

17 August 2021

Ms Tegan Cole
Senior Environmental Assessment Officer,
Department of Planning, Industry & Environment
Energy, Resources and Industry | Planning and Assessment

By email

Dear Tegan,

Further to the Department's Request for Information dated 05/07/2021 regarding the potential terms and status of negotiation on a Voluntary Planning Agreement (VPA) with Muswellbrook Shire Council (MSC) for the Mount Pleasant Optimisation Project (SSD-10418), this letter provides an update on the status of negotiations with MSC, and also Upper Hunter Shire Council (UHSC).

With respect to UHSC, MACH Energy's VPA offer made on 22 July 2021 was formally accepted by Council on 26 July 2021 (refer correspondence enclosed), so it is now a matter of finalising the agreement between the two parties. It is anticipated this will occur over the next few months.

With respect to development of a revised VPA with MSC, please find enclosed MACH Energy's offer that was recently provided to Council (10 August 2021) to document the application of relevant VPA Consumer Price Index adjustments discussed at previous meetings. The timing to finalise a VPA with MSC is currently unknown, but Council's formal response to MACH Energy's offer will likely be informative.

I trust that this advice satisfies the Department's Request for Information at the present time. MACH Energy will continue to keep the Department abreast of VPA developments with both MSC and UHSC.

Yours faithfully,



Chris Lauritzen
General Manager Resources Development
MACH Energy Australia Pty Ltd.

Enclosed:

- *MACH Energy UHSC VPA Offer – Letter dated 22 July 2021*
- *UHSC Response to MACH's VPA Offer – Letter dated 28 July 2021*
- *MACH Energy MSC VPA Offer – Letter dated 10 August 2021*

22 July 2021

Mr Greg McDonald
General Manager
Upper Hunter Shire Council

By email to council@upperhunter.nsw.gov.au

Dear Greg,

RE: MOUNT PLEASANT OPTIMISATION PROJECT - VOLUNTARY PLANNING AGREEMENT WITH UPPER HUNTER SHIRE COUNCIL.

We refer to your letter dated 16 June 2021 and our previous discussions.

After consideration of Council's request for a Voluntary Planning Agreement (VPA) and the contributions nominated in your letter, MACH Energy accepts the proposed contributions on an in-principle basis, subject to the terms below.

MACH Energy offers Upper Hunter Shire Council (UHSC) a VPA comprising an annual Community Enhancement Fund contribution of \$250,000 (indexed to CPI) to benefit the community of Aberdeen and a contribution of \$25,000 per annum (indexed to CPI) towards the employment of a part time Aboriginal Community Liaison Officer by UHSC.

Contributions under any VPA will be contingent on the following:

- Agreement and execution of a Voluntary Planning Agreement between MACH Energy and UHSC.
- Favourable determination of the Mount Pleasant Optimisation Project application (SSD 10418) by the NSW Independent Planning Commission or the Minister for Planning and Public Spaces (or delegate).
- MACH Energy taking up the new consent.

The reference date for CPI calculations will be the date MACH Energy takes up the new consent.

MACH Energy looks forward to your response to this offer and advancing the VPA process.

Yours faithfully,



Chris Lauritzen
General Manager Resources Development
MACH Energy Australia Pty Ltd.

Contact Name: Mathew Pringle
Contact No: (02) 6540 1139
Our Ref: OUT-4359/21



28 July 2021

Chris Lauritzen
General Manager Resource Development
MACH Energy Australia Pty Ltd
PO Box 2115
DANGAR NSW 2309

Dear Chris,

Mount Pleasant Optimisation Project – Voluntary Planning Agreement with Upper Hunter Shire Council

We refer to your letter dated 22 July 2021 regarding an offer to enter into a Voluntary Planning Agreement (VPA) with Upper Hunter Shire Council (Council).

