



# OUR NEWS

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## First coal through the Lake Lindsay CHP



**On Wednesday 28 May a significant milestone was achieved at the Lake Lindsay Project with coal being processed through the Project's new Coal Handling Plant (CHP) module for the first time.**

Anglo Coal Australia (ACA) Regional Manager Expansion Projects, Tony Willmott, said the Project's extra module which was added to the existing Capcoal CHP will deliver the operation an extra five million tonnes of capacity each year.

"The additional CHP module will increase throughput capacity of Capcoal's CHP by 700 tonnes per hour," he said.

"An exciting feature of the new module is its increased yield capability on some coal types. Together with a larger clean coal stockpile and automated stacker and reclaimer, the new module is a welcome addition to Capcoal.

"The new module was specifically designed to allow two stage plant separation, which provides Capcoal with greater flexibility in washing product, successfully allowing two different products to be washed at the same time," Tony said.

The new CHP module which will continue to be operated by Sedgman for the next few months until all acceptance and performance testing is finalised will also deliver Capcoal lower operating costs and increased train load-out rates.

The remainder of the Lake Lindsay Project is on target to be completed by the end of this year, with the last of the Project's mobile equipment fleet recently arriving on site.

"Construction of our overland conveyor is effectively finished, with testing currently taking place in readiness for its commissioning in August.

"Construction of our dragline, which when finished will be one of the world's largest operating draglines thanks to its 96 cubic metre bucket, is 60% complete."

Sharing the learnings and experiences from our Dawson Expansion Project, the leadership of Project Manager - CHP Richard Graham and Dragline Manager Steve Fitzgerald, plus the focus from Thiess Sedgman Alliance Manager Tom Vorster, have all contributed to the Lake Lindsay Project posting a consistently strong performance over the past few months.

"The Lake Lindsay Project's next challenges will be in the ramp-up phases and in helping Capcoal become operation ready for the increased production," said Tony.

## Our Critical Projects

**An Operational Performance Excellence Workshop was held in March this year with over 100 employees attending from across all ACA operations. The workshop identified a number of critical issues that need to be actioned to turn ACA into a profitable core Anglo American business.**

ACA CEO Seamus French said the opportunity to double the value of the business by simply operating our existing assets more efficiently was clearly demonstrated by all participants.

Eight critical projects were identified and a project plan for each of these has now been created, each with a delivery and governance model established. A team comprising both site operations and Brisbane personnel has been established for each project. Scott McEwan is currently setting up the project management structure for these projects and progress on outcomes of each project will be tracked monthly.

**"There was a fantastic energy and enthusiasm at the workshop which generated these great ideas."**

"The critical thing now is that we work together as an organisation to deliver on them. I am looking forward to seeing progress on these projects on a monthly basis," said Seamus.

This edition of *Our News* reviews four of ACA's Critical Projects namely;

- Produce Achievable Production Plans,
- Achieve Production Targets,
- Improve Equipment Performance to Benchmark Levels and
- Optimise the Mining Process.



## From the CEO

**With half the year almost over, it's time for us as a business to review our performance over the past six months and identify the opportunities we need to capitalise on over the remainder of 2008.**

**It's fair to say that the first six months of this year have delivered significant change and improvement to our business, most notably with our safety performance.**

We have made our best ever start to our safety performance in the eight year history of ACA. I realise that such sustained improvements don't happen overnight and I want to thank every person involved with ACA for helping deliver this step change. Our focus on our Visible Felt Leadership which has seen an increase in the time spent by our leaders out in the field is a direct contributor to our promising safety trend. For the first six months of this year ACA recorded seven Lost Time Injuries (LTIs), which is a big improvement on the 26 LTIs we recorded for the same period last year. While it's clear that we still have much work to do to reach our goal of Target Zero – zero LTIs and zero fatalities, we are definitely heading in the right direction.

Our production performance is another encouraging side to the ACA business. In April, ACA posted a profit – the first in eight months. Even more pleasing is that we are

now consistently, week on week, month on month achieving 100% of our production plan targets. If we can sustain this high level of performance, ACA will achieve record profit for the year.

