landholder in the presence of:

Signature of Witness

Signature of the Landholder

Print name of Witness

Print name of Landholder

[Delete if not required]

Executed by the Landholder in the presence of:

Signature of Witness

Signature of the Landholder

Print name of Witness

Print name of Landholder

10 November 2010
To the Ordinary Meeting

General Manager's Report
General Manager's Unit

6.1 Access to Council Land for Mandalong South Exploration Drilling Program

TRIM REFERENCE: f2004/07086 - D02400439

AUTHOR: BR

SUMMARY

Report on request from Centennial Coal to access Council land for the Mandalong South Exploration Drilling Program.

RECOMMENDATION

That Council authorise the General Manager to negotiate and execute an agreement with Centennial Coal for access to Council land for the Mandalong South Exploration Drilling Program subject to suitable compensation being provided and risks being appropriately managed.

BACKGROUND

Centennial Mandalong Pty Limited (a subsidiary of Centennial Coal) owns and operates the Mandalong Mine and has recently commenced an exploration drilling program over its Exploration Licence (EL6317). The exploration area is located south-west of the township of Morisset and west of the township of Wyee and adjoins the southern boundary of the Mandalong Mine.

The proposed exploration program will involve the drilling of approximately fifty exploration drill holes across the Exploration Licence to build on existing geology and coal quality information. Up to five of the drill holes are proposed to be located on land owned by Wyong Shire Council.

Plans showing the impact of the exploration drilling on Wyong Shire and the location of proposed exploration drill sites on Council land are included as part of Attachment 1.

Centennial Mandalong Pty Limited has received approval from NSW Industry & Investment (refer Attachment 2) to undertake the proposed drilling activities following submission of the Mandalong South Exploration Project Review of Environmental Factors (2009).

A copy of the Review of Environmental Factors has been made available to Wyong Shire Council.

THE PROPOSAL

Centennial Mandalong Pty Limited is seeking approval from Wyong Shire Council to access Council land to undertake the planned exploration drilling activities.

Included in Attachment 1 is a plan showing the two Council-owned sites that are impacted:

- Lot 5 DP 755271 Buttonderry Waste Management Facility
- Lot 9 DP 262720 Buangi Rd Durren Durren

Lot 5 DP 755271 Buttonderry Waste Management Facility

Two exploration drill sites are proposed within the Buttonderry Waste Management Facility (refer to page 4 of Attachment 1).

One of the proposed boreholes is located on the western boundary of the Buttonderry Waste Management Facility and will not cause any operational impacts.

The other proposed borehole is within a sediment pond however, representatives of Centennial Mandalong Pty Limited have indicated that there is some flexibility regarding the location; so as to ensure minimal disturbance/disruption to activities.

There should be no issues with the proposal provided that Centennial Mandalong Pty Limited comply with the site's occupational health and safety procedures, submit safe work method statements for the activity, are willing to be flexible regarding the location of the borehole, are able to undertake their activities within the normal operating hours of the facility, and make good any damage and clean up and remove all spoil and debris associated with the drilling.

Lot 9 DP 262720 Buangi Rd Durren Durren

Three exploration drill sites are proposed on Lot 9 DP 262720 Buangi Rd Durren Durren (refer to page 4 of Attachment 1).

This property was dedicated to Council as Public Reserve from the subdivision of Portion 65 Parish Wyong and is classified by Council as Community Land. The Plan of Management No.10 applies and while the Plan does not specifically preclude exploratory drilling; it does seek to minimise the impact on the area.

The property is also affected by a transmission line easement 60 metres wide.

Details of the Proposal

The exploration drilling program has a low level impact on the surface. The drilling process does involve some disturbance of the land with the digging of two sumps for water storage. Centennial Mandalong Pty Limited will discuss the exact locations of the drill sites with Council officers so that existing tracks can be used wherever possible. The aim is to minimise the environmental impact from the drilling operation.

For exploration drilling Centennial Mandalong Pty Limited has approval for the sites to be up to 25m x 25m in size. Wherever possible this is minimised and trees are left intact within the perimeter of the site whenever possible. Each site is rehabilitated following the completion of drilling of the hole.

Each hole takes around 3-4 weeks to drill. The borehole is nominally 100mm in diameter and the depth ranges from 300m to 500m and the actual time taken depends on the depth down to the seam and how much core is recovered from each hole. Centennial Mandalong Pty Limited aims to core approximately 150m above the coal seam in about 50% of its holes. This is needed to accurately identify strong geological strata in the overburden that can assist in minimising subsidence.

The amount of coring in one of the holes proposed for the Buttonderry Waste Management Facility could be reduced to around 30m above the seam to allow the hole to be completed more quickly (this typically saves 4 to 5 days of drilling).

The exploration drilling program aims to recover information about:

- the coal seam – thickness, coal quality (ash, sulphur and energy content), how it performs when washed (to remove ash), gas content and permeability. Not all of this information is collected from every single hole.
- overburden (rock above the seam) – the strengths and thicknesses of rock strata above the seam is important and allows assessments on subsidence, tunnel support, stress magnitude and direction.

The information gathered during the exploration program allows a viable mine plan to be developed.

OPTIONS

The nature of the proposal limits options to a “yes or no” response albeit a “yes” with some minor conditions.

Centennial Mandalong Pty Limited intends to keep Council informed of the project’s progress and believes this is better for both parties if an agreement can be made. Centennial Mandalong Pty Limited is prepared to discuss the provision of the borehole data to Council, which may be of use in the future planning of the Buttonderry Waste Management Facility. The drilling program does not normally core the immediate rock from the surface, but this could be done and has the potential to save Council money in the longer term.

