

Mr Ian Livingstone-Blevins
General Manager
Wilpinjong Coal Mine
Locked Bag 2005
MUDGEE NSW 2850

13/02064

Dear Mr Livingstone-Blevins

Ulan Road Strategy – Dispute Resolution

I refer to the Ulan Road Strategy, which was referred to me for dispute resolution under the conditions of approval for both the Ulan and Wilpinjong mines.

In trying to resolve this dispute, the Department has:

- Reviewed the Ulan Road Strategy prepared by ARRB;
- Commissioned and reviewed independent advice from AECOM;
- Consulted extensively with all parties; and
- Carried out its own analysis of the matters in dispute.

After a long and difficult process, I have now determined what I consider to be a fair and reasonable solution to the dispute.

This determination is based on the proposed scope and timing of works in the ARRB report (which are summarised in the table in Attachment A) and the revised traffic volumes for Ulan Road in Table 3-1 of the AECOM report, and include the:

- Upgrade of the 20.585 kilometres of non-conforming and inadequate section of the road;
- Upgrade of the 23 intersections referred to in Table 3-8 of the AECOM report, including the intersection of Toole Road which would be funded by other developer contributions;
- Road safety upgrades referred to in the ARRB report, including the installation of a wire rope barrier on some sections of the road, and enhanced delineation of the road;
- Heavy rehabilitation of 7.829 kilometres of the road;
- Light rehabilitation of 13.558 kilometres of the road;
- Reseals to 61.701 kilometres of the road; and
- General maintenance of the full road over the next 20 years.

Based on a detailed analysis of all of the material, I have decided that the cost and apportionment of these works should be as follows:

Costs Summary			
	Council	Mines	Total
Mid-block Upgrades	8,604,530	7,040,070	15,644,600
Intersections	741,941	1,654,309	2,396,250
Road Safety	109,122	490,878	600,000
Rehabilitation	2,556,537	6,830,163	9,386,700
Reseals	666,206	2,110,339	2,776,545
General Maintenance	666,105	2,048,015	2,714,120
Sub-Total	13,344,441	20,173,774	33,518,215

I have also determined that these costs should be indexed in accordance with the Construction Cost Index as the proposed works will be carried out over a number of years.

I would now appreciate it if the mining companies and Council would complete the necessary arrangements for the delivery of the strategy, and start implementing the strategy as soon as possible. These arrangements should include a binding commercial agreement between the parties that incorporates:

- A detailed program of works for the strategy;
- The funding obligations of each party; and
- The process for commissioning contractors to carry out the agreed works, and ensuring these works are carried out to a suitable standard.

Finally, I would also appreciate it if the mining companies would implement the proposed noise attenuation program in the ARRB strategy as soon as possible, and give the Department an update on the implementation of this program by the end of November 2013.

Yours sincerely


Sam Haddad
Director-General

25/5/2013.

Attachment A: Indicative Work Program

Section	Start Chainage (km)	End Chainage (km)	Year																					
			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1	0	3.785		I					R									L						
2	3.785	6.652			I				R									L						
2/3	6.652	9.734			I				R									L						
3	9.734	17.644			I			I,M				R												
3	17.644	22.215		I	I,M							R											R	
3	22.215	26.039							R,I									L					R	
3	26.039	37.407		I,M	I,M				I			R												
3/4	37.407	45.236		I		H										R								

Notes:

I = Intersection
M = Road (midblock) upgrade
R = Resurfacing
H = Heavy rehabilitation
L = Light rehabilitation