While it's true that we are currently enjoying strong prices for our products, this is not the only reason behind our performance turnaround. Earlier this year our leaders came together and identified the Critical Projects (read more about these Projects on Pages 4, 5 and 6) needing addressing for ACA to achieve its full potential. Work on our Critical Projects has commenced and this has quickly had a positive effect on our operational performance. The team at Capcoal's Coal Handling Plant (CHP) is a fine example of how they have lifted their performance in recent months. In March this year they were processing on average 118,000 tonnes of product per week, earlier this month their average weekly production had increased to 167,000 tonnes.

The Lake Lindsay Project is also achieving some exciting milestones with first coal being washed through the Project's new CHP late last month. I'm encouraged by the Project

team's reenergised focus on setting and achieving targets, as well as the operational readiness of Capcoal. Lake Lindsay is a vitally important addition to ACA's business and it is absolutely crucial to the Project's success that its transition from "project" to "operation" is seamless.

I would like to say a big thank you to all involved in the Foxleigh Integration Team. The 90 day period following the settlement of our 70% acquisition of Foxleigh was reached late last month and I'm pleased by the quality of work that was accomplished during this transitional period. Our acquisition of Foxleigh provided the ideal opportunity for ACA and Foxleigh to share best practices to further drive our improved performance.

Your support during the first half of 2008 is highly valued and I look forward to working with you to deliver the safest and most productive year in ACA's history.

Kind regards

**Seamus French**  
*Chief Executive Officer*  
*Anglo Coal Australia*

## Mines and Energy Minister visits Dawson

**Mines and Energy Minister Geoff Wilson stopped in on Dawson during the day-long Central Queensland Ministerial Regional Community Forum held in Moura on Monday 16 June.**

During his visit to Dawson, Minister Wilson met with site General Manager Rick Fairhurst and also visited Dawson's new CHPP, as well as mining activity in the north of Dawson.

**Pictured from left: Dawson Safety and People Manager Robert Craike, Minister Wilson and Dawson General Manager Rick Fairhurst.**





(Back from left) Saroeun Reynolds, Holly Pearce, Charline Buckley, Alicia Thornthwaite, Shannon Greer, Jodi Cavanough, Gill Kemmery and Kathy McVay.  
(Front from left) Tanya Sacre, Jodie Juds and Karen Milnthorpe.

## Spotlight on Accounts Payable

**Location:** Level 13, BCO, 201 Charlotte Street, Brisbane

**Number in our team:** 13

### Who's who?

- Tanya Sacre – *Accounts Payable Coordinator*
- Charline Buckley – *Accounts Payable Officer (Dawson)*
- Alicia Thornthwaite – *Accounts Payable Officer (Dawson)*
- Jodi Cavanough – *Accounts Payable Officer (Support all sites)*
- Shannon Greer – *Accounts Payable Officer (All Project sites and supplier maintenance)*
- Jodie Juds – *Accounts Payable Officer (Callide) and supplier maintenance*
- Gill Kemmery – *Accounts Payable Officer (Foxleigh)*
- Karen Milnthorpe – *Accounts Payable Officer (Drayton) and supplier maintenance*
- Holly Pearce – *Accounts Payable Officer (Capcoal)*
- Saroeun Reynolds – *Accounts Payable Officer (Capcoal)*
- Christine Robinson – *Accounts Payable Officer (Moranbah)*
- Kathy McVay – *Accounts Payable Officer (BCO)*
- Melissa Ede – *Accounts Payable Officer (Foxleigh – currently on maternity leave)*

### Purpose of Accounts Payable

To provide a professional, high quality, cost effective accounts payable service which uses revolutionary innovation, exceeds customer expectations, and contributes to ACA's business objectives.

### Groups we interact with

We work with almost all departments of the ACA operations either directly or indirectly, but in particular we work very closely with our site finance, and purchasing and contracts

personnel. We liaise frequently with our external customers being ACA's group of suppliers, in fact we receive around 78,000 e-mails per year as well as many phone calls.