If Council says no, then this will delay the progress, but is unlikely to stop the exploration outright. Provisions are made under the *Mining Act 1992* for the exploration licence titleholder (Centennial Mandalong Pty Limited) to go through an arbitration process with the landholder (Council). Council needs to be aware that they would have to meet their own costs for proceeding down this path. Centennial would be liable for its costs as well as those of the arbitrator.

If the landowner (Council) is aggrieved by an arbitrator’s final determination they may apply to the Land and Environment Court for a review of the determination.

Centennial Mandalong Pty Limited does have the option of not drilling the holes, however, there are no other methods available to the company that provides the vast array of information needed to make the coal quality and geotechnical assessments. Traditionally, drilling on a 500m spaced grid provides some level of ‘certainty’ that the coal can be efficiently and safely extracted. This spacing is also designed to comply with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code), which is an industry standard for reporting on mineral deposits.

STRATEGIC LINKS

Link to Shire Strategic Vision

Employment - Centennial Coal currently employs 85 Wyong Shire residents in its operations.

During the exploration phase two contracting firms (one from the Hunter Valley and one from the Central Coast) will be engaged to undertake the drilling in conjunction with a geologist from Mandalong Centennial Pty Limited; and a third contractor (from the local area) will be engaged to undertake the earthworks and rehabilitation.

If the results of the exploration drilling program are positive then, the continuation of the Mandalong underground longwall operation will secure 317 direct jobs beyond 2015 plus 1,400 indirect jobs.

Financial Implications

Centennial Mandalong Pty Limited is required by the *Mining Act 1992* to compensate the landholder for the loss of use of their land for the period of drilling.

Discussions with representatives of Centennial Mandalong Pty Limited indicated that the standard agreement provides compensation of \$550 per week per site (with a minimum of \$2,000 per site).

This additional income of, at least \$10,000, was not budgeted for in the 2010-11 Annual Plan.

Principles of Sustainability

The Review of Environmental Factors prepared by Centennial Mandalong Pty Limited details a process to locate all exploration drill sites in areas of minimal environmental impact. Each drill site is inspected by a qualified ecologist and archaeologist prior to any surface disturbance to identify any potential impacts on threatened species or items of Aboriginal or European heritage. If any threatened species or items of Aboriginal or European heritage are identified during the site inspections, the drill site is relocated to avoid impacts.

Each drill site requires a maximum disturbance area of 25 metres by 25 metres. Existing access tracks are used whenever possible however, some tracks may require minor upgrades to ensure suitable and safe access for exploration equipment and personnel to the drill site. Each drill site and any access tracks created are rehabilitated at the completion of drilling activities.

CONSULTATION

Centennial Mandalong Pty Limited was not required to undertake any stakeholder consultation prior to the preparation of the Review of Environmental Factors (REF).

The Review of Environmental Factors includes a Stakeholder Engagement Plan to consult with landowners.

GOVERNANCE

Centennial Mandalong Pty Limited is required to comply with the conditions of their exploration licence (EL6317) and the conditions in their approval from the Department of Industry and Investment. A breach of these conditions is an offence under the *Mining Act 1992*.

If Centennial Mandalong Pty Limited is unable to negotiate access with the landowner then Part 8 Division 2 of the *Mining Act 1992* provides for conciliation and arbitration. If the landowner is aggrieved by an arbitrator's final determination they may apply to the Land and Environment Court for a review of the determination.

CORPORATE RISKS

For the organisation there is the risk of damage to infrastructure (such as breaking a sediment pond) at the Buttonderry Waste Management Facility. This risk can be reduced by Centennial Mandalong Pty Limited exercising flexibility and moving the eastern borehole to the north of the sediment pond.

If the results of the exploration drilling program are positive then the main impact from future underground longwall mining is the subsidence of the surface. The main concern for Council would be at the Buttonderry Waste Management Facility. Centennial Mandalong Pty Limited would need to discuss with Council officers how the site is currently managed and then assessments would be made as to the likely impacts. The drilling information, in this case, becomes very important to allow those assessments to be undertaken.

Centennial Mandalong Pty Limited advised staff that they had engaged Aurecon to carry out an initial groundwater assessment in mid-2010. This report identified locations for groundwater monitoring and equipment is currently being installed to provide baseline data for future environmental assessments.

The initial assessment also identified a boundary of igneous rocks that would act as a water barrier between the Mandalong South and Wallarah 2 projects.

CONCLUSION

That Council authorise the General Manager to negotiate and execute an agreement with Centennial Coal for access to Council land for the Mandalong South Exploration Drilling Program subject to suitable compensation being provided and appropriate risk being managed.

ATTACHMENTS

- | | | |
|---|---|-----------|
| 1 | Letter from Centennial Coal requesting access to Council land for Exploration Drilling and Survey for the Mandalong South Coal Mining Extension Project | D02411030 |
| 2 | Copy of Centennial Coal approval to conduct exploration drilling and associated works for Mandalong South Extension Project - EL6317 - Approval issued by the Department of Industry and Investment December 2009 | D02411095 |

RESEARCH and EVALUATION

Online citizen panels as an advance in research and consultation: A Review of pilot results

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Abstract

This paper details a new model for local government consultation and research. The model involves a local government partnering with a university to establish an online panel of citizens that is then used for consultations and research on a range of local government issues over time. The model was evaluated across an 18-month pilot involving three metropolitan councils in South Australia, each running its own panel. This paper details the rationale behind the panels, steps involved in their establishment, and what the most effective recruitment methods were to build panel membership. The model's ability to recruit a wide audience of citizens as members, including those who would not normally participate in local government matters, is examined, as well as citizen expectations of the panel and satisfaction with being a member. Finally, key learnings from the pilot are identified. The pilot results demonstrate that such an online panel model can be used effectively in the local government context. The panels achieved citizen membership wider than that historically seen in local government consultation and research, and were sustainable in terms of continued participation and high levels of citizen satisfaction. Since the pilot, the project has grown to include seven councils and almost 2500 citizens. This is further evidence that this model offers a way forward for enhanced citizen participation in local government decision-making and policy development.

