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NSW Department of Planning, Industry and Environment
GPO Box 39, Sydney NSW 2001

To the Independent Planning Commission
Re: Maxwell Coal Project, letter of support.

Thank you for the opportunity to speak in support of Malabar Coal Limited's proposed Maxwell Project in the Upper Hunter.

I write in my capacities as a geologist with a Bachelor of Applied Science, as an experienced exploration and mining practitioner, and as the founding and current Chairman of the Sydney Mining Club. I do not seek to represent the views of all SMC's 2,300 members but I ask that you accept I am closely in touch with those views, and that the views I put to you here will reflect the views of a great many of our members.

As you would expect they are pro-mining and pro-coal, particularly where **steel-making coal** is in question. Steel is the sinew of modern life and as yet there is **no economic alternative method for making steel without it**. I understand 75% of the coal from the Maxwell Project will be used in the making of steel.

It seems today the resource project developer not only has the huge task of finding a resource, scoping a project, creating intensive, detailed and financeable studies, and making it happen, but the developer must also conduct the contest to achieve popular acceptance, without the help of government, even though government like the rest of us depends so large the world created through our industry, and the revenue from it, if not more.

It seems it takes the observance of only the smallest apparent fault, real or perceived, such as a conflict with a competing land use, or simply the force of a well-resourced pressure group, for all this effort, enterprise and benefit to go to waste. The effort required to extinguish a project is miniscule compared with massive effort to get one up, and every failure leaves a long shadow in the minds of those who would try and develop a great mining project.

Increasingly the messages in NSW are 'don't even bother trying' for the would-be resource project developer, and for the anti-mining activist 'hey this is easy, we can stop anything we want to', never mind the consequences.

Knowing, as our members do, there are few remaining suitably talented and capable project initiators in the NSW mining sector ready to have a go at getting a project up following a string of project defeats. Our members also see how readily, silently and (to government) invisibly our colleagues pack up their skills, and move to other jurisdictions. They move to Queensland, Indonesia, Canada and Mongolia, and meet regulatory and popular cultures far less intent on extinguishing their diligence and enterprise.

There is a tipping point between implementing world-class regulatory standards and being unduly negative and so simply exporting enterprise, jobs and community purpose. I urge all decision makers to consider this broader picture. Every human action has an impact. The question is which offer the best return for the least impact?

In my view, the Maxwell Project should be seen as a brilliant opportunity for the Commission's panel. From my experience across hundreds of mines, I cannot think of a more ideal proposal to commend to you. Or conversely, if you can't support this project there may be none you can.

The Maxwell coal project is the best-of-class in every respect. Environmentally, to look at a map, it will be a 'pinpoint source of great wealth'.

Beyond the submission documents I am familiar with the extraordinary lengths of care Malabar Coal and its deeply experienced board has gone to in its design, environmental provisions, and developing sensible community interface.

Conservation and rehabilitation are generally costly and by impoverishing our economy and by discouraging high-yield, small-footprint developments, if we do, we push away the prospects of such larger scale repair as is needed right across this drought-denuded state. If the mentality of 'miner bashing' we have seen in recent times can be detained for one moment, then surely such thinking has a place in the minds of all decision makers.

It is much easier to stop than to create - one hundred to one. But it is only with a wealthier economy, made up of high-value, more-concentrated impacts like Maxwell's, that we can expand our ability to turn back the tide of widespread environmental damages that we are already facing right across NSW, damages far too many to list here, particularly in this time of drought.

I have outlined above how easily enterprise moves across borders and have witnessed this happening with my NSW colleagues, not just in coal but across all commodities. Why try and be hated for it, they think to themselves, taking their efforts personally as they must, when one can go to a jurisdiction like British Columbia, Canada, and be appreciated, if not met at the airport. BC has also had a world-leading program in cutting away its red tape.

So to any among the readers of this submission who may be considering stopping or discouraging the approval of the Maxwell coal mine, please consider that you are most likely exporting it, and its many benefits, to a non-Australian jurisdiction. We know this from the inflexibility of the growing global steel demand, and the knowledge that this supply will be met, with or without the help of NSW.

I appeal also to any from the farming community who depend on the mining sector for the wire, implements, fertilisers, transport options, and energy we generate to plough, harvest, truck and ship. If as a community we pretend we are not connected and interdependent economically and in supply, then we are truly pretending.

Surely if we are to consume, as each of us does, we have a moral duty to produce those things, or at least support their production, or be hypocritical. Or worse still, excuse seek to absolve ourselves by having our consumption produced in someone else's backyard, as if this is a morally superior thing to do.

Further NSW mining depends to a far lesser degree on regular rainfall than agriculture, and is so blessed by the drought-proofing it offers the NSW economy. Mining is an almost entirely drought proof industry, and it keeps the baseload economic taps flowing for schools, hospitals and roads, around the clock.

We wish our agricultural friends rain and a return to prosperity. But consider these figures. In the most recently reported year, agriculture nationwide, and industry covering 60-70% of Australia's land surface will have revenue of around \$60billion. That number equals the revenues of each of iron ore export revenue and coal for the same period. Gas exports will be \$50billion. By adding alumina, gold, nickel, copper, zinc and others, that will surely push the total revenue from minerals over \$200 billion.

Which is preferable we must ask? Is \$60 billion from impacts over most of the continent, or \$200 billion from high-value pinholes in our national map? Again, it is not a contest, we need both, but such comparison does help to get our task here in perspective.

I recall with fondness a time when our two great primary industries collaborated very well, before we were played off against each other by politicians and green parties who often put a love of their own power ahead of a sense of holistic national purpose. Their efforts too often sabotage our sense of communal purpose and offer false trade-off equations between development and the natural world around us. They presented false 'T-shirt' dichotomies like FARMS NOT COAL but the real aim for communal well-being is to have FARMS AND COAL in responsible harmony. From what I see, Denman is set to enjoy exactly that.

NSW has high quality coal for steel, and for energy, but unlike other industries we don't have the freedom to 'find alternative sites'. Coal lies in the earth where it was formed, and that is where we must mine it. Pitching mining and farming against each other, one is good and one is bad, is nonsense. Clearly there is a sophisticated synergy operating between mining and agriculture and the Australian economy depends heavily on this economic synergy operating sensibly.

I commend the Malabar team for its tenacity, vision, clear purpose and care in finding an ideal project design for the Denman and broader Hunter communities.

Steel itself is an alloy of carbon and iron and China alone pours just under a billion tonnes of steel every year. The demand for Maxwell coal is real and that is the sole reason the project is being developed. Other people around the world need the Maxwell project, as does NSW its many benefits.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Julian Malnic', followed by a period. The signature is written in a cursive, flowing style.

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Chairman, Sydney Mining Club**