Our key focus is to provide a professional yet friendly service to our operational employees in terms of arranging payment of invoices to our suppliers within negotiated trading terms, and in turn, to continue to build on and cement the strong relationships that site have developed with our suppliers.

### Trends and issues we monitor

We currently have a number of key performance indicators which we monitor regularly, these include the number of invoices processed per site, the number of late payments that occur and the number of receipts that are currently in the system with no invoices received. We produce reports for site on the number of mismatches that are current at the end of the month for each site through to the number of electronic and cheque payments that we complete.

### Key projects

Our key projects this year include but are not limited to:

- Transitioning Foxleigh Accounts Payable from Pulse to Ellipse.
- Globalisation of the corporate card system.
- Implementation of recommendations from audits including standardisation of processes across all sites.

### Our biggest challenges in the next 12 months

Our greatest challenge in the next 12 months will be to transition Foxleigh onto Ellipse and managing the change processes and training issues that arise from this, plus communicating all of these changes to our suppliers.

## A value-based approach to Business Planning

Last year Anglo Coal global conducted a value-based assessment on ACA and identified genuine growth opportunities for export thermal and export metallurgical coal markets from the Australian region.

ACA Manager Planning and Strategy, David McMillan said Australia's large resource base, established infrastructure, access to a skilled workforce and a relatively low cost structure, all contributed to it being an attractive area for Anglo Coal to grow its business.

"The issue now for ACA is how to deliver this desired growth at an acceptable price, in a boom market where acquisition targets are fully-priced and scarce resources are being soaked up by an unprecedented number of new resource projects," he said.

"In Australia, Anglo Coal currently controls 3.5 billion tonnes of resources, of which 2.5 billion tonnes are at existing operations.

"Historically ACA has looked to greenfield projects and acquisitions to satisfy our growth appetite and yet at current production rates there are over 70 years of known resources at existing operations," said David.

Early this year a decision was made to stimulate significant value creation at each ACA site by challenging the traditionally conservative approach of incremental improvement to one of step increase emphasising higher margin products.

"Our annual business planning cycle for 2009 has been enhanced thanks to the introduction of a resource development process that identifies and values resource opportunities across our business."

The process of ACA incorporating a resource development approach to business planning has identified a significant amount of potential value for the business.

"Another benefit derived from this process has been in the wealth of technical knowledge and experience from our operating sites being engaged in this process.

"It has also empowered a wider part of our organisation to actively contribute to the goal of maximising the value of the ACA business in the long term," David said.



Callide Mine Surveyor Tim Bongers discusses plans with Mining Associate Jeremy Giles, Cadet Surveyor Daniel Martin and Graduate Mining Engineer Paulo Chirinos.

# Optimising our mining process

**A conservative estimate values an improvement in ACA's resource recovery and production costs to be worth in the order of A\$70 million for the business.**

**Ian Livingstone-Blevins, Head of Operations Services is leading the Optimise the Mining Process Project and with his team will be responsible for identifying existing mining efficiency gaps and implementing a standardised reconciliation tool for use across all ACA sites.**

"We currently don't effectively measure or clearly understand the economic impact of our mining loss or ROM contamination – early work at two ACA operations suggests contamination to our ROM is two to three times worse than what we estimate," said Ian.

"Whenever we have contamination or mining loss above plan to our coal mined our business is incurring unplanned costs.

"As an absolute minimum we need to reduce our mining loss and contamination to our planned levels.

"Our workforce has a major role to play in this Project, their involvement in clearly understanding and controlling the impacts that stock loss and contamination has on our business is crucial in turning this issue into a benefit," Ian said.

The Optimise the Mining Process Project has four main elements;

1. Develop process flows and tools to assist sites in completing mining reconciliation,
2. Develop a site implementation plan,
3. Implementation process, and
4. Monthly reconciliation and target setting.

Work is already well underway on the Optimise the Mining Process Project, with an expected completion date towards the end of this year.

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1. Develop process flows and tools to assist sites in completing mining reconciliation.
2. Develop a site implementation plan.
3. Implementation process.
4. Monthly reconciliation and target setting.