Keywords

Local Government, Research and Consultation, Community Consultation, Citizen Panel, Online.

1. Introduction

Meaningful and effective community consultation and participation have been identified as critical for local government in the 21st century, as has improved monitoring and evaluation of local government performance. Coupled with this, has been a call for local government to find new ways to build capacity with cited examples including partnering with other organisations (Sansom, 2010). This paper examines the pilot of a model for local government citizen consultation and research that goes some way to introducing these desired elements.

The pilot was initiated out of frustration with the limitations and expense associated with existing methods of citizen consultation and research. Two large metropolitan local governments in Adelaide, South Australia, approached and partnered with a University of South Australia-based research institute to trial an alternative approach to community consultation and research – an online citizen panel. Funding from the Local Government Association of South Australia supported an 18-month pilot of the model. The pilot saw three metropolitan city councils establishing online panels of citizens with which they regularly consulted and conducted research. Each panel sought wide membership from citizens living and working in the local government area and aimed to reach an initial critical mass of 300 members.

While many councils and other local government agencies conduct off-line research and consultations, these are rarely done through a continuous multiple-purpose panel, built specifically for that organisation. Rather, specialist advisory committees or citizen juries are used, made up of a small number of citizens for a particular purpose or issue. Such consultation mechanisms are common in the UK and increasingly so in Australia. As for the use of online methods, at the time the pilot was initiated, online research and consultation in the local government arena had mostly been limited to one-off research or consultation surveys hosted on council web sites on an ad hoc basis, and ongoing online citizen panels not been established.¹ The pilot project examined in this paper was the first in Australia to establish online panels across multiple councils and with the aim of learning and disseminating knowledge about this approach. It was also the first example

¹ Parramatta Council would be one notable exception to this. The authors would like to gratefully acknowledge the time and information shared by Parramatta Council (especially Wade Clark) during the project's development. Ku-ring-gai Council, north of Sydney, is another example of a council that has a multiple-use citizen panel, built specifically for its needs.

of local governments partnering with an external organisation (in this case a university-based research institute) to establish and manage the online citizens panels. The university had its own in-house research field team, including the ability to write, host and analyse consultation surveys. This partnership gave local government access to research design and consultation implementation expertise, as well as being able to assure panel members of anonymity and confidentiality in their participation. The university gained benefits from being able to build a research agenda around the pilot; one that was grounded in practice-oriented research.

2. Research and consultation in the local government context

Consultation and research: An operating requirement

Community consultation and research has become an essential aspect of local government operations. In Australia, like many other jurisdictions, local governments are required to inform, and often to consult with, their citizens on matters that potentially affect them. The exact requirements vary for different matters and are generally governed by state laws and each local government's consultation policy. For example, in South Australia, under the Local Government Act (1999), there is a statutory requirement for local councils to consult with citizens when establishing strategic plans, setting annual business plans and budgets, changing rating policies, or considering changes to the status of community land. In addition, there is a requirement to notify citizens of such activities and give 'interested persons' a 'reasonable opportunity' to have input into the planning process. This includes, at a minimum, the publication of notices in the local paper, making draft plans publicly available, and considering submissions from members of the public when drafting plans.

In addition to these requirements to consult citizens, there is increasing pressure for government policy to be informed by research, and for performance, service delivery and customer service to be monitored by undertaking research with citizens (UTS Centre for Local Government/LGCSA 2007). In the local government context, research generally refers to activities where the aim is to gather reliable, statistically projectable results, usually by surveying a sample that is representative of the local population. Community consultation, in contrast, is typically more focused on gathering input or feedback from those who are interested in contributing. At times, the two tasks of research and

consultation can have very different, and potentially competing objectives, especially when consultation is undertaken as a socio-political task but research is conducted as an objective scientific process. Reconciling these can be a challenging task for local government managers.

However, whilst acknowledging that research and consultation are different activities with different principles and objectives, both can be considered forms of public participation. The International Association for Public Participation (IAP2) puts forward one of the most well known frameworks for categorising community participation. The IAP2 spectrum of participation ranges from 'informing the public', through to 'listening to the public', 'engaging in problem solving', and 'developing agreements' (for more information see [HTTP://iap2.org/practionertools/index.shtml](http://iap2.org/practionertools/index.shtml)). According to the 'spectrum', the research and consultation examples discussed in this paper would mostly be classed as 'listening' and this paper evaluates the effectiveness of the online panel approach for this task.

Consultation and research: A valued activity

Citizen consultation and research are valued means of obtaining feedback and input from the community, enabling councils to be more responsive and representative in their decision-making (City of Tea Tree Gully 2001). They are also seen as means by which to build social capital, through encouragement of broader understanding and ownership of decisions and plans (Aukett 2009) and to enhance a council's reputation as open, accountable and willing to listen (Local Government Association of SA 2007).

