



AMPCONTROL LIMITED  
ABN 28 000 915 542

PO Box 247, Raymond Terrace NSW 2324 Australia

T: +61 2 4961 9000 | F: +61 2 4961 9009

E: [info@ampcontrolgroup.com](mailto:info@ampcontrolgroup.com) | [ampcontrolgroup.com](http://ampcontrolgroup.com)

13 September 2019

NSW Government: Planning and Environment  
320 Pitt St  
Sydney, NSW, 2000

To whom it may concern,

**SUBJECT: Illawarra Coal Holdings (South32) Dendrobium Mine Extension Project (SSD-8194)**

I am writing in support of the South32's Dendrobium Mine Extension Project (DMEP) (SSD-8194) which is currently open for public submissions.

Ampcontrol is a leading Australian manufacturer of electrical and electronic equipment to coal and hard rock mining, infrastructure and renewables sectors.

We have proudly supported the mining industry within the NSW Southern Coal Fields for over 25 years, with operations in Illawarra and Lithgow regions. Throughout this time, we have locally delivered and serviced market leading and competitive power distribution equipment, longwall and development electrical systems, monitoring and control systems and power cable statutory infrastructure.

I would like to take this opportunity to briefly outline how South32's DMEP extension project approval will have flow on benefits to the NSW mining industry, suppliers who support the industry, and the economy more broadly:

- **Local employment growth opportunity**

Extracting coal from proposed Areas 5 and 6 will provide ongoing work to around 500 operational staff beyond the current 2024 depletion date potentially to 2048. A further 200 contractors peaking in 2020 would benefit from the construction of surface facilities and longwall development. Further investment in mining within the Southern Coal Fields provides ongoing employment prospects to the myriad of suppliers directly involved in the mining sector, via manufacturing or other supply chain services. The Dendrobium mine currently uses 140 local contractor and supplier companies from the region, with the greater South32 group using 400 local business from the region. The Minerals Council of Australia highlighted in 2018 the coal mining industry directly employed 50,000 nationally and a further 120,000 jobs indirectly supported the industry. Within the Illawarra Business Chambers (ICB) submission to the Wollongong City Council's Draft Economic Development Strategy 2019-2029, ICB acknowledges the importance of the mining and steel making sectors within the region. The submission makes special note "Bluescope remains operational in the region due to its proximity to port and supply of high quality metallurgical coal".

- **Supporting other industries**

Coal from the Illawarra region directly supports the local steel industry and the steel industries workforce. The Arrium Ltd (now InfraBuild steel), Bluescope Steel and Australian Industry Group Submissions to the Australian Government: Senate Economics Reference Committee on "*Australia's Steel Industry: Forging Ahead*" (2017) collectively indicated that the Australian steel industry employs 90,000 to 100,000 employees. 3,000 of which are directly employed at the Port Kembla Steel works with a further 10,000 indirect jobs in the region. This is a significant number when compared to the 247,000 thousand employees in the national mining industry (ABS –May2019). Further, the steel

works runs R&D facilities with JV partners Nippon Steel at their facilities, and also invests in the Steel Innovation Hub at Wollongong University.

- **Key supplier**

South32 Dendrobium mine is a key metallurgical supplier to both of Australia's integrated steel producers; Bluescope Port Kembla Steelworks and InfraBuild (formerly Liberty Primary Steel) Whyalla Steelworks. South32's Illawara coal operations are responsible for the majority (c.50%) of the throughput at Port Kembla Coal Terminal which employs a workforce of 80. Bluescope in Port Kembla would require significant upgrades to the port facilities should the metallurgical coal Dendrobium supplies (c.60%) be disrupted. Port Kembla could potentially incur an additional \$50 to \$100m annually in added logistical costs should it have to source seaborne metallurgical coal.

- **Energy impact**

High quality metallurgical coal proximal to the Port Kembla steel works helps keep the overall cost of steel manufacture down in a time when power and labor prices are pushing costs up. The AFR (19 Aug) article *"The 'tragedy' in BlueScope bet on Trump's America"* highlights energy cost as one of the reasons Australia did not see further investment from BlueScope. BlueScope's preferred and chosen investment is the USD700m (AUD1.03bn) expansion of the North Star operation in the US which has 1/3<sup>rd</sup> the energy supply costs relative to Australia. Considering the power price impact on the operations competitiveness, should BlueScope have to source seaborne coal for ongoing operations, this will exacerbate and greatly impact the operations global competitiveness to sell products, and ultimately to maintain jobs within the region. Further, the steelworks (direct and indirect) carbon footprint is minimised from the close proximal coal supply relative to the increased energy required to import seaborne coal, thereby reducing both South32's and Bluescope's Port Kembla operation's Scope 3 emissions.

- **Mining method**

The project proposal outlines the continued use of longwall mining of which staff at the Dendrobium mine are highly experienced in. The mining method will allow high production rates, high recovery, with low dilution and operating costs helping to ensure the operation remains competitive. The knowledge and experience gained from earlier mining areas provides a sound understanding of the proposed mining methods subsidence impact within the localised geology/geomorphology. This understanding will allow an informed decision on proposed mine layout and setbacks to reduce and/or remove potential impacts on proximal surface water infrastructure and water bodies to be made.

- **Environmental stewardship**

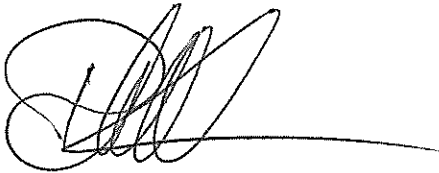
The mine already operates within a sensitive environment and an area holding important drinking water infrastructure. The mine plans includes 1km and 300m setbacks from dam walls and dam high water levels respectively, to minimise risk of diversion of catchment waters to lower groundwater systems. This would potentially impact less than 1% of the Cordeaux and Avon catchments volumes for which South32 will compensate WaterNSW and South32 holds relevant water licenses inclusive of surface water diversion (South32 EIS).

Measures such as installing monitoring equipment, setbacks (where possible) and avoiding surface operations (i.e. vent shafts) will also be used for important land features such as important drainages, waterfalls, swamps and other important surface habitat. Formal establishment of 'Stewardship Sites' for various threatened ecosystems and species (EIS Enviro Ass Part 2) will also help ensure the ongoing flora and fauna diversity of the area. South32 is also investing and working with Annan Botanic Garden and the University of Newcastle in preserving the flora and fauna of the area including the endangered Hairy Geebung shrub, Giant Dragonfly and Littlejohn tree frog.

We confirm our support for the development of the Dendrobium Mine Extension Project as it represents significant opportunity for growing the regional economy. By continuing to use an efficient mining technique and continuing an ongoing committing to minimising disturbance on the local community, we feel the project owners are making decisions which are in the best interests of the environment, the community, the mining industry and the greater economy.

Please do not hesitate to contact me via my Executive Assistant Jennifer Ryan,  
Jennifer.Ryan@ampcontrolgroup.com should you wish to discuss this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Rod Henderson', with a long horizontal line extending to the right.

Rod Henderson  
Managing Director & CEO