## Achieving our production plans

One of the eight critical projects identified by ACA management earlier this year to lift the organisation's performance is focused on the organisation producing achievable plans.

Head of Operations Services, Ian Livingstone-Blevins who is also the sponsor of the Produce Achievable Production Plans Project said successful completion of this Project has the potential to lift ACA's total production by a further 8 million tonnes per annum.

"Our Operations Management System (OMS) is fundamental to helping us deliver on this Project and ultimately achieve our production plans," he said.

"While our ability to produce achievable production plans is made up of numerous specific elements including our Life Of Asset Planning, Geological Components and Maintenance, it is our OMS that provides ACA sites with the consistent and documented method to develop robust plans.

"To ensure we get the most from our OMS, it's crucial that all ACA leaders are fully committed to correctly using this planning tool at their operation.

"In the past our planning has let us down due to it being over ambitious without defined strategy supporting any proposed improvement initiatives.

"We need to be disciplined in all our planning areas and at all of our sites – from pit to port.

"Not only will our development of more achievable production plans help us reduce waste and create a stable workforce that is motivated to succeed, but it will help build ACA a reputation as a reliable supplier," said Ian.

Operations Services' team members are involved in the Produce Achievable Production Plans Project and are working towards the Project's critical standards being 70% implemented by the end of 2008, 90% implemented by the end of 2009 and 100% implemented by the end of 2010.



Operations Services' Group Underground Planning Engineer Damien Wynn and Graduate Mining Engineer Jade Little are involved in the Produce Achievable Production Plans Project.

**"Our Operations Management System (OMS) is fundamental to helping us deliver ... and ultimately achieve our production plans."**

## Lifting ACA's equipment performance to benchmark

**Improving ACA's dragline, shovel, excavator, longwall, continuous miner and coal handling and preparation plant performance to benchmark levels has the potential to lift the organisation's production by a further 8 million tonnes per annum.**

Guided by Head of Operations Services, Ian Livingstone-Blevins, the Improve Equipment Performance To Benchmark Levels Project will significantly reduce ACA's operating cost per tonne.

"Our equipment performance improvement Project will enable us to increase our profitability and assist in maintaining our market competitiveness and resilience, even when revenues decrease," said Ian.

"Currently ACA has a wide variation in the performance of our equipment and this is restricting us from delivering on our operational performance plans.

"We need to close the gap between those areas of our business that are achieving best practice in specific equipment performance and those areas of our business that have real opportunity to improve.

**"ACA has an enormous equipment knowledge base and we need to share this information to help deliver best practice performance of our equipment across all our sites."**

"In the past we have been inclined to spend additional capital to increase tonnes, but now we are committed to realising the optimal value of our existing equipment to lift production.

The Improve Equipment Performance To Benchmark Levels Project is due for 70% completion by the end of this year, 90% completion by the end of next year and full completion by the end of 2010.

## OUR CRITICAL PROJECTS

# ACA's focus on production targets

**Much work is currently underway across ACA to help our sites consistently achieve their production targets.**

**Championed by Operations General Manager Mitch Jakeman, the Achieve Production Targets Project is one of the eight critical projects identified by senior leaders to improve ACA's performance.**

"Our mines have a genuine opportunity to improve on their delivery of production plans.

"By actively communicating and engaging with employees across all levels of our organisation we will see the full benefit of our workforce," said Mitch.

"In order for our workforce to genuinely contribute to the success of our business, our leaders need to regularly provide employees with accurate and uncomplicated accounts of how the business is tracking against targets that they understand and can influence in their work area.

Mitch said employees need to have an understanding of our mine plans, steps in the work process they have to perform, risks to delivery of the process, safety risks to people and equipment, and our progress to achieve our targets.

"By sharing this information we can build a strong level of ownership of the ACA business amongst employees," said Mitch.

To encourage more employee involvement in understanding the ACA business the Achieve Production Targets Project will identify and standardise key performance indicators for all sites and the key mining processes, as well as develop a standard communication template for sites to use when informing employees of their progress against production targets.