Over the last forty years, the value of engaging citizens in decision-making and governance has been discussed extensively in the planning, public administration and governance literature (see Day 1997, Bishop and Davis 2002, or Irvin and Stansbury 2004 for comprehensive reviews). There has been a particular focus on the potential of citizen participation to improve outcomes and foster good governance. Community consultation is seen as one of the central mechanisms to raise the level of citizen participation in decision-making and engage constituents (Brackertz and Meredyth, 2009), and the last decade has seen a groundswell of support for the concept of community input in local government. This support has been manifest in the appointment of 'community engagement officers' and the institution of 'consultation

policies' which outline the range of issues on which local governments will seek input, the principles guiding processes, and appropriate methods to be used (see Brackertz and Meredyth, 2009 and Local Government Association of South Australia 2007 for reviews of policies and practices in various Australian states). Increased consultation and research with citizens are part of this broader trend towards greater community engagement and collaboration (Lowndes, Pratchett et al. 2001). Local government is moving away from using consultation activities as a 'disaster check' towards actively seeking citizen input early in decision-making and policy development processes, and most councils in Australia now use a diverse range of methods and approaches for working with citizens (Hornby 2007).

In the context of local government, research amongst citizens is valued for its ability to monitor and provide reliable feedback to local governments regarding service delivery. It is also relied upon to provide local government with a representative snapshot of community sentiments on an issue or decision, often when there have been vocal objections from a section of the community, or where an impasse has been reached.

The literature does not often acknowledge the challenges managers face in translating principles of consultation and research into activities, and how difficult, time consuming, and costly consultation and research can be for a local government to implement. Many local governments face capacity issues and do not have the staff or infrastructure to design or implement consultation strategies themselves (Lowndes, Pratchett et al. 2001). For these reasons, many local governments choose to outsource the design or implementation of research or consultation to external providers, making activities costly and preventing local governments from learning how to do these things well themselves. For many, the purported benefits of citizen consultation and research fall short in reality.

Consultation and research: A frustrating reality

Local governments face a challenging and frustrating reality when it comes to putting consultation policies into practice. The results of consultation activities are often disappointing, both in terms of the number of people engaged and the usefulness of the findings for developing policies or aiding decision-making (Cuthill 2001). Moreover, local governments often find consultation activities difficult to sustain over the longer term, typically running very effective consultations on just one or two issues (usually due

to the dedication of key staff to the process), but lacking the resources, staff, or time to do so on a sustained basis.

As Brackertz and Meredyth (2009) point out, the process used to facilitate community participation largely determines the outcomes. A range of different processes or approaches are commonly used in local government (see Heylen 2007 for a discussion of Australian practices or Lowndes, Pratchett et al. 2001 for a discussion of practices in UK councils), all of which have limitations or challenges. For example, 'town hall' meetings and public submission processes usually garner extremely limited participation and attract mostly people who are highly involved with the issue under consideration and are polarised in their opinions. This is because attending a meeting or writing a submission requires citizens to go to considerable effort, and consequently there is a large element of self-selection bias. The handfuls of people who do participate in such processes are usually part of a vocal minority opposed to a decision or policy and are therefore not representative of community sentiment. This is problematic for local governments, as they must make decisions that take into account the views of the entire community. This pattern of small numbers of unrepresentative, often negative participants can be disillusioning to local government staff and decision-makers. There is scepticism amongst managers that consultation will garner any genuinely new ideas or useful feedback or that it will amount to anything more than just the 'usual suspects' (Brackertz and Meredyth 2009). Similarly, surveys designed by councils and distributed to community groups or through service contact points are often criticised for being poorly designed, not being sufficiently impartial, and for achieving only small, unrepresentative samples. As a result, local government decision-makers tend to be dismissive or distrusting of findings gathered through such processes (Wilson 1999).

A more proactive approach, aimed at overcoming the problem of representativeness in consultation, is recruiting groups of citizens willing to be consulted on a range of issues, rather than recruiting interested citizens on an ad hoc basis to be consulted on a single issue. Citizen Advisory Panels are generally set up in this way (Lowndes, Pratchett et al. 2001), with a select panel being recruited to represent the community and meeting regularly to review policy and advise council on a range of issues. However, the chance of these few selected individuals being truly representative is slim, especially given that the nature of the advisory process (regular meetings) is likely to attract only politically

engaged citizens. Citizens' Juries tend to be better in terms of representativeness because participants are typically selected through random sampling approaches (Hendricks 2002), but require substantial resources to set up. Managers often lack the skills or infrastructure to do so independently, managing them can be time consuming, and they too typically only involve a few individuals.

Larger government agencies commonly use telephone and mail survey methods to garner the opinions of a broad cross-section of the community, and often engage external organisations to implement it to overcome design, implementation and impartiality issues. However the time and expense of such methods is an impediment to using them regularly or for many issues. Even a large city council can only afford to do two or three such research exercises a year, leaving many decisions under-informed with respect to the views of the community.

There is a clear gap between what local governments would like to achieve in terms of citizen consultation and research, and current practice, suggesting a need for innovative approaches and new models which overcome time, resource and competency constraints.

3. Online approaches

An emerging methodology for consultation and research is online. The recent growth in Internet connectivity means that in most countries a majority of the population can be reached online – in Australia, 72% of the population is using the internet regularly (Australian Bureau of Statistics 2009). One of the key advantages of using an online approach is that it is easier for citizens to participate. People can choose to participate whenever and wherever is convenient for them. It is far easier for people to participate in an online survey or comment on a forum than to attend a public meeting or write a formal submission. It is also less threatening as people can participate in private, take as much time as they need, and can choose to remain anonymous, making full disclosure more likely (Holbrook and Krosnick 2010). By making consultation and research processes more accessible to the public, more people should be willing to participate and potentially, participants may also come from a more diverse cross-section of the community.