Council, at its meeting held on 26 July 2021, considered your offer and resolved the following:

That Council accept the offer from MACH Energy Australia Pty Ltd to enter into a Voluntary Planning Agreement (VPA) based on an annual contribution of \$250,000 (indexed to CPI) towards a Community Enhancement Fund (to benefit the community of Aberdeen) and a contribution of \$25,000 per annum (indexed to CPI) towards the employment of a part time Aboriginal Community Liaison Officer by Council.

Accordingly, Council gratefully accepts the offer in accordance with the terms outlined in your letter.

We look forward to working with MACH Energy to develop a draft VPA.

We anticipate that approval of the development application for the Mount Pleasant Optimisation Project by the NSW Independent Planning Commission or the Minister for Planning and Public Spaces (or delegate) would be conditional on the applicant entering into a VPA with Council.

The Department of Planning, Industry and Environment has been forwarded a copy of this letter for their information.

Should you have any questions, or wish to discuss this matter further, please contact Council's Director Environmental & Community Services, Mathew Pringle, on 6540 1100.

Yours faithfully

Greg McDonald
GENERAL MANAGER

Cc: Tegan Cole, Senior Environmental Assessment Officer, DPIE

All correspondence to:

General Manager | Upper Hunter Shire Council | PO Box 208, Scone NSW 2337

Phone: Scone Office 6540 1100 | **Merriwa Office** 6521 7000 | **Murrurundi Office** 6540 1350

Email: council@upperhunter.nsw.gov.au



UPPERHUNTER.NSW.GOV.AU

10 August 2021

Ms Fiona Plesman
General Manager
Muswellbrook Shire Council

By email

Dear Fiona,

RE: MOUNT PLEASANT OPTIMISATION PROJECT - VOLUNTARY PLANNING AGREEMENT WITH MUSWELLBROOK SHIRE COUNCIL.

As you are aware, the Mount Pleasant Optimisation Project (the Project) is currently being assessed.

At a recent meeting on 8 June 2021 with you and your team, MACH Energy confirmed earlier discussions that we intended to offer Muswellbrook Shire Council (MSC) a continuation of the current VPA payments applicable under DA 92/97 (as escalated) for the term of the new Approval, should the Project application be favourably determined.

This letter formalises that offer. The proposed VPA Payments that would apply (as escalated to 1 July 2021) are detailed in the following table:

Item	Development Contribution
Mount Pleasant Community Contribution	\$604,079 per annum (indexed annually according to CPI). A community representative committee will be established, including Applicant representatives, to make recommendations to Council regarding these community contributions.
Council Road Maintenance Costs	Costs associated with the maintenance of roads, as reasonably apportioned to the use of the road by Mount Pleasant, up to a maximum annual payment of \$277,863 per annum (indexed according to CPI). This contribution will be made for the recurrent road maintenance to be used at Councils discretion for that purpose.
Environmental Officer	The Applicant to make contributions to an Environmental Officer, up to a maximum of \$24,169 per annum (indexed annually according to CPI).
Apprenticeships	The Applicant to use its best endeavours to engage 4 apprentices per year for the life of the mine sourced from residents within the Muswellbrook Shire and Aberdeen.

Contributions under the new Approval will be contingent on the following:

- Agreement and execution of a Voluntary Planning Agreement between MACH Energy and MSC.
- Favourable determination of the Mount Pleasant Optimisation Project application (SSD-10418) by the NSW Independent Planning Commission or the Minister for Planning and Public Spaces (or delegate).
- MACH Energy taking up the new Development Consent under SSD-10418 and surrendering DA 92/97.

Contributions under the proposed VPA would be made quarterly in advance. Apprenticeships may be provided through MACH Energy's mining services and/or coal processing services contractors.

MACH Energy expects that contributions for Thomas Mitchell Drive which are currently required by Schedule 3, Condition 41A of DA 92/97 would be similarly conditioned in the new consent.

MACH Energy looks forward to your response to this offer and advancing the VPA process.

Yours faithfully,



Chris Lauritzen

General Manager Resources Development
MACH Energy Australia Pty Ltd.