"The introduction of our Monthly Operating Plan (MOP) earlier this year, is one of the tools we are using to help ensure all areas across the ACA business concentrate on achieving their targets.

"We have seen a major refocus and general improvement of what is critical to achieve our production targets.

"We are getting more consistent production across our sites and when that happens everyone is happy.

"There are still a number of areas we need to improve and these will need further involvement and discussions with crews to remove frustrations around these areas in 2008.

"A great benefit of the MOP is that it is focused on measuring ACA's and each sites current and future performance, which allows us to modify our activities to ensure any deficiency in meeting targets is quickly addressed," Mitch said.

The Achieve Production Targets Project is due to be completed by the end of this year with a strong consistent delivery and engagement from the site General Manager down through each Manager and into each work crew.

## Dawson celebrates World Environment Day with local students

**Students at Banana State School got into the spirit of World Environment Day on Thursday 5 June by planting trees and shrubs thanks to the generous support of Dawson Mine and Callide Valley Landcare.**

**Dawson Graduate Environmental Advisor, Rachel Gleeson said students in the younger years, along with their parents and teachers helped plant native trees and shrubs common to the local area on Thursday 5 June in celebration of World Environment Day.**

"The plants we planted at Banana State School were donated by Dawson Mine, after being propagated at the Dawson Valley Landcare Nursery," said Rachel.

Prior to planting the trees and shrubs, Rachel provided a short presentation on how to correctly plant them, while Callide Valley Landcare representative Robyn Mapp discussed the special characteristics of the native plants.

Special thanks to the parents who helped out with the plantings, as well as provided the gardening tools.



**Dawson Graduate Environmental Advisor, Rachel Gleeson together with Callide Valley Landcare Representative, Robyn Mapp celebrated World Environment Day with students from Banana State School.**

# Global experience for ACA graduates

**Dawson's Graduate Mining Engineer, Marcus Bandholz and Graduate Environmental Advisor, Layla Tucker together with Capcoal Geology Graduate Andrew Boydell will spend the last five months of this year working at Anglo Coal South African operations as part of Anglo Coal's Graduate Global Mobility Program.**

This is the inaugural rotation of ACA's graduates to participate in this Program following their selection by members of their respective Functional Committees.

Marcus will be located at Greenside Colliery, an underground operation employing approximately 600 people that is located 15 kilometres from Witbank. During Marcus' stay in South Africa he will also get the opportunity to visit some of Anglo Coal's nearby open cut operations.

"I'm looking forward to learning more about mine planning and see how other Anglo Coal sites operate in terms of safety and production practices," said Marcus.

Anglo Coal South Africa's Mining Engineering Graduate, Thando Zondi who is currently working at Greenside Colliery is also taking part in Program. Thando will effectively swap locations with Marcus, when he relocates to

Australia and commences working at Dawson in August.

Layla and Andrew will be working at Anglo Coal's Environmental Services and Geological Services respectively in Witbank. They will travel to various Anglo Coal South African sites during their five month rotation.

"I'm very interested in learning about Anglo Coal South Africa's environmental management practices and understand how they differ from Australian practices.

"I hope to gain a better understanding of the management techniques used to deal with common environmental issues such as water, waste, greenhouse gas emissions and energy," said Layla.

"Having the chance to learn from and view different operations, practices and geology in another country is a fantastic opportunity. I



**Dawson's Graduate Environmental Advisor Layla Tucker and Graduate Mining Engineer Marcus Bandholz will work at Anglo Coal South African operations from August as part of the Anglo Coal Graduate Global Mobility Program.**

am looking forward to the experience of living and working in South Africa," Andrew said.

ACA Learning and Development Coordinator, Sian Havard said the purpose of Anglo Coal's Graduate Global Mobility Program is to provide graduate employees with opportunities to work in different geographic locations and allow them to experience diverse cultures and further develop their careers.

"Anglo Coal's Graduate Global Mobility Program opens up limitless ideas and opportunities for our graduates to learn by practically demonstrating our commitment to "One Anglo"," said Sian.