Some local governments, both in Australia and other Commonwealth countries, are already using online approaches. Surveys or forums are most commonly used and are generally focused on a single issue and hosted on the agency's website. However, such approaches have limitations in that presumably only those people who are already engaged with local government affairs or the particular issue tend to notice them and go to the effort of visiting the website and participating. So while the process may be more accessible and involve more people, the issues of representativeness and involving the silent majority are not really addressed by hosting an online survey on a website.

A more promising approach is to establish a panel of citizens who are interested in being consulted on a range of issues to do with their local community and inviting them more directly to participate in consultations online. A panel that is recruited to provide feedback on a range of issues will likely be less affected by issue-based non-response bias, and more able to represent a community accurately than a sample of respondents self-selected themselves to participate in a consultation on a single issue. If the panel is to be predominantly based online then citizens may be willing to join as participating will be easy and convenient for them.

Online panels are widely used by private sector companies and academics to conduct research and have been shown to have advantages over telephone and mail surveys in terms of their ability to collect a large number of responses relatively quickly and at a low incremental cost (see Ilieva, Baron et al. 2002 for a particularly good summary of their advantages). Many research and consumer-orientated companies have been successful in establishing large online panels of their customers and using them for research (Batinic and Morser 2005 as cited in Joinson, McKenna et al. 2007).

Online panels could be a very promising alternative for local governments wanting to conduct research and consult with their community. There have been some ad hoc moves towards this approach in Australia. As noted earlier, at the time of the pilot at least two local governments in Australia had successfully recruited and used citizen panels on an ongoing basis, although online components were minimal. Moreover, online panels had not been implemented in a co-ordinated way across multiple agencies, nor had they been subject to academic scrutiny. The approach also had not been run in a partnership context between an agency and a research partner. These were some of the motivations behind the pilot project when launched in late 2007.

4. The online panel model in action

The online panel model was piloted in three metropolitan councils in South Australia. The councils publicised widely to their local communities that they were establishing an online panel and were looking for citizens to be involved. They used a variety of promotional methods, the effectiveness of which is reported later in this paper. The panels were promoted as a way that citizens could 'help shape their city's future' and that, once registered, people would be invited (via email) to participate in between four to eight online surveys a year for their local council. The registration process was relatively simple. The university designed and managed an online survey to collect names, contact details, demographic variables relevant to the local government context (household composition for example) and information about their prior contact, involvement and satisfaction with their local government. These variables were used to evaluate the representativeness of the panels. It was felt that a simple demographic comparison against the Australian Bureau of Statistics profile of the local government area would not address the issue of representativeness in terms of attitudes, knowledge and involvement in the sorts of issues to be discussed. So, this fuller range of variables was collected on registration and used in the representativeness analyses. All of this information was fed into a database designed by the university to manage responses and facilitate the sending of surveys.

Councils notionally aimed to recruit 300 panel members, as this is in the vicinity of what a commercial research activity would aim to sample. Once panels reached 300 they were validated against a traditionally used research methodology (telephone interviews or mail surveys) by running the same survey in parallel through both methodologies and directly comparing results across demographic, attitudinal and behavioural variables. Results were also validated against Australian Bureau of Statistics data for each area. If deemed to be sufficiently representative by the academic researchers at the completion of this process (all panels met this requirement), the panel was then used for research and consultation. Even once their panels reached 300 the councils continued to publicise them and recruited additional members throughout the pilot period.

An important element of these panels was that anyone living, working, using services, or paying rates in the local government area was welcome to join their local panel. Members were not selected and membership was not restricted in any way.

Correspondingly, tests for representativeness were aimed at establishing the validity of the online approach and the panels, rather than obtaining a perfectly matched sample. The principle of open membership is an important distinction from panels where members are selected on the basis of their credentials or characteristics, or where demographic or geographic quotas are imposed. Open membership was adopted to signal the councils' openness to community input from wherever it came. Furthermore, because the panels were also promoted as an exercise in community engagement by the councils, turning interested citizens away would have been counter-productive.

That the panels were to be predominantly engaged online was also a key concern for councils, and strategies were implemented to make the panels more accessible: making the online surveys available through local library computers, running training sessions for citizens not familiar with email or online surveys, and in some cases, making paper versions of the survey available to those citizens without access to a computer. Interestingly, these paper surveys had extremely low uptake. From this, it appears that online access was not an impediment to participation and that people did have a preference for the convenience of the online option.

The panels were managed by the university partner, protecting the anonymity of participants, enabling the sharing of database and survey infrastructure costs and overcoming issues of capacity and expertise within councils. The university also designed the surveys used for consultations and research, managed the online surveys, conducted analysis and reported back survey findings to council managers and elected representatives. This enabled councils without the skills or capacity to do so themselves to establish panels and was important to the integrity of the process. Community participants were able to comment honestly, knowing that the university, not the council, managed survey responses and that their identity would remain anonymous. The involvement of the university as an external gatekeeper partner also has implications for improved willingness of citizens to join a panel in the first place (Heberlein and Baumgartner 1978). That consultation surveys were designed and analysed by an external agency gave credibility and independence to the process and ensured councils saw the panels as reliable sources of information. The university also acted as the custodian of the panels, advocating on their behalf and ensuring they were not over- or under-utilised, a role that was important for the long-term health of the panels. Because

of the university's academic interest in the panels and its full in-house research services ability, resources were available to experiment and provide valued-added services (eg the use of pop-ups in surveys) to the panels that would have been prohibitively expensive and not offered in as flexible a way if a commercial research partner had been involved.

Each council conducted between five and seven research or consultation surveys over the course of the 18-month pilot. Consultations were scheduled every three months (approximately), or conducted as need arose. The frequency of consultation was one of the issues on which feedback from panel participants was sought at the completion of the pilot. Council managers and elected members determined what issues were put to the panels and the council retained ownership of the panel. Although all communications were sent via the university's software and servers, everything was branded as being an initiative of the individual council in collaboration with the university partner and as part of a broader cross-council program ('Community Panel'), giving consistency to the process.

5. Evaluating the online panel model

Through the pilot the feasibility and sustainability of an online panel model was tested in the local government context. The most effective recruitment methods were determined and the time it took to build a panel of a size sufficient for research and consultation established empirically. Participant data was analysed to determine if the panels were able to engage citizens who had not previously participated in community consultations, and whether community participants were satisfied with the model. The results from this evaluation are discussed below.

Results: Panel membership numbers

A key question for the pilot was whether the local councils could recruit a panel of sufficient size for conducting research and consultation. Table 1 details the number of panel members each council had recruited by the end of the 18-month pilot.

Table 1: Panel membership numbers

Local Council	Panel Members	Area Population (ABS Census 2006)	Panel as % of Population
A	732	42 000	1.8
B	684	95 000	0.7
C	437	45 000	1.0

As the results illustrate, each of the local governments exceeded the notional 300-member 'threshold' by the close of the pilot, recruiting between 400 and 700 members each. Although the local governments varied in population from 42 000 to 95 000 residents, each panel represented about one percent of the local government's residential population. Whilst this may seem too few to be considered effective representation, it is a vast improvement on public meetings that typically engage fewer than 50 participants, or even commissioned phone surveys that typically include only 300 to 400 participants. Hence, the participating councils judged the panels a success in terms of their ability to engage more citizens than traditional approaches.

How long it took councils to build their panel to the 'threshold' size of 300 members varied from as little as four months to just over six months. Council B had more than 500 members within five months; however, Council A recruited just 262 members in the same time period. A controversial local issue then saw an additional 150 people join that panel in a single week, growing the panel to 416 members after six months of recruitment. This raises the issue of the potential for a particular issue to skew a panel which, while not empirically examined in this paper, is important. Council C grew to 400 members within four months and then remained stable for the remainder of the pilot. On the basis of these results, it seems that local governments can build a usable citizen panel quite quickly – most certainly within six months of establishment.

Results: Recruitment methods

The pilot trialled a range of recruitment methods in order to evaluate their effectiveness in growing panel membership. The effectiveness of recruitment methods was captured through a (prompted) question in the registration survey asking new members how they heard about the panel. As the trends were the same across all three panels, the results are aggregated and are shown in Table 2. The total number of panel members reported in

Table 2 is less than the number of panel members overall, as only the top five methods are listed.

Table 2: Top 5 recruitment methods

Recruitment Methods	n	%
Flyer with rates notice	794	43
Advert in council newsletter	314	17
Article in the local newspaper	200	11
Promotion on council website	131	7
Flyer at the library/ council offices	126	7

Recruitment methods with very broad reach, like a sending a flier to all ratepayers with the council's quarterly rates notices, were found to be most effective. Advertisements in council newsletters or articles in the local paper were the next most effective methods, primarily because they are circulated to every business and household. Other somewhat effective methods included promoting the panel on the council's website, at the council offices and library, and encouraging members to tell their friends. As these methods are fairly low cost to implement, they are probably worthwhile, although they recruit proportionally fewer members. Interestingly, recruitment methods that entailed additional resources or management time, like having staff hand out fliers at local events, tended not to result in much membership growth (less than three percent in total). That many of the most effective recruitment methods were 'off-line' is particularly notable and is likely to be important for the representativeness of such online panels.

Results: Engaging the 'silent majority'

Another research question for the pilot was whether an online panel approach could engage more than just the 'usual suspects' and effectively reach a wider audience of citizens. For this reason, two of the panels (A and B) were surveyed about their prior engagement with council and asked if they had previously attended a council meeting (and if so, how recently) or participated in any council consultations previously (no timeframe was set). Response rates were high, although not 100%, with 330 members of Panel A and 353 members of Panel B completing these survey questions, the results of which are reported below in Tables 3 and 4.

Table 3: Panel participants – attendance at council meetings

	Panel A %	Panel B %
Never attended a council meeting	62	68
More than 12 months ago	28	26
Recently (in last 12 months)	9	5
Unsure	1	1
Total	100	100

Table 4: Panel participants – previous participation in council consultations

	Panel A %	Panel B %
No, never participated before	63	72
Yes, have participated in the past	28	16
Unsure	9	12
Total	100	100

As the results in Tables 2 and 3 illustrate, the online citizen panels were able to engage people who had never been involved with their council before. Almost seven in 10 panel members had never attended a council meeting and most of the almost three in 10 who had, had done so more than a year before. Most panel members had not participated in local government consultations in the past either, suggesting the panels were reaching a new audience and engaging those citizens who had been silent. It is important to note that both of these councils had been proactive in their approaches to community consultation, running major community-wide consultation processes in the years preceding, so the results in Table 3 do not reflect a lack of effort on the part of councils, but rather the genuine difficulty in engaging the community.

Qualitative feedback from panel members supports the conclusion that online panels can effectively engage a new audience of constituents who have not participated in local government consultations before, and confirms the limitations with traditional approaches. The following quotes come from panel members via the survey seeking their feedback on the online panel model:

A good way to have a say. I am usually quiet and do not have an opportunity to say what I think in a big group of people.