**Middlemount twins Nick and Cody Lohrey, 11, enjoyed the view from inside the cabin of the dump truck during the Capcoal Community Open Day.**

## Capcoal on show

**On Saturday 28 June Capcoal's Surface Operations opened its doors to community members with a mine site tour. Visitors had the opportunity to see the dragline digging in the pit, a dump truck hauling coal and even the chance to sit in the seat of a massive dump truck.**

Capcoal Surface Operations General Manger Alisdair Gibbons said the site tour was the ideal way for community members to experience a coal mining pit in its full operational state.

"We go about our business of mining coal 365 days a year but, even though we are only 30 kilometres down the road, many residents don't have a good understanding of what actually goes on at our operation.

"For example, the new Lake Lindsay Bucyrus 8750AC Dragline is an impressive machine and is definitely amazing to see in the making. This dragline, the first of its type in the world will be walking off the erection site in Q4 this year," Alisdair said.

Local resident Karen Lohrey jumped at the chance for herself and three young children to partake in the site tour.

"It was an experience like no other and it was great for the kids to see what actually happens at a mine site," she said.



Some of the Moranbah North employees who attended the WIMARQ event held in Moranbah (from left) Engineering & Maintenance and Production Administration Officer Nadine Zahra, Executive Assistant to the General Manager Helen Ford, Maintenance Administration Officer Angela Holmes, Community Liaison Officer Ros Green and Warehouse Officer Brook Thomas.

## Moranbah North supports women in mining

**In late April, Moranbah North co-sponsored the first regional Women in Mining and Resource Queensland (WIMARQ) function that was held in Moranbah.**

**The Moranbah WIMARQ event attracted more than 80 women, including female employees from Moranbah North.**

ACA Principal Advisor Leadership and Personal Development, Karine Williams said WIMARQ events have been held regularly in Brisbane and it was identified that women in regional areas such as Moranbah could genuinely benefit from such an event being held in their local area.

“The purpose of WIMARQ events is for women in the mining industry to network, it also provides a great opportunity for women to share their experiences and support each other,” said Karine.

Guest speaker at the Moranbah WIMARQ event was Thiess Technical Services Superintendent Gabriela Love who spoke on finding the right work and life balance for women in the resource industry.

Additional WIMARQ events are planned to be held in Moranbah during the remainder of the year.

## ACA continues to support Queensland Community Foundation

**For the fifth consecutive year ACA is delighted to once again be one of the major sponsors of the Queensland Community Foundation (QCF).**

ACA Manager - Sustainable Development, Narelle Wolfe said through the Company’s involvement with the QCF, ACA was able to contribute to a variety of charitable and non-profitable causes and organisations throughout Queensland.

“Since the QCF’s inception in 1997, more than \$3.6 million has been distributed to charitable causes within Queensland.

“ACA’s financial support of the QCF helps ensure charities and non-profit groups around the State continue to receive much needed funding,” said Narelle.

The QCF is a public charitable trust set up to serve the State’s communities by providing a permanent funding source for charities and non profit organisations.

## ACA supports Wulli Wulli youth

**Following on from ACA’s inaugural sponsorship program of Wulli Wulli youth in 2007, the program has once again provided financial support to six successful nominees in 2008.**

ACA Tenure Services Manager, Ian Wallace said the purpose of this youth sponsorship program is to help Wulli Wulli youth achieve their academic or sporting goals or assist them in entering the work force.

“The Wulli Wulli people originate from the area to the south of Dawson and they are a valued stakeholder of ACA’s,” he said.

“ACA is proud to support the younger members of the Wulli Wulli group by providing one-off payments of \$500 to six successful applicants.

“This year the six successful recipients were aged between 13 to 17 years and included a Queensland representative volleyball player, a Southern Central Queensland age champion swimmer and a junior cattle judge who has commenced a Bachelor of Agribusiness at the University of Queensland,” Ian said.

The successful recipients were jointly selected by ACA and the Wulli Wulli Native Title Claim Applicants’ representatives.



(From left) Wulli Wulli Coordinator to ACA Des Dodd, sponsorship recipient Brittnee Dodd and ACA Tenure Services Manger Ian Wallace.



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