I've never previously felt I have a real voice in the council because my only option has been to go to council meetings. I prefer to comment in my own time after having considered a summary of issues.

I'm in favour of doing this on-line, means I actually get a chance to participate, which I wouldn't if I had to go into council or attend a meeting.

Results: Consultation and research activities

During the course of the pilot, 18 consultations or research activities were undertaken across the three council panels in the form of short online surveys. The topic of each survey is detailed in Table 5 in chronological order according to council. The response rate for each survey is also listed, along with the number of panel members at the time of the survey's launch. Multiplying the response rate and the number of panel members gives an approximation of the number of participants in each survey, but is not exact as new members continued to join during each survey period. In each instance, an email was sent to all registered panel members, inviting them to participate in the survey by visiting a linked website, and a reminder email was sent a few days later to any panel member who had not yet completed the survey.

Table 5: Topics and response rates

Local Gov Panel	Topic (in chronological order)	Starting Members n	Response Rate %
A	Consultation Preferences	193	72
A	Strategic Plan	216	81
A	Facilities	539	84
A	Service Quality & Performance	598	70
A	Panel Participant Satisfaction	682	58
A	Council asset	744	58
A	Annual Business Plan & Budget	755	40
B	Annual Community Survey	302	86
B	Library Services	608	74
B	Community Art Show Standards	609	60
B	Annual Community Survey	634	70
B	Panel Participant Satisfaction	617	55
B	Annual Business Plan & Budget	684	50

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C	Council Performance	259	88
C	Environmental Initiatives	418	69
C	Council Communications	428	61
C	Annual Business Plan & Budget	439	50
C	Strategic Plan & Environment Initiatives	447	51
	Average	513	66

As Table 5 illustrates, the online panels were used successfully to conduct research and consultations on a wide range of topics – from service quality evaluations to strategic and annual business plans, council facilities and environmental initiatives. All of these surveys were used to collect qualitative and quantitative information that was then reported back to council.

Response rates for these surveys were generally high; the average response rate of 66% far exceeds the response rates reported in the literature for online surveys with email notification (see Ilieva, Baron et al. 2002 for a meta-analysis). These response rates were calculated controlling for bounce-backs to each survey (as these respondents never saw the invitation to participate). The number of bounce-backs was low, on average 4% for any given survey. The consistently high response rates also demonstrate that an online panel approach can garner enough responses to provide councils with a diversity of opinion on any given topic. And ensuring high response rates was a key focus; the university partner did not want non-response bias to undermine the representativeness or usefulness of the panels. The response rates were achieved by following best practices in online survey research such as pre-notification and reminder emails, personalised invitations, incentives for participation, and simple survey designs (see Mehta and Sivadas 1995 or Dillman, Tortora and Bowker 1998 for further discussion of design principles).

Response rates did vary for different survey topics, probably because some topics were seen as less salient to citizens (the impact of topic salience on response rates is firmly established by researchers such as Martin 1994). Across all three panels, response rates appear to fall over time. This may be related to the appeal of consultation topics: the lowest response rates were recorded for annual council business plan consultations and surveys where panel members were asked about their satisfaction with the panel process.

These are surveys that may have been less interesting or relevant to panel members (the satisfaction survey being seen not to relate to council issues but rather the university's research agenda on methodology development). The fall in response rates may also be a consequence of the panels ageing and some members becoming 'inactive' or 'worn-out', but this hypothesis requires further investigation.

Surveys were usually available to panel members (and the wider public, provided they registered as a new panel member first) for between seven and ten days, although one consultation survey (Art Show Standards) was left open for just four days. When the panels were initially established, it was thought that a consultation period this long was necessary to ensure that all panel members had sufficient time to access the surveys and respond. However, it was found through the pilot that approximately 60% of those who participated in a survey did so in the first 48 hours after it was opened and participation rates only increased once reminders were sent (Reynolds, Sharp and Anderson 2009). On the basis of this evidence, a survey period of four days may be sufficient if a reminder email is sent on the third or fourth day to those panel members who have not participated.

Incentives, such as movie passes and gift vouchers, were offered by some councils for some surveys to encourage participation, but the effect on response rates was not clear. Additional evidence from the pilot suggests that providing feedback on the survey results and outcomes has a greater impact on participant motivation and survey response rates, at least over the long term.

Results: Satisfaction of participants

The purpose of the pilot was to evaluate the online panel model from all perspectives, including that of citizen participants. At the close of the pilot, participants from two panels were surveyed to see how satisfied they were with the model and the initiative. Almost 700 panel members participated in this survey and over 85% indicated they were 'satisfied' with the panel experience overall. The mean average rating was 8.6 on an 11-point satisfaction scale where '0' denoted 'not at all satisfied' and '10' 'completely satisfied'. The comments received also demonstrate participants' satisfaction with the online panel model:

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This is a great way of being able to provide feedback to council at a time that is convenient.

I believe that the council has already gleaned important information through this forum. It is an excellent medium for honest feedback.

It is very important to gain community feedback. Online surveys are a simple and effective method.

Enjoy the opportunity to express my views and keep local government 'local'.

Furthermore, 60% of those who responded indicated that participating in the online citizen panel had improved their perceptions of their council. It seemed particularly effective in mitigating feelings of mistrust in council decision-making.

I've been involved in community affairs in [Council B] for several years and have been a constant critic of the lack of transparency in the way they do business and the priorities they give various issues. This seemed like a positive way to perhaps have some input into the process.

An interesting finding from the model evaluation by panel members was just how important hearing about the results and outcomes of consultations was for motivating them and keeping them engaged. It suggests a need for regular communications back to the panel regarding the results of consultation and research surveys and how council uses them. In the pilot, the feedback mechanism was regular newsletters, emailed to online panel members four times a year (usually after a survey), as well as updates on the respective council websites about the activities of the online panel. While it was not difficult to report back on survey findings, articulating how citizen input had influenced outcomes or decisions of council was more difficult, particularly when there was a long time lag between the survey and the decision.

During the model evaluation, panel members were also asked how frequently they would like to be asked to participate in research and consultation online. Almost two-thirds indicated they would like to participate in a consultation at least once a month, and around a third indicated they would like to participate every few months. Throughout the pilot, the councils conducted consultations less frequently than this, but there was no evidence in the panel member feedback that this adversely affected the quality of consultations or satisfaction of panel members. These results suggest scope to consult quite frequently with citizens through an online panel if a council so wishes. Consulting with the community as frequently as once a month would require local governments to

think about the range of issues they consult the community on, as well as how they structure consultations and spread them throughout the year. For example, rather than just conducting a major consultation, a council could collect ideas for new projects or initiatives before it begins the process of drafting the budget, then seek input from the panel to prioritise the proposed projects, before finally seeking feedback on the allocations of budget. In this way a council could build up a picture of what the community wants over time and demonstrate directly back to the community how their feedback is (or is not, as the case may be) shaping the council's plans. Indeed, the feedback received in the pilot was that citizens prefer this more iterative approach to research and consultation. Panel participants do not just want to endorse or provide feedback on already formulated plans. The practical advantage of an iterative approach is that each consultation survey only has a few questions and is thus kept to a manageable length for participants.

6. Conclusions and key learnings

The overall conclusion from the pilot is that online citizen panels are a viable alternative to traditional methods of community consultation and research. Local governments can build online citizen panels of sufficient size to conduct research and consultation in a relatively short timeframe, using straightforward, cost-effective methods of recruitment. Online panels can effectively engage a new audience, satisfy community participants and improve citizens' perceptions of local governments. Once established, the online citizen panels can be used to conduct research and consultations on different topics, collecting qualitative and quantitative information useful for local government decision-making, and in a timely manner. Online panels have definite advantages for local government in terms of their ability to engage large numbers of citizens over an extended period of time, in a fairly cost-effective way.

All of the topics on which councils typically conduct research or consult the community can be handled through online surveys, although it may require outside expertise to do so. Certainly the university faced a significant challenge in developing online surveys that were both appealing and accessible to citizens on topics like annual business plans and budgets, as these were topics that had only been explored in a face-to-face context in the past.

The pilot also demonstrated the value of a coordinated approach involving multiple councils. Local governments tend to conduct consultations and research surveys on similar topics, providing scope for them to compare approaches, share learnings and benchmark results. And this certainly occurred, but more so after the pilot, as networks between the council members strengthened and the feeling of being part of a community of councils was developed.

The online approach is, however, not without challenges. One of the main challenges was gaining internal council support for the model. Elected members were concerned about the potential for special interest groups to 'hijack' the process, whilst council managers worried that elected members might try to influence the outcomes by 'stacking' panels with their supporters. Both were nervous whether citizens, particularly older ones, would be interested in engaging with their local council online, on a sustained basis. However, the sheer number of citizens who participated, the eagerness of all residents (including older ones) to engage in this way, and continuous growth of the panels over time assuaged these fears. In the course of the 18-month pilot, there was only one instance with one panel in which 150 people joined in the wake of a controversial issue. However, the panel approach meant that these people were easy to identify and track over time. The objections outlined above were overcome by having senior managers willing to act as strong internal advocates for the model at each council. These managers educated their colleagues, secured access to elected members and advocated for the panels. Once the panels were established, these senior managers played a key role in planning the council's use of the panel and working with other managers to design and coordinate consultations.

Once established, the panels were another 'tool' or mechanism available to council managers and elected members for conducting public consultations, and provided another way for citizens to have a say on issues important to them and their way of life. The ability to collect a representative snapshot of community sentiment on issues in a timely manner was seen as a key benefit of an online panel approach. Whilst the panels did not replace all of a council's consultation and research activities, by the completion of the pilot they had been adopted by all three as the main method for doing so.

Significantly, each participating local government saw its citizen panel purely as a 'consultative' mechanism. They used their panels to seek input or feedback from the community, listening and incorporating it into their planning and decision-making, but responsibility for decisions still rested with council managers and elected members. Communicating this option clearly to councils at the outset of the project was fundamental to obtaining their support for the pilot, and communicating this intended role of the panels to the public was *important in managing community expectations*. Whilst the citizen panels could have been used collaboratively or empowered with decision-making authority, a consultative role fitted best with the current needs and structure of the councils, and with the place the activities were seen to sit on the IAP2 participation spectrum. Giving the panels a consultative role did not threaten the authority of elected members because they were free to decide how much weight to give to feedback from their panel, and were able to act against the sentiments of the panel if they saw good reason. Whilst some might dismiss the process as tokenistic, feedback indicates that the local communities involved are satisfied with a consultative role for the panels. Certainly most citizen engagement takes the form of consultation (Bishop and Davis 2002), and this is the role where citizen panels are likely to gain the most traction, so it is valuable to understand how effective they are in this role.

Since the pilot ended in May 2009, the project has grown to include seven city councils across metropolitan South Australia and to engage almost 2500 citizens. The councils and the university continue to work in partnership, sharing learnings and developing the model further. Further information about how the project is progressing is available at <http://www.communitypanel.com